NUINSCO RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2017

DATED AUGUST 29, 2017

NUINSCO RESOURCES LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three and six months ended June 30, 2017

The following discussion of the results of operations and financial condition of Nuinsco Resources Limited ("Nuinsco" or "the Company") prepared as of August 29, 2017 consolidates management's review of the factors that affected the Company's financial and operating performance for the three and six months ended June 30, 2017 and 2016, and factors reasonably expected to impact on future operations and results. This discussion is intended to supplement and complement the Company's unaudited condensed interim consolidated financial statements as at and for the three and six months ended June 30, 2017 ("Unaudited Condensed Interim Consolidated Financial Statements") and the notes thereto which were prepared in accordance with International Financial Reporting Standards ("IFRS").

Certain information and discussion included in this Management's Discussion & Analysis ("MD&A") constitutes forward-looking information. Readers are encouraged to refer to the cautionary notes contained in the section Forward-Looking Statements at the end of this MD&A.

Readers are also encouraged to consult the audited consolidated financial statements for the years ended December 31, 2016 and 2015 ("2016 Audited Consolidated Financial Statements"). The Unaudited Condensed Interim Consolidated Financial Statements and the 2016 Audited Consolidated Financial Statements are available at www.sedar.com and at the Company's website www.nuinsco.ca. All amounts disclosed are in Canadian dollars unless otherwise stated. All tabular amounts are in thousands of Canadian dollars.

NATURE OF OPERATIONS

Nuinsco Resources Limited ("Nuinsco" or the "Company") is a company incorporated in Canada. Nuinsco is primarily engaged in the acquisition, exploration and evaluation of properties for precious and base metals. The Company conducts its activities on its own or participates with others on an investment basis. The Company also makes strategic investments through equity or loan financing to companies engaged in the exploration and development of resource properties. Pursuant to a management agreement (the "Management Agreement"), the Company also managed, on behalf of the other shareholder in CBay Ocean Partners Investments Limited ("OPIL") and shared management, administrative assistance and facilities with CBay and until August 25, 2017, on which date the Management Agreement was terminated (see Note 19 to the Unaudited Condensed Interim Consolidated Financial Statements).

Going Concern

The Company's Unaudited Condensed Interim Consolidated Financial Statements have been prepared using the going concern assumption, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. As at June 30, 2017, the Company had a working capital deficiency of $199,530 (December 31, 2016 – working capital deficiency of $224,754). Working capital (deficiency) is defined as current assets less current liabilities.

The Company is subject to the risks and challenges experienced by other companies at a comparable stage. These risks include, but are not limited to: continuing losses, dependence on key individuals, and the ability to secure adequate financing or to complete corporate transactions to meet the minimum capital required to successfully complete its projects and fund other operating expenses. Advancing the Company's projects through exploration and development to the production stage will require significant financing. Given the current economic climate and due to the fact the Company's shares are no longer listed on a formal stock exchange, the ability to raise funds has been and may continue to be difficult. Refer to Note 4 on Financial Risk Management and Capital Management to these Unaudited Condensed Interim Consolidated Financial Statements for additional information.

None of the Company's projects are currently in commercial production and, accordingly, the Company is dependent upon debt or equity financings and the optioning and/or sale of resource or resource-related assets for its funding. The Company's ability to continue as a going concern is dependent upon exploration results which have the potential for the discovery of economically recoverable reserves and resources, the Company's ability to finance exploitation of its projects through debt or equity financings and the optioning and/or sale of resource or resource-related assets for its funding.

The Company's management continues to hold discussions on securing financing or potential sale of assets. There are no assurances that the Company will be successful in obtaining any financing or selling assets, or in accomplishing that on a timely basis or on reasonable or acceptable terms, or at all. If the Company cannot obtain financing or otherwise improve liquidity, it will be unable to fund continuing operations and corporate administration costs. Effective May 11, 2015, the Company voluntarily delisted its shares from the Toronto Stock Exchange. The Company intends to remain at its corporate office and maintain website, telephones and email communication with shareholders, subject to having sufficient funds.

If the Company is unable to obtain additional financing it will be required to curtail all of its operations and may be required to liquidate its assets.

