Mezzotin Minerals Inc.

Management's Discussion and Analysis

For the Three Months and Year Ended

December 31, 2017

This "Management's Discussion and Analysis" ("MD&A") has been prepared as of April 30, 2018 and should be read in conjunction with the audited consolidated financial statements of Mezzotin Minerals Inc. (the "Company" or "MMI"), for the years ended December 31, 2017 and 2016. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") which are generally accepted accounting principles in Canada for reporting issuers and are reported in Canadian dollars unless otherwise stated.

Unless otherwise stated, all financial analysis, data and information set out in this MD&A are unaudited.

Cautionary Note Regarding Forward-Looking Statements

This MD&A includes certain forward-looking statements that are based upon current expectations, which involve risks and uncertainties associated with the Company's business, and the economic environment in which the business operates. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements which are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. The forward-looking statements are not historical facts, but reflect the Company's current expectations regarding future results or events. Forward-looking statements contained in this MD&A are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed in the section "Risks and Uncertainties" below. Readers are cautioned that the foregoing lists of factors are not exhaustive. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A.

The forward-looking information contained in this MD&A is provided as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Overview of the Business

The Company was incorporated on October 27, 2005 and became a reporting issuer as a Capital Pool Company on March 17, 2006. On May 10, 2011, Zoolander completed its Qualifying Transaction with the acquisition of Adsani Explorations (Pty) Ltd. ("Adsani"), a South African registered company, and its wholly-owned Zimbabwean subsidiary Mezzotin Investments (Private) Limited ("Mezzotin"). The acquisition constituted a reverse acquisition for accounting purposes.

Mezzotin's common shares are listed on NEX board of the TSX Venture Exchange under the symbol "MEZZ.H". The Company is a reporting issuer in British Columbia, Alberta and Ontario.

Mezzotin holds mining claims known as the Sabi Star Property ("Sabi Star"). Sabi Star is comprised of 30 rare earth exploration permits covering a total of 2,348 hectares. The property is located in Eastern Zimbabwe approximately 150 kilometres from Harare, the capital of Zimbabwe, and approximately 250 kilometres from the border of South Africa. The property is located on the Odzi Gold Belt, a known mineralization belt having historically produced gold, copper, tin, tantalum, niobium and diamonds.

Further technical information regarding this property can be found in the National Instrument 43-101 Technical Report (NI 43-101 Report) filed March 31, 2011 on the Company's profile on SEDAR at www.sedar.com.

As at April 30, 2018 the directors and officers of the Company were:

Paul Ekon	President, CEO and Director
Christine He	Director
Shawn Mace	Director
Jason Chen, PhD	Director
Lawrence Schreiner, CPA, CA	CFO

Highlights and Summary

In the three months and year ended December 31, 2017 the Company incurred a net loss of $33,629 and $206,186, respectively, compared with a net loss of $57,867 and $256,594 respectively in the corresponding periods of 2016. On a per share basis, in the three months and year ended December 31, 2017 the Company incurred loss per share of $0.008 and $0.011, respectively, compared with a loss per share of $0.001 and $0.005 in the corresponding periods of the prior year.

On April 17, 2017 the Company was advised that in its ongoing review of listed companies, the TSX Venture Exchange (the "Exchange") determined that Mezzotin failed to meet the continuing listing requirements of a Tier 2 company and was put on notice that the that it had to remedy the deficiencies or be transferred to the NEX . The Company was not able to satisfy the working capital requirement and effective October 27th 2017 the Company began trading on the NEX board of the TSXV under the symbol MEZ.H. There was no change in the Company's name, CUSIP number or consolidation of capital under this change.

On July 13, 2017 the Company held its Annual General and Special Meeting of shareholders. At the meeting, the shareholders approved the re-appointment of the incumbent board of directors, the appointment of Schwartz, Levitsky, Feldman LLP as the auditors of the Company for fiscal 2017 and a 10% rolling stock option plan. The Company has not issued any stock options and as of the date of the MD&A has no stock options issued or outstanding under the plan.

Subsequent to the year end, on April 10, 2018, the Company entered into an agreement, subject to regulatory approval, with Max Mind Investment Limited (Max Mind) whereby the Company will issue 8,014,969 common shares at a deemed price of $0.05 per share to settle indebtedness owing to Max Mind, including principal and accrued interest, of $400,748 (US$314,831) advanced pursuant to the December 30, 2015 Loan Agreement. Upon completion of the debt settlement, Max Mind will own approximately 14.1% of the 56,014,969 outstanding common shares of the Company. All share issued under the debt settlement agreement are subject to a four month hold period.

