



ST-GEORGES PLATINUM AND BASE METALS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the year ended December 31, 2016

INTRODUCTION

The following Management's Discussion and Analysis of the financial condition and results of operations ("MD&A") for St-Georges Platinum and Base Metals Ltd. ("Company") should be read in conjunction with the audited financial statements for the year ended December 31, 2016. Those financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All currency amounts are in Canadian dollars, unless otherwise stated. Additional information relating to the Company can be found on SEDAR (www.sedar.com) under St-Georges Platinum and Base Metals Ltd. or on the Company's website (www.stgeorgesplatinum.com).

This MD&A is dated May 1, 2017.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements with respect to the Company. These forward-looking statements, by their very nature, involve risks and uncertainties that could cause actual results to differ materially from those contemplated. The Company considers the assumptions upon which these forward-looking statements are based to be reasonable, but cautions the reader that these assumptions regarding future events, many of which are beyond the Company's control, may ultimately prove to be incorrect.

COMPANY DESCRIPTION

St-Georges Platinum & Base Metals Ltd. was incorporated under the Canada Business Corporations Act on September 21, 2002. The Company is listed on the Canadian Securities Exchange, having the symbol SX, on the US OTC, having the symbol SXOOF, and on the Deutsche Börse in Frankfurt (FSE) under the symbol 85G1. The address of the Company's corporate office and principal place of business is 230 Rue Notre-Dame West, Montreal, H2Y 1T3, Canada. The principal activities of the Company are the development of eco-mining metallurgical processes and the exploration and evaluation of mineral properties in Canada. The Company, which is in the process of exploring its mineral properties, has one reportable segment and all of the assets are located in Canada.

OVERVIEW

The Company is engaged in the exploration of certain mineral properties summarized as follows and described in more details in the financial statements:

Villebon Property

The Villebon Property is located within the Abitibi Greenstone Belt of northwestern Quebec.

Julie and Isoukustouc Projects

The Julie Project is located south of Lac La Blache, Quebec.

The Isoukustouc Project is located within the Manicouagan River – Manic Complex, Quebec.

During the year ended December 31, 2016, the Company recorded an impairment charge of \$547,168 for its Julie Project based on the determination that insufficient work was being completed to maintain all of the mining claims.

Lithium Property

The Lithium Property is comprised of a block of projects located in Quebec. During the year ended December 31, 2016, the Company acquired a 100% interest in certain claims comprising the Lithium Property.

Ungava Claims

During the summer of 2016, the company acquired directly from the Quebec government 100% of the rights on certain mining exploration claims for the purpose of lithium and lepidolite exploration. This group of claims is referred to as the Ungava Claims Properties.

Le Royal Lithium Project

In October 2016, the Company completed the acquisition of a set of 5 mineral exploration claim in the lithium mining camp of LaCorne, in the Abitibi region of Quebec. The acquisition was done jointly with Lepidco Ltd. (ASX:LPD) (formerly known as Platypus Minerals Ltd.) (“Lepidco”). St-Georges currently own 90% of the project and Lepidco owns 10%. Lepidco obligations have all been met. Lepidco commissioned and paid a Technical National Instrument 43-101 Report on the project and paid all cash obligations to the vendors. The only on-going obligation of Lepidco moving forward is to provide access to its lepidolite-lithium extraction technology (L-Max®) for the Le Royal Lithium project. St-Georges issued 1,500,000 shares to the vendors in 2016.

Acquisition of Iceland Resources (See news release dated November 22, 2016)

Iceland Resources EHF (“Iceland Resources”) is a privately-owned Icelandic corporation with gold/silver/copper/cobalt/zinc projects in Iceland. Iceland Resources currently has 9 defined mineral exploration and development projects in Iceland (8 licenses or license applications held directly and one within a Joint-Venture). Other opportunities are being sought after with the collaboration of St-Georges (with the possibility to deploy St-Georges technologies result from its R&D initiatives).

Iceland is an important producer and developer of geothermal energy. St-Georges management has been active over the last few years in Iceland with the goal of securing access to geothermal operations to test the development of technologies allowing the extraction of lithium and light minerals from the brines being pumped from the geothermal wells and for the extraction of a large variety of precious and base metals found in the mud rejected from the same operations.