Should the Company not be able to continue to obtain the necessary financing, achieve favourable exploration results, achieve future profitable production or the sale of properties or improve its liquidity sufficient to enable it to fund operations, the Company's ability to continue as a going concern will be compromised. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

SIGNIFICANT EVENTS

In 2017, the Company entered into a term sheet (the "Term Sheet") for an option to acquire 100% of the Sunbeam Gold Property located about 30km northeast of Atikokan, northwestern Ontario. This property, readily accessible by road, comprises nine mining claims totalling 1552ha, and is the site of a former patented mining claim that encompassed the Sunbeam Gold Mine which has seen no exploration activity since 1905.

The Term Sheet requires that Nuinsco pay $175,000 to the vendors over four years through annual cash payments ($20,000 paid June 2017). In addition Nuinsco shall issue shares equal in value to $10,000 to be priced at the volume weighted average share price over the 30 days preceding the date of the original execution of the option. In years two, three and four of the option, payments of 100,000 shares will be issued to the vendors on each anniversary of the signing of the Term Sheet (the "Anniversary Date"). Should the total value of the 100,000 shares to be issued plus the annual cash payment be less than 1.4 times the annual cash payment (the value to be based on the share price on each Anniversary Date) the difference between the value of the shares issued plus the annual cash payment and 1.4 times the annual cash payment will be paid in cash to the vendors in order to make the full payment sum to 1.4 times the annual cash payment. If the total value of the 100,000 shares issued plus the annual cash payment on the Anniversary Date in years two, three and four is greater than 1.4 times the value of the annual cash payment then no additional cash will be paid to the vendors. The agreement also requires work programs totalling $280,000 over four years. A 2.5% net smelter returns royalty (the "Sunbeam NSR") is to be retained by the vendors; 1% of the Sunbeam NSR can be acquired for $1,000,000.

In addition, on August 25, 2017 (the "Closing Date") the Company entered into an agreement for the sale and purchase of the 3,980,133 shares held by the Company in CBay, representing 7.5% of the outstanding shares of CBay (the "Shares"), with OPIL. The consideration for the sale and purchase of the Shares was as follows:

- Payment by OPIL to the Company of $300,000 in cash as of the Closing Date;
- Issuance of a promissory note in the amount of $100,000 (the "Principal"), payable in full on or before the date which is 18 months from the Closing Date (the "Maturity Date"). No interest shall be payable on the Principal, unless payment is not made on or before the Maturity Date. If payment is not made on or before the Maturity Date, an interest charge of $1,000 per monthly anniversary shall accrue, beginning on the Maturity Date; and,
- The agreement by OPIL to forgive any and all loans owed by the Company to OPIL, and the agreement by the Company to forgive any further amounts, if any, owed by OPIL to the Company as at the Closing Date.

OUTLOOK

The past several years has seen very low levels of financing and activity in the mining and minerals sector and the Company continues to face challenges stemming from the prolonged period of difficult equity markets and lack of available risk capital. Throughout this time, the Company has continued to attempt to advance projects and source funding to do so.

The Company is uncertain on the timing of receiving any cash flow from the Participating Interest in net cash flows from frac sand production from Victory Nickel's frac sand production plant in Alberta, and is currently trying to obtain additional funding to bridge the gap between the Company's existing financial resources and commencement of cash flows from the Participating Interest. On March 21, 2017 Victory Nickel Inc. announced that due to increasing market demand for frac sand it has restarted the dry plant at its Seven Persons frac sand facility near Medicine Hat, Alberta however there is no certainty that activity at the plant will be sufficient to provide cash flow to Nuinsco through the Participating Interest. While the market for frac sand has improved in 2017, it has not improved back to the same level as 2014.

As at December 31, 2015, all projects were written-down due not to management's opinion of the merits of the Company's properties and equity investments, but rather due to the challenging conditions in the market for financing junior mineral exploration companies and the interpretation of accounting rules that are currently in force. As a result of market challenges, the valuation of resource properties does not reflect reasonable, or even typical, valuations. The cost to complete property valuations which would satisfy IFRS rules was prohibitive. Therefore, management chose to write down the properties rather than incur the valuation cost. Management intends to work hard to create value for its shareholders from the Company's existing projects as well as in any yet-to-be acquired assets and revisit the unreasonably low financial statement valuations with the intent of writing the value of the assets back-up at such time as a measure of certainty returns to the market.

Chibougamau – Monetizing the Investment in CBAY
As noted above, subsequent to the end of the quarter, the Company announced that it had sold its remaining interest in CBay for total consideration of $400,000 to the sole other CBay shareholder - OPIL.

Management intends to use the proceeds from the sale of the Company's CBay shares principally to acquire new mineral exploration properties and to facilitate the relisting of the Company's shares on a Canadian stock exchange as soon as possible.