All matters of a material nature are made available at www.sedar.com .

Sabi Star Exploration Report

In the three months and year ended December 31, 2017 and to the date of this MD&A, there has been no additional exploration activity on the Sabi Star site as Max Mind plans its further exploration activities based on the results of the earlier tests.

Selected Financial Information

The following table sets out selected financial information for the three most recently completed financial years.

(audited)	Years ended December 31		
	2017	2016	2015
Loss before income taxes	**$ (206,186)**	$ (256,594)	$ (363,371)
Net loss	**$ (206,186)**	$ (256,594)	$ (363,371)
Weighted average number of shares outstanding	**48,979,100**	48,979,100	48,979,100
Loss per share (basic and fully diluted)	**$ (0.01)**	$ (0.01)	$ (0.01)
Cash	**$ 63,269**	$ 60,979	$ 70,977
Working capital (deficiency)	**$ (229,207)**	$ (203,904)	$ (143,394)
Total assets	**$ 791,925**	$ 880,621	$ 969,803

In the three months and year ended December 31, 2017 the Company incurred a loss of $33,629 and $206,186 respectively. The loss reflects ongoing costs to maintain the Company and are consistent with prior years.

At December 31, 2017, the Company had cash balance of $63,269 and a working capital deficiency of $229,207 (2016 - $60,979 and $203,904, respectively). The Company had total assets of $791,925, the bulk of the Company's assets were comprised of property and equipment of $183,683 (2016 - $240,521) and capitalized exploration and evaluation assets of $529,681 (2016 – $566,921).

Discussion of Operating Results

The following table summarizes the Company's operating results for the three months and years ended December 31, 2017 and 2016:

	Three months ended December 31 (unaudited)		Year ended December 31 (audited)	
	2017	2016	**2017**	2016
Consulting fees	**$ 10,500**	$ 10,500	**45,500**	$ 42,000
Professional fees	**(4,199)**	12,323	**30,890**	58,230
Salaries and wages	**5,651**	5,910	**23,044**	23,508
Shareholder communications	**3,222**	5,316	**28,473**	28,916
General and administrative	**10,290**	14,101	**43,371**	61,711
Depreciation	**9,595**	12,315	**42,481**	53,028
Rental income	**(2,865)**	(2,998)	**(11,687)**	(11,923)
Interest expense	**1,435**	400	**4,114**	1,124
Net loss	**$ (33,629)**	$ (57,867)	**$ (206,186)**	$ (256,594)

Consulting fees

In the three months and year ended December 31, 2017 the Company incurred costs of $10,500 and $45,500, respectively (2016 - 10,500 and $42,000). Included in the 2017 amounts are $10,500 and $42,000, respectively for management services including accounting, CFO and corporate secretarial services. The fees are a fixed monthly amount and paid to a company controlled by an officer of the Company (see – "Related Party Transactions"). Also included in the total for 2017 is a fee of $3,500 for consulting services related to valuation services.

Professional fees

Professional fees include amounts paid for legal, audit and other professional services. The following table sets out the professional fees by category:

(Unaudited)	Three months ended December 31		Year ended December 31	
	2017	2016	**2017**	2016
Legal	**$ 14,909**	$ 1,000	**$ 29,496**	$ 26,907
Reversal of legal accrual	**(26,806)**	-	**(26,806)**	-
Audit	**6,000**	9,975	**26,500**	29,975
Other professional fees	**1,700**	1,348	**1,700**	1,348
Total	**$ (4,199)**	$12,323	**$ 30,890**	$ 58,230

In the three months and year ended December 31, 2017, the Company recorded legal fees of $14,909 and $29,496, respectively compared with $1,000 and $26,907, respectively in the corresponding periods of the prior year. The legal fees relate to regular corporate legal matters.

In the three months and year ended December 31, 2017, the Company reversed accrued legal fees made in prior years having determined that the original accrual was in excess of the final fees billed.

Audit fees include fees for audit and tax preparation services and are accrued on a quarterly basis.

Salaries and wages

Salaries and wages relate specifically to security personnel at the Sabi Star properties.