Subsequent to the year ended December 31, 2016, St-Georges will create a subsidiary that will become the owner of Iceland Resources. 40% of this subsidiary will be owned by the Iceland Resources shareholders and the remaining 60% will be owned by St-Georges. Additionally, St-Georges makes the following commitments:

- Issuing 6,000,000 common shares of St-Georges to Iceland shareholders with a 12-month escrow release schedule (issued in April 2017);
- Issuing a \$350,000 debenture, bearing a 6% annual interest (cash or shares), maturing in November 2026 to be distributed to Iceland shareholders and some creditors; and
- \$1,000,000 of expenditure on the Iceland assets over the next 24 months, including mineral exploration expenses and metallurgical process research & development.

Equity transactions

On May 9, 2016, the Company completed a private placement for total subscriptions of \$142,500 for 7,250,000 units priced at \$0.02 per unit, net after share issuance costs of \$2,500. Each unit consists of one common share and one non-transferrable twenty-eight month warrant entitling the purchaser to acquire one common share and one additional warrant for an exercise price of \$0.04. The second warrant has an exercise price of \$0.06 and expires twenty eight months from the initial issue date. Four insiders of the Company subscribed for a total of \$59,000 of the placement.

On October 24, 2016, the Company issued 1,500,000 common shares at a fair value of \$45,000 for the acquisition of the Le Royal Property. The Company recorded \$7,500 as an obligation to issue common shares for a finder's fee related to the Le Royal Property.

On April 3, 2017, the company issued 6,450,000 shares as payment for the acquisition of Iceland Resources as announced in a press-release on March 16, 2017.

Due to a director

On April 25, 2015, the Company signed a Promissory Note in favour of director of the Company. Under the terms of the Note, the Company promises to pay the lender \$25,000 no later than April 25, 2016, together with a \$5,000 fee and interest of 24% per annum, capitalized on the first day. The loan is secured by a security interest in all of the tangible and intangible property of St-Georges. In the current year, the principal amount of the loan was repaid by the issuance of shares.

QUALIFIED PERSON

The technical information disclosed in this MD&A has been reviewed and approved by Joel Scodnick, P.Geo., Vice-President, Exploration for St-Georges and a Qualified Person, as defined by National Instrument 43-101 for the *Standards of Disclosure for Mineral Projects*.

RESULTS OF OPERATIONS

For the year ended December 31, 2016, the Company recorded a net loss of \$828,227 (2016-\$12,268) and had a cumulative deficit of \$12,903,412 (December 31, 2016 – \$12,075,185). The Company had no source of operating revenues or any related operating expenditures.

SELECTED ANNUAL INFORMATION

For the years ended December 31	2016	2015	2014
	\$	\$	\$
Revenues – Interest income	-	-	-
Operating expenses	(352,267)	(137,259)	(523,357)
Net loss and comprehensive loss for the year	(828,227)	(12,268)	(749,761)
Basic and diluted loss per share	(0.02)	(0.01)	(0.02)

As at December 31	2016	2015
	\$	\$
Cash and cash equivalents	988	-
Working capital (deficiency)	(333,156)	(285,025)
Exploration and evaluation assets	554,792	1,035,267
Total assets	595,018	1,069,129
Shareholders' equity	119,747	643,948

For the year ended December 31, 2016, the Company had no revenues.

The Company incurred a net loss and comprehensive loss for the year of \$828,227 for the year ended December 31, 2016 compared to \$12,268 for the year ended December 31, 2015. The increase in the loss is primarily due to an increase in impairment of exploration and evaluation assets of \$547,168 (2015 - \$198,692) and stock-based compensation payments of \$109,026 (2015 -\$nil). Further details are available in the analysis below.

For the years ended December 31, 2015 and 2014, the Company had no revenues.

The Company incurred a net loss and comprehensive loss for the year of \$12,268 for the year ended December 31, 2015, which was a decrease of \$737,493 compared to \$749,761 for the year ended December 31, 2014. The decrease in the loss is primarily due to gains on settlement of debt, reduction of subcontractor's fees, publicity fees and stock based compensation as the Company concentrated on reducing discretionary charges where possible. Further details are available in the analysis below.

Operating Expenses

For the years ended December 31, 2016 and 2015.

For the years ended December 31	2016	2015
	\$	\$
Consulting	77,825	-
Professional fees	1,640	14,506
Subcontractors	42,000	43,400
Publicity and promotion	62,792	16,908
Office expenses	4,768	2,489
Brokerage fees	18,760	19,278
Travel expenses	4,821	-
Financial fees and bank charges	9,376	23,626
Interest on Convertible Debentures	21,259	17,052
Stock based compensation	109,026	-
	352,267	137,259

During the year ended December 31, 2016, the Company also wrote off aged accounts payable of \$71,208 (2015 - \$7,778). In the prior year the Company recorded a gain on debt settlement of \$303,038 and also impaired advances of \$67,143.