While the Company considers the Chibougamau mining camp to be prospective for exploration and development management believes that greater value can be generated for Nuinsco shareholders through the exploration of newly-identified projects, including the Sunbeam Gold Property, and the re-listing of the Company's shares, This transaction puts Nuinsco on the road to achieving these goals.

Prairie Lake
Prairie Lake, located near Marathon, Ontario, is a multi-commodity deposit containing phosphorus (P), niobium (Nb) tantalum (Ta), uranium, REEs and other elements and compounds of economic interest. The Prairie Lake property is owned 100% by the Company, is royalty-free and the mining-land tenure is secure for decades to come.

At Prairie Lake the Company continues to evaluate the potential for producing concentrates containing a number of minerals – including those containing phosphorus, rare earth elements ("REE"), niobium and other marketable products. With continued study and interpretation, the Company is developing a greater understanding of the technical and economic viability of the Prairie Lake project. The sheer size of the project, with a current Exploration Target of between 515 and 630 million tonnes of mineralization, coupled with the excellent logistics and ease of production all speak to its potential. The Company is actively seeking funding that will enable a work program to be conducted – a desirable and useful goal in the near-term is the estimation of a maiden resource estimate on the project.

Further, Prairie Lake has the potential to produce a number of minerals for industries which are forecast to require substantially increasing supply over the coming years – high-tech and "green" industries that require the rare earth minerals and niobium to fabricate the products of tomorrow. Prairie Lake could also potentially be a very significant source of phosphorus – an element with vital agricultural and industrial applications. The use of phosphorus in agriculture is essential in sustaining crop yields to supply an increasing world population. Other compounds with industrial applications are also being examined for economic viability. The abundance and diversity of minerals in the rocks that comprise the Prairie Lake Complex provides broad scope for potential exploitation – the Company continues to evaluate the options to determine those elements and minerals that provide the greatest economic potential.

No additional field work has been conducted on the project during 2017. All work on the project is dependent on future funding.

Diabase Peninsula
The work conducted by Nuinsco at the Diabase Peninsula property to date has developed a progressively more detailed picture of the mineralization occurring in the rocks encompassed by the property. The result is a model that has identified a widespread uranium mineralizing event with the potential for discovery of economic grade uranium mineralization. Diabase Peninsula is an excellent uranium project from which results have been obtained comparable with those found near to uranium deposits elsewhere in the Athabasca Basin which is the world's premier uranium-bearing terrane.

The coincidence of structural elements, alteration and indicator mineralization and the presence of widespread, strongly anomalous, uranium mineralization all point to the Diabase Peninsula project being in the right place with regard to the potential for discovery of economic grade uranium mineralization. Continued exploration is necessary to further develop and evaluate the targets. This we will endeavour to do through whatever means possible while responsibly preserving the Company's treasury.

Nuinsco's Diabase Peninsula uranium project is located 150km northwest of La Ronge, Saskatchewan within the south-central Athabasca Basin - the region and geological feature that hosts the world's richest uranium mines. The 21,900ha Diabase Peninsula property extends from the southern limit of the basin 35km north-easterly, atop a graphite-bearing conductive "basement" horizon beneath the basin-filling sandstones, intertwined with the terrane-bounding major deformation structure - the Cable Bay Shear Zone. This Shear Zone is considered to be an important control on uranium mineralization in this part of the Athabasca Basin.

No additional field work has been conducted on the project during 2017. The claims are all in good standing and have sufficient assessment credit to remain so for a number of years. The Company will continue cost effective ways to evaluate the project and will mount work programs as necessary. All work on the project is dependent on future funding.

Egypt
Nuinsco retains a presence in Egypt through its maintenance of Z-Gold Resources, an Egyptian based mineral exploration and development company. The Company has been active in Egypt in mineral exploration and project evaluation over a period of eight years and regards the country as an underexplored opportunity for future mineral exploration.

RESULTS OF OPERATIONS
Three and six months ended June 30, 2017 compared with the three and six months ended June 30, 2016

Revenues
The exploration properties acquired by the Company are still in the early exploration and development stage. Until sufficient work has been completed to confirm the feasibility of any specific interest being placed into production, it is not anticipated that the Corporation will have any material revenue.

For the three and six months ended June 30, 2017 expenses (and net loss) decreased to $62,111 and $129,319, respectively compared to $294,045 and $408,064 for the three and six months ended June 30, 2016.