For the three months and year ended December 31, 2017 the Company incurred salary and related cost of $5,651 and $23,044 respectively (2016 - $5,910 and $23,508, respectively). Salary and wage costs are substantially unchanged from the prior year. The salary costs have not been assumed by the property developer under the Tribute Agreement and will continue to be paid by the Company.

Shareholder Communications

This category of expense includes regulatory fees, filing fees, costs associated with the annual general meeting, press releases and transfer agent fees and board and committee fees.

In the three months and year ended December 31, 2017, the Company incurred costs of $3,222 and $28,473, respectively, compared with $5,316 and $28,916, respectively in the corresponding periods of the prior year.

General and administrative

General and administrative costs include office related costs such as rent, telephone, insurance, supplies as well as cost associated with general operations, repairs and maintenance at the properties. The following table sets out the costs in the major categories:

(Unaudited)	Three months ended December 31		Year ended December 31	
	2017	2016	**2017**	2016
Rent, telephone, supplies	**$ 4,665**	$ 4,965	**$ 18,887**	$ 20,847
Insurance	**4,672**	5,023	**19,375**	20,021
Repairs and maintenance	**-**	2,950	**-**	13,983
Other costs	**953**	1,163	**5,108**	6,860
Total	**$ 10,290**	$ 14,101	**$ 43,371**	$ 61,711

Rent, telephone, supplies include office rent in Toronto as well as rent in Harare. The rent in Harare is paid to a related party (see section "Related Party Transactions"). Repairs and maintenance related to Company owned property being used by other parties. In 2017, the responsibility for the repairs was assumed by the other party.

Depreciation

The Company records depreciation on its Property and Equipment fixed assets whether or not the asset was in use. The depreciation charge is intended to reflect the deterioration over time of the nature of the assets. In the three months and year ended December 31, 2017, the Company recorded depreciation of $9,595 and $42,481, respectively (2016 - $12,315 and $53,028, respectively) on its Property and Equipment assets.

Rental income

In the three months and year ended December 31, 2017 the company recorded other income of $2,998 and $11,923, respectively (2015 - $3,002 and $11,507, respectively) from the rental of vehicles to a company whose CEO is a director of the Company's subsidiary (see "Related Party Transactions"). The lease expired December 31, 2013 and has carried on month to month basis subsequent to that time.

Deferred costs

In the three months and years ended December 31, 2017 and 2016 the Company did not defer any development charges. Under the terms of the Tribute Agreement, the developer company is responsible for all development charges as well as payment of land claim license fees which would otherwise be paid by the Company.

Quarterly Financial Information

The following table sets out the operating results for the last eight quarters:

	Revenue	Net Loss	Loss per share
December 31, 2017	Nil	$ 33,629	$ 0.000
September 30, 2017	Nil	$62,751	$0.001
June 30, 2017	Nil	$58,828	$0.001
March 31, 2017	Nil	$ 50,978	$ 0.001
December 31, 2016	Nil	$ 57,867	$ 0.001
September 30, 2016	Nil	$ 56,915	$ 0.001
June 30, 2016	Nil	$ 75,444	$ 0.002
March 31, 2016	Nil	$ 66,368	$ 0.001

In the three months ended December 31, 2017, the Company incurred a loss of $33,629. In the period, the Company reversed an accrued expense of $26,806 originally booked in a prior year and reducing the current quarter's loss.

In the three months ended September 30, 2017, the Company incurred a net loss of $62,751. The loss is higher than the previous quarter because of increased professional and consulting fees, as well as expenses related to the AGM held in July.

In the three months ended June 30, 2017, the Company incurred a net loss of $49,440. The loss reflects the ongoing costs of operations. There was no development activity on the Sabi Star properties by Max Mind in the quarter.

In the three months ended March 31, 2017, the Company incurred a net loss of $50,978. The loss reflects the ongoing costs of operations. There was no development activity on the Sabi Star properties while the developer is still working on its development plans.

In the three months ended December 31, 2016, the Company incurred a net loss of $57,867. The loss reflects the ongoing operating costs of the business. There was no development activity on the Sabi Star properties while the developer waited for the results of the initial testing carried out earlier in 2016.

In the three months ended September 30, 2016, the Company incurred a loss of $56,915. The loss reflects the ongoing costs of the business operation. With respect to the exploration program, Max Mind was waiting for the assay results to better focus their exploration program. In the three months ended September 30, 2016, Max Mind reported incurring costs of US$25,300.