Impairment charge on Exploration and Evaluation Assets

The Company evaluated its Exploration and Evaluation Assets and determined that there were indicators of impairment. As a result, the Company recorded an impairment charge in 2016 of \$547,168 (2015 - \$118,692). The impairment charge in fiscal 2016 was for the Company's Julie Project and was based on the determination that insufficient work was being completed to maintain all of the mining claims.

SUMMARY OF QUARTERLY RESULTS

The following table outlines selected unaudited financial information of the Company for the last eight quarters.

	<i>Dec. 31, 2016</i>	<i>Sep. 30, 2016</i>	<i>Jun. 30, 2016</i>	<i>Mar. 31, 2016</i>
Total assets	595,018	1,095,334	1,076,952	1,066,278
Working capital (deficiency)	(333,156)	(270,983)	(272,950)	(308,420)
Shareholders' equity	119,747	651,624	653,177	616,431
Revenue	-	-	-	-
Net income (loss)	(423,303)	(312,653)	(64,754)	(27,517)
Net income (loss) per share	(0.01)	(0.00)	(0.00)	(0.00)

	<i>Dec. 31, 2015</i>	<i>Sep. 30, 2015</i>	<i>Jun. 30, 2015</i>	<i>Mar. 31, 2015</i>
Total assets	1,069,129	1,257,721	1,258,185	1,124,875
Working capital (deficiency)	(285,025)	(328,628)	(368,133)	(298,865)
Shareholders' equity	643,948	812,843	777,310	847,531
Revenue	-	-	-	-
Net income (loss)	158,680	(24,467)	(70,222)	(51,723)
Net income (loss) per share	0.00	(0.00)	(0.00)	(0.00)

THREE MONTHS ENDED DECEMBER 31

For the three months ended December 31, 2016 and 2015, the Company had no revenues.

The Company incurred net losses for the period of \$423,303 (2015 - \$158,680 income). The increase in the loss is primarily due to impairment of exploration and evaluation assets of \$547,168 (2015 - \$118,692) as well as the inclusion in the current period of stock based compensation expense of \$109,026 (2015 - Nil) due to the issuance of stock options and warrants. The Company also wrote off aged accounts payable of \$71,208 (2015 - \$nil).

YEAR ENDED DECEMBER 31

For the year ended December 31, 2016 and 2015, the Company had no revenues.

The Company incurred net losses for the year of \$828,227 (2015 - \$12,268). The increase in the loss is primarily due to impairment of exploration and evaluation assets of \$547,168 (2015 - \$118,692) and the inclusion of stock based compensation expense of \$109,026 (2015 - \$nil) due to the issuance of stock options and warrants. Publicity and promotion costs also increased to \$62,792 (2015 - \$16,908) as the Company increased its publicity efforts in conjunction with new acquisitions of property agreements. Consulting fees also increase to \$77,825 (2015 - \$nil) as the Company explored new projects. The Company also wrote off accounts receivable of \$71,208 (2015 - \$7,788). In the prior year, the Company recorded a gain on debt settlement of \$303,038 and an impairment of advances of \$67,143 with no comparable entries during fiscal 2016.

On July 15, 2016, last amended on October 7, 2016, the Company entered into an Option Agreement with Lepidco Ltd. (formerly Platypus Minerals Ltd.) ("Lepidco") detailing the key commercial terms to jointly acquire up to a 100% interest in the Le Royal Lithium Project located approximately 30 km north of the city of Val d'Or in Quebec. During the year ended December 31, 2016, the Company issued 1,500,000 shares towards the acquisition.

On November 16, 2016, the Company entered into a Binding Term Sheet with Iceland Resources EHF ("Iceland Resources"), a junior mining exploration company incorporated under the laws of the Republic of Iceland, with a focus on the Scandinavian region.

LIQUIDITY AND CASH FLOW

At December 31, 2016, the Company had cash of \$988 (December 31, 2015 - \$nil).

At December 31, 2016, the Company had a working capital deficit of \$333,156 (2015 - \$285,025).