The breakdown of expenses for the periods is as follows:

For the six months ended June 30,

(in Canadian dollars)	**2017**	2016	Change from 2016
Operating expenses			
General and administrative	**$ 123,875**	$ 169,480	$ (45,605)
Share based payments	**-**	232,225	
Depreciation of property and equipment	**4,944**	6,359	(1,415)
Pre-exploration write-offs	**500**	-	500
	$ 129,319	$ 408,064	$ (278,745)

For the three months ended June 30,

(in Canadian dollars)	**2017**	2016	Change from 2016
Operating expenses			
General and administrative	**$ 59,206**	$ 59,461	$ (255)
Share based payments	**-**	232,225	
Depreciation of property and equipment	**2,405**	2,359	46
Pre-exploration write-offs	**500**	-	500
	$ 62,111	$ 294,045	$(231,934)

General and administrative expenses consisted of accrued management and directors' fees, rent, salary for administrative staff, insurance, transfer agent, legal and other administrative costs to maintain the company in good standing. Pursuant to the Management Agreement with CBay, a portion of these expenses are recovered, and are netted against the Company's expenses.

During the quarter management focused on sourcing new projects and pursuing additional sources of financing.

During the six months ended June 30, 2017, the Company issued a total of nil (2016 – 33,175,000) stock options. A total of $nil (2016 - $232,225) was expensed with respect to that portion of the options vesting during the period. The stock option expense does not affect the cash resources of the Company. The timing of this expense is subject to the date of issue and vesting terms of the options. The values of the options are derived using the Black Scholes option pricing model in which subjective assumptions are used.

Pre-exploration write-offs of $500 were incurred during the three and six months ended June 30, 2017, compared with $nil during the comparable periods in 2016. Pre-exploration costs relate to expenses incurred on evaluating projects that are not owned by the Company.

SUMMARY OF QUARTERLY RESULTS

Selected financial information for each of the last eleven quarters ended is as follows (rounded):

	2nd Quarter 2017	1th Quarter 2017	4th Quarter 2016	3rd Quarter 2016
Net loss	$ (62,111)	$ (67,208)	$ (276,000)	$ (45,000)
Total comprehensive loss	$ (62,111)	$ (67,208)	$ (245,000)	$ (45,000)
Loss per share - basic and diluted	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)

	2nd Quarter 2016	1st Quarter 2016	4th Quarter 2015	3rd Quarter 2015
Net finance (costs) income	$ -	$ -	$ (2,862,000)	$ (51,000)
Net loss	$ (294,000)	$ (114,000)	$ (16,697,000)	$ (92,000)
Total comprehensive loss	$ (294,000)	$ (114,000)	$ (16,696,000)	$ (9,000)
Loss per share - basic and diluted	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)

Variations in the quarterly results of operations are largely a function of the timing of property and other write-downs, gains on sales of properties, income tax recoveries, the recording of amortization of flow-through premiums and the recognition of gains on derivatives or other fair value changes recognized through operations. Variations in comprehensive income are primarily a function of the changes in the fair values of the Company's marketable securities.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2017, the Company had a working capital deficiency of $199,530 (December 31, 2016 – working capital deficiency of $224,754); being defined as current assets less current liabilities. The decrease was mainly attributed to cash used in operations.

The Company had a decrease of cash and cash equivalents of $46,975 during the six months ended June 30, 2017 compared to a decrease of $33,454 during the six months ended June 30, 2016. The decrease in cash was related to cash used in operating activities of $54,575 (2016 – 33,454) and $20,000 (2016 - $nil) on property acquisition costs. These cash outflows were offset by cash from financing activities of $27,600 (2016 - $nil).

The table below summarizes Nuinsco's contractual commitments as at the date of this MD&A.

Table of Contractual Commitments

	Due Date	**June 30, 2017**
Diabase extended option payment	Currently being negotiated	$ 250,000
	September 2, 2017	$ 628,500
Operating lease - premises	Refer to Note 9 in the 2016 Audited Consolidated Financial Statements	

As described above, management is continuing to actively pursue additional ways to realize on the potential of its assets or secure financing in order to continue to provide funds for operations in light of the current difficult economic circumstances. Flow-through financings can be used for domestic work programs but do not provide the funding necessary to meet corporate or foreign expenditures which do not qualify for flow-through eligibility.

The Company's management continues to hold discussions on securing financing and on the potential sale of assets. There are no assurances that the Company will be successful in obtaining any form of financing on a timely basis or on reasonable or acceptable terms, or at all. If the Company cannot obtain financing or otherwise improve liquidity, then the Company's treasury will be depleted and it will be unable to fund continuing operations and corporate administration costs.