In the three months ended June 30, 2016, the Company incurred a loss of $75,444. The loss is in line with the previous quarter and reflects, for the most part, the ongoing running costs of the business. In the three months ended June 30, 2016, Max Mind carried out the first phase of its drilling program at a cost of US$71,000. Max Mind is waiting for the assay results on the drilling samples to assess the next stage of drilling and testing.

In the three months ended March 31, 2016, the Company's loss reflects the general costs of running the Company. Max Mind have indicated they invested US$111,000 in exploration costs up to March 31, 2016 and are looking at a diamond drilling program which is expected to cost US$138,000.

Liquidity and Capital Resources

At December 31, 2017, the Company's cash balance was $63,269 (2015 - $60,979). At December 31, 2017, the Company had a working capital deficit of $229,207 compared with a deficit of $203,904 at the corresponding date in the prior year.

The Company's financial liquidity has been supported primarily by its cash resources including loans from Max Mind Investment of Hong Kong. The Company is a development stage enterprise, does not generate any revenue and is not cash flow positive. As noted in the "Highlights and Summary" and "Long Term Debt" sections, on December 30, 2015 the Company entered into a loan agreement which provides US$500,000 of working capital to be made available to the Company at scheduled intervals which were to extend to March 31 2017. As of December 31, 2017, A total of US$350,000 had been advanced under the loan agreement. On April 11, 2018, the Company announced an agreement, subject to regulatory approval, for the conversion of part of the loan, plus accrued interest, to common shares. (See – Subsequent Events)

The Company's ongoing ability to remain solvent will depend on a number of factors including but not limited to the rate of cash expenditure to fund ongoing operations, the realization of royalties pursuant to the Tribute Agreement, investments in non-cash working capital, advances under the Loan Agreement and the Company's ongoing ability to raise capital to fund the development of the business. (see "Risks and Uncertainties").

The Company's investment practice may include investing cash balances in term deposits and bankers' acceptances. Any investment in short-term investments would be high quality instruments of financial institutions, providing the Company with very low levels of liquidity risk on its invested financial instruments.

Long Term Debt

The Company has secured a loan of US$500,000 from Max Mind Investment (Private) Limited ("Max Mind"), a Hong Kong based investment company. Under the terms of the loan, the Company will receive funds pursuant to a funding schedule with extended to March 31, 2017. The loan will accrue interest from the date of the advances, at the LIBOR rate for overnight deposits. Interest is payable at the time and to the extent that royalty payments are received under the tribute agreement, but otherwise not payable until maturity which is which is five years from the date of the advances. As of December 31, 2017, the Company had received US$350,000 of funds designated under the agreement.

As of the date of this MD&A, the lender continues to lend money to the Company albeit not according to the payment schedule

The proceeds of the loan are broadly designated for general working capital of the Company. The funds are not intended to be used in the development of the Sabi Star properties pursuant to the tribute agreement.

On April 11, 2018, the Company announced that, subject to regulatory approval, it has agreed to issue 8,014,969 common shares at a deemed price of $0.05 per share to Max Mind to settle a portion of the indebtedness owing to Max Mind. The amount of indebtedness to be settled totals $400,748 (US$314,831) and consists of advances made to the Company by Max Mind pursuant to a December 2015 loan agreement. (see "Subsequent Events")

Share Capital

The share capital of the company consists of an unlimited number of common shares. As of December 31, 2017, and the date hereof, there were 48,979,100* common shares issued and outstanding (2016 – 48,979,100). No shares were issued in the year ended December 31, 2017.

As of December 31, 2017, and 2016, there were no options issued or outstanding pursuant to the Employee Stock Option Plan.

In the years ended December 31, 2017 and 2016, the Company did not issue any warrants. and as of December 31, 2017 and 2016, and the date hereof, there are no warrants outstanding.

*On April 11, 2018, the Company announced a proposed debt settlement whereby it will issue 8,014,969 common shares to Max Mind to settle long term debt in the amount of $400,748. The resulting share issuance will give Max Mind a 14% equity position in the Company. The transaction is pending regulatory approval. (See "Subsequent Events").

Capital Commitments

The Company does not have any material commitments for capital assets as of December 31, 2017 or as of the date of this MD&A.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as of the date of this MD&A.