For the year ended significant cash flows were as follows:

Net cash used in operating activities for the year were \$109,344. Net loss for the year of \$828,227 included non-cash transactions including impairment of exploration and evaluation assets of \$547,168, stock based compensation of \$109,026, obligation to issue shares of \$64,779, write off of accounts payable of \$71,208 and interest on loans and debentures of \$23,419. Net changes in working capital items were \$45,699.

Net cash used in investing activities for the year for exploration costs were \$7,971.

Net cash provided by financing activities were \$118,303 as a result of share issuances of \$142,500 and amounts due to related parties of \$24,197.

On May 9, 2016, the Company completed a private placement for total subscriptions of \$142,500 for 7,250,000 units priced at \$0.02 per unit, net after share issuance costs of \$2,500. Each unit consists of one common share and one non-transferrable twenty eight month warrant entitling the purchaser to acquire one common share and one additional warrant for an exercise price of \$0.04. The second warrant has an exercise price of \$0.06 and expires twenty eight months from the initial issue date. Four insiders of the Company subscribed for a total of \$59,000 of the placement.

On October 12, 2016 the Company issued 1,500,000 shares at fair value of \$45,000 relating to the acquisition of the Le Royal Lithium Project. See the news releases dated October 12, 2016 and August 29, 2016 for further details.

As at December 31, 2016, the Company had 53,389,045 common shares outstanding, and at the current date has 59,839,045 common shares outstanding.

FINANCIAL RISK MANAGEMENT AND FINANCIAL ESTIMATES

Financial Risk

The primary goals of the Company's financial risk management are to ensure that the outcomes of activities involving elements of risk are consistent with the Company's objectives and risk tolerance, and to maintain an appropriate risk/reward balance while protecting the Company's balance sheet from events that have the potential to materially impair its financial strength. Balancing risk and reward is achieved through aligning risk appetite with business strategy, diversifying risk, pricing appropriately for risk, mitigating risks through preventive controls and transferring risk to third parties.

The Company's exposure to potential loss from financial instruments is primarily due to various market risks, including interest rate, liquidity and credit risk. There has been no change in the financial risk of the Company during the year.

Market Risk

Market risk is the risk of loss arising from adverse changes to market rates and prices, such as interest rates, equity market fluctuations, foreign currency exchanges rates, and other relevant market rate or price changes. Market risk is directly influenced by the volatility and liquidity in the markets in which the related underlying assets are traded. Below is a discussion of the Company's primary market risk exposures and how those exposures are currently managed.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. The purpose of liquidity management is to ensure that there is sufficient cash to meet all financial commitments and obligations as they fall due. To manage cash flow requirements, the Company may have to issue additional common shares or conclude private investments.

As at December 31, 2016, the Company has current liabilities and accrued liabilities of \$347,718 due within 12 months and has cash and cash equivalents of \$988 to meet its current obligations. As a result, the Company does face liquidity risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The Company's credit risk is due mainly to its other receivables.

The Company's statement of financial position is presented net of any allowance for doubtful advances established on a case by case basis. This amount best represents the Company's maximum exposure to any potential credit risk. As of December 31, 2016, the allowance for doubtful advances was \$Nil (2015 -\$Nil).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market-interest rates. The Company's convertible debentures fixes interest at 6% per annum and accordingly is not subject to cash flow interest rate risk due to changes in the market rate of interest. The Company does not use financial derivatives to reduce its exposure to risk. The management of the Company considers minimal its interest rate risk.

Fair Value Measurement

Fair value is the amount at which a financial instrument could be exchanged between willing parties, based on current markets for instruments with the same risk, principal and remaining maturity. Fair value estimates are based on present value and other valuation techniques using rates that reflect those that the Company could currently obtain, on the market, for financial instruments with similar terms, conditions and maturities.

The carrying amount and fair value of financial instruments, with the exception of the secured debenture, are considered to be a reasonable approximation of fair value because of their short-term maturities.

The carrying values of the convertible debentures approximate its fair value at the reporting date because the convertible debentures was calculated by discounting future cash flows using rates that the Company would otherwise use for such debt with similar terms, conditions and maturity dates, adjusted for the Company's credit risk. Management believes that no significant change occurred in the risk of these instruments.

CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at December 31, 2016, the Company's shareholders' equity was \$119,747 (2015 – \$643,948) and it had an amount due to a related party of \$10,565 (2015 - \$32,602). The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels. To meet these

objectives, management monitors the Company's capital requirements against unrestricted net working capital and assesses additional capital requirements on specific business opportunities on a case-by-case basis.