If the Company is unable to obtain additional financing, the Company will be required to curtail all of its operations and may be required to liquidate its assets under a formal process. Failure to continue as a going concern would require that the Company's assets and liabilities be restated on a liquidation basis, which would differ from the going concern basis.

IMPAIRMENT ANALYSIS UPDATE

As at December 31, 2015, all projects were written down due to the lack of funding of the Company and related uncertainty as to future spending on the properties. IFRS requires a write-down of the carrying value of assets to the net recoverable amount. Given the current market uncertainties, the valuation of resource properties is difficult and management cannot reliably estimate any recoverable amount. As a result the Company has chosen to write down the value of the property assets. The Company will revisit the valuation of these assets at the end of every reporting period and will recognize a recovery if the fair value of these assets can be reliably determined.

The Company also monitors the value of the Participating Interest on an ongoing basis. In light of uncertainty over the timing of the payments and the depressed state of the oil and gas industry at the time, the Company wrote down the valuation of the Participating Interest to nil.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical accounting estimates used in the preparation of the Unaudited Condensed Interim Consolidated Financial Statements include determining the carrying value of investments and E&E projects, assessing the impairment and classification of long-lived assets including the interest in CBay, assessing the allocation of assets into their components, the fair value of the Participating Interest and the valuation of share-based payments and warrants, assessing the value of deferred income tax assets and the disclosure of contingencies and going concern matters. These estimates involve considerable judgement and are, or could be, affected by significant factors that are out of the Company's control.

For a complete list of the significant accounting policies as well as information concerning the use of estimates, judgements and measurement uncertainty, reference should be made to Notes 2 and 3 to the Company's 2016 Audited Consolidated Financial Statements. The Company's financial statements have been prepared using the going concern assumption.

The recorded value of the Company's E&E projects is based on historic costs that are expected to be recovered in the underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale. The Company is in an industry that is exposed to a number of risks and uncertainties and there is always the potential for a material adjustment to the value assigned to these assets.

The fair value of the share-based payments, until exercise, is calculated using the Black-Scholes option-pricing model that takes into account the exercise price, the expected life of the option/warrant, expected volatility of the underlying shares, expected dividend yield and the risk-free interest rate for the term of the option/warrant.

The Company has determined that it is not probable that it will generate returns sufficient to utilize its taxable losses prior to their expiry. This is a significant judgement that, dependent upon future events, may turn out to be incorrect.

NEW ACCOUNTING POLICIES

There have been no new accounting policies adopted by the Company.

FUTURE ACCOUNTING CHANGES

New Standards and Interpretations Not Yet Adopted

The IASB and International Financial Reporting Interpretations Committee ("IFRIC") have issued several new and revised standards and interpretations which are not yet effective for the year ended December 31, 2017 and have not been applied in preparing these Unaudited Condensed Interim Consolidated Financial Statements unless stated otherwise. However, the revised standards and interpretations are not applicable to the Company or are expected to have minimal impact.

CORPORATE GOVERNANCE

The Company's Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility principally through the Audit Committee. The Audit Committee, which is comprised of directors, none of whom are employees or officers of the Company, meets with management to review the Unaudited Condensed Interim Consolidated Financial Statements to satisfy itself that management is properly discharging its responsibilities to the directors who approve the financial statements. The Board of Directors has also appointed compensation and corporate governance and nominating committees composed of non-executive directors.

RELATED PARTY TRANSACTION AND BALANCES

Short-term employee benefits provided by the Company to key management personnel include salaries, consulting fees and directors' fees. The Company's non-monetary benefit package for key management personnel is the same as that available to all full-time employees. In addition to short-term employee benefits, the Company may also issue shares as part of the Share Bonus Plan and the Stock Option Plan.

Transactions with related parties for the six months ended June 30, 2017 and June 30, 2016 are shown in the following table:

	2017	2016
Short-term employee benefits	$ 157,000	$ 133,000
Share based payments	-	148,000
	$ 157,000	$ 281,000

During the six months ended June 30, 2017, the Company was charged $18,000 (six months ended June 30, 2016 - $18,000) by CFO Advantage Inc., a company controlled by Kyle Appleby, the Chief Financial Officer of the Company. A portion of these charges were recovered pursuant to the Management Agreement with CBay. A at June 30, 2017, $47,460 (December 31, 2016 - $27,120) is included in accounts payable and accrued liabilities. On September 16, 2016, the Company settled $13,560 of debt owing to CFO Advantage in exchange for 2,712,000 common shares (at $0.005 per share) of the Company.