Related Party Transactions

Related parties include the Board of Directors and officers of the Company and its subsidiaries including close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Following is a summary of the related party transaction:

a) In the three months and year ended December 31, 2017, the Company recorded Rental Income of $2,865 and $11,687, respectively (2016 – $2,998 and $11,923, respectively) related to the rental of a vehicle to a company where the director of the Company's subsidiary is an officer.

b) During the three months and year ended December 31, 2017 the Company incurred costs of $$2,865 and $11,687, respectively (2016 – $2,998 and $11,923, respectively) for office rent paid to a company where a Mezzotin ZIM Director was a senior officer. The rental costs are included in General and Administrative.

c) During the three months and year ended December 31, 2017 the Company incurred costs of 10,500 and $42,000, respectively (2015 – $10,500 and $42,000, respectively) for executive and management services to a company controlled by an officer of the Company. The amounts are included in Consulting Fees.

Tribute and Loan Agreements

On December 30, 2015 the Company announced that it has entered into a royalty arrangement and loan transaction with Hong Kong-based Max Mind Investment Limited ("Max Mind"), an arm's length private investment company.

Under a tribute agreement between Mezzotin Investments (Private) Limited ("MIPL"), a wholly-owned Zimbabwean subsidiary of the Company, Max Mind Investment (Zimbabwe) (Private) Limited ("Max Mind Zimbabwe"), a Zimbabwean subsidiary of Max Mind, and Max Mind, MIPL has agreed to permit Max Mind Zimbabwe to mine its Sabi Star project, covering approximately 2,348 hectares located on the Odzi Gold Belt in Eastern Zimbabwe, for tantalum and other minerals. MIPL will receive a royalty equal to 20% of the pre-tax net profit realized by Max Mind Zimbabwe from mining operations on the Sabi Star project. The agreement has an initial term of five years and may be renewed by Max Mind Zimbabwe for a further five-year term if then in compliance with the terms of the tribute agreement.

In conjunction with the tribute arrangement, Max Mind has agreed to lend Mezzotin US$500,000, of which US$350,000 has been advanced as of December 31, 2017 (see – "Long Term Debt" and "Subsequent Events").

Proposed Transactions

The Company has announced a proposed debt settlement agreement whereby certain debt of the Company will be converted to common shares. The transaction is pending regulatory approval. See – "Subsequent Events"

Financial Instruments

Fair Value of Financial Instruments

The Company has designated its cash as held for trading, which is measured at fair value. Fair value of marketable securities is determined based on transaction value and is categorized as Level 1 measurement. HST recoverable and other receivables are classified for accounting purposes as loans and receivables, which are measured at amortized cost which approximates fair value. Accounts payable and accrued liabilities and property options payable are classified for accounting purposes as other financial liabilities, which are measured at amortized cost which also approximates fair value. Fair value of accounts payable and accrued liabilities and property options payable are determined from transaction values which were derived from observable market inputs. Fair values of accounts payable and accrued liabilities and property options payable are based on Level 2 measurements.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

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 is exposed to interest rate fluctuations on its Loan Payable, where interest is expressed in relation to the prevailing LIBOR rate.

Foreign Exchange Risk

The Company has exposure to foreign risk primarily with respect to the US Dollar. The Company's active subsidiary is located in Zimbabwe which in late 2015 announced the adoption of the Chinese Renminbi as its official currency. Because of restrictions in trade with respect to the Renminbi, commerce, and in particular international commerce is transacted in US Dollars. The Company's tribute agreement is expressed in US Dollars and royalties from the operation are designated to pay down the interest on the Company's US Dollar debt. The Company does not hedge its foreign exchange risks.

Liquidity Risk

The Company manages liquidity risk by ensuring that all near cash and short term investments are in secure, high quality instruments with short term maturity dates to ensure that it will be able to meet liabilities when due.

New and Future Accounting Pronouncements

The following amendments were adopted by the Company in the fiscal year:

Amendments to IAS 7, Statement of Cash Flows

In January 2016, the IASB issued amendments to IAS 7, Statement of Cash Flows. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. One way to meet this new disclosure requirement is to provide a reconciliation between the opening and closing balances for liabilities from financing activities. These amendments apply prospectively for annual periods beginning on or after January 1, 2017. The Company has adopted this amendment with no impact on the financial statements.

Amendments to IAS 12, Income Taxes

In January 2016, the IASB issued amendments to IAS 12, Income Taxes. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments also clarify the methodology to determine the future taxable profits used for assessing the utilization of deductible temporary differences. The amendments apply retrospectively for annual periods beginning on or after January 1, 2017. The Company has adopted