Capital for expansion comes mostly from proceeds from the issuance of common shares. The net proceeds raised will only be sufficient for a certain amount of exploration and development work on its properties, and for working capital purposes. Additional funds are required to finance the Company's corporate objectives. There was no change in the Company's capital management policy for the year ended December 31, 2016.

The Company is not currently exposed to any externally imposed capital requirements.

RELATED PARTY TRANSACTIONS

a) Related party transactions

During the year, the Company incurred the following transactions with related parties not disclosed elsewhere in the financial statements:

During the year, the Company incurred transactions with related parties for sub-contractor fees of \$39,500 (2015 - \$27,500) with its corporate secretary and a company controlled by its Chief Financial Officer.

At December 31, 2016, included in accounts payable and accrued liabilities is \$35,301 (2015 - \$32,450) owing to related parties.

These amounts are non-interest bearing, unsecured and have no fixed terms of repayment.

b) Due to Related Parties

On April 25, 2015, the Company issued a promissory note in the amount of \$25,000 maturing on April 25, 2016 in favour of a Director of the Company. Interest on the promissory note is calculated at 24% per annum, in addition to a \$5,000 signing fee. The note is secured by a general security interest in all the tangible and intangible assets of the Company. In the current year, the principal amount of the loan was repaid by the issuance of shares.

c) Stock options granted

On July 19, 2016, the Company granted 2,900,000 stock options to directors and officers to acquire common shares of the Company at an exercise price of \$0.075 per share, vesting immediately and expiring on July 19, 2021.

On July 28, 2016, the Company granted 200,000 stock options to acquire common shares of the Company at an exercise price of \$0.075 per share, vesting over 12 months and expiring on July 28, 2019.

On August 8, 2016, the Company granted 400,000 stock options to acquire common shares of the Company at an exercise price of \$0.075 per share, expiring on August 8, 2017.

RISK FACTORS

Exploration

Exploration and mining involve a high degree of risk. Few exploration properties end up going into production. Other risks related to exploration and mining activities include unusual or unforeseen formations, fire, power failures, labour disputes, flooding, explosions, cave-ins, landslides and shortages of adequate or appropriate manpower, machinery or equipment.

The development of a resource property is subject to many factors, including the cost of mining, variations in the quality of the material mined, fluctuations in the commodity and currency markets, the cost of processing equipment and others, such as aboriginal claims and government regulations, including regulations regarding royalties, authorized production, import and export of natural resources and environmental protection. Depending on the price of the natural resource produced, the Company may decide not to undertake or continue commercial production.

There can be no assurance that the expenses incurred by the Company to explore its properties will result in the discovery of a commercial quantity of ore. Most exploration projects do not result in the discovery of commercially viable mineral deposits.

Environmental and Other Regulations

Current and future environmental laws, regulations and measures could entail unforeseeable additional costs, capital expenditures, restrictions or delays in the Company's activities. Environmental regulations and standards are subject to constant revision and could be substantially tightened, which could have a serious impact on the Company and its ability to develop its properties economically. Before it commences mining a property, the Company must obtain environmental permits and the approval of the regulatory authorities. There is no assurance that these permits and approvals will be obtained, or that they will be obtained in a timely manner. The cost of complying with government regulations may also impact the viability of an operation or altogether prevent the economic development of a property.

Financing and Development

The Company does not presently have sufficient financial resources to undertake its planned exploration and development programs. Development of the Company's properties therefore depends on its ability to raise the additional funds required. There can be no assurance that the Company will succeed in obtaining the funding required. The Company also has limited experience in developing resource properties, and its ability to do so depends on the use of appropriately skilled personnel or signature of agreements with other large resource companies that can provide the required expertise.

Commodity Prices

The factors that influence the market value of platinum, palladium, rhodium, copper, cobalt, nickel, carbon graphite and any other mineral discovered are outside the Company's control. The impact of these factors cannot be accurately predicted. Resource prices can fluctuate widely and have done so in recent years.

Risks Not Covered by Insurance

The Company may become subject to claims arising from cave-ins, pollution or other risks against which it cannot insure itself due to the high cost of premiums or other reasons. Payment of such claims would decrease and could eliminate the funds available for exploration and mining activities.

signed "Francois Dumas"
President and Chief Executive Officer

signed "Richard Barnett"
Chief Financial Officer