During the six months ended June 30, 2017, the Company was charged $75,000 (six months ended June 30, 2016 - $75,000) by Paul Jones, the Chief Executive Officer of the Company. A portion of these charges were recovered pursuant to the Management Agreement with CBay. As at June 30, 2017, $305,790 (December 31, 2016 - $256,654) is payable. $300,000 of the payable has been deferred and included in long term liabilities, and the balance of $5,790 is included in accounts payable and accrued liabilities. On September 16, 2016, the Company settled $60,000 of debt owing to Mr. Jones in exchange for 12,000,000 common shares (at $0.005 per share) of the Company.

During the six months ended June 30, 2017, the Company was charged $24,000 (six months ended June 30, 2016 - $24,000) by Sean Stokes, Executive Vice President of the Company. A portion of these charges were recovered pursuant to the Management Agreement with CBay. As at June 30, 2017, $74,000 (December 31, 2016 - $50,000) has been deferred and is included in long term liabilities. On September 16, 2016, the Company settled $10,000 of debt owing to Mr. Stokes in exchange for 2,000,000 common shares (at $0.005 per share) of the Company.

During the six months ended June 30, 2017, the Company paid $nil (six months ended June 30, 2016 - $19,690) to David Mchaina, Vice President of the Company.

OUTSTANDING SHARE DATA

As at the date of this MD&A, the Company had 346,986,957 common shares issued and outstanding. In addition, there were 40,475,000 stock options outstanding and 18,000,000 share purchase warrants.

RECENT DEVELOPMENTS

There have been no additional developments not already discussed elsewhere in this MD&A.

CONTINGENCY

CRA Reassessment

In March, 2011, the Company received notices of reassessment in the aggregate amount of approximately $4,400,000 from the CRA related to transactions completed in 2006; this amount does not include interest and penalties which could be substantial. The Company filed notices of objection on May 19, 2011. On July 22, 2011, the Company filed a request for adjustment to correspondingly adjust its tax pools and losses, in the unlikely event that the Company's appeal is unsuccessful. On March 7, 2014, the Company received a notice of confirmation with respect to one entity whereby the CRA denied that entity's notice of objection and confirmed the reassessment. The Company has sought, and is following the advice of its tax counsel in this matter.

The appeal process could be lengthy and the Company believes that its position is correct and that it will prevail. Accordingly, the Company has not recorded any liability with respect to this matter.

RISKS AND UNCERTAINTIES

The Company's risks and uncertainties for the three months ended June 30, 2017 have remained unchanged since its annual MD&A for the year ended December 31, 2016. Please refer to the Company's Management Discussion and Analysis for the years ended December 31 2016 and 2015.

FORWARD-LOOKING STATEMENTS

Forward-Looking Information: This MD&A contains forward-looking information. All statements, other than statements of historic fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding estimates, working capital, ability to maintain operations and/or assumptions in respect of production, revenue, cash flow, financing, the probability of cash flows from the Participating Interest in Victory Nickel's frac sand business, costs, economic return, net present value, mine life and financial models, mineral resource estimates, potential mineralization, potential mineral resources, timing of possible production and the Company's development plans and objectives) constitute forward-looking information. This forward-looking information reflects the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company.

Factors that could cause actual results or events to differ materially from current expectations include, among other things: uncertainties relating to the availability and costs of financing needed in the immediate future to permit the Company to continue to operate; uncertainty of estimates of capital and operating costs, production estimates and estimated economic return; the possibility that actual circumstances will differ from estimates and assumptions; uncertainty of amount and timing of cash flows from the limited Participating Interest in Victory Nickel's frac sand business; failure to establish estimated mineral resources; fluctuations in commodity prices and currency exchange rates; inflation; recoveries being less than those indicated by the testwork carried out to date (there can be no assurance that recoveries in small scale laboratory tests will be duplicated in large tests under on-site conditions or during production); changes in equity or debt markets; operating performance of facilities; environmental and safety risks; delays in obtaining or failure to obtain necessary permits and approvals from government authorities; unavailability of plant, equipment or labour; inability to retain key management and personnel; changes to regulations or policies affecting the Company's activities; the uncertainties involved in interpreting geological data; and the other risks disclosed under the heading "Risks and Uncertainties" and elsewhere. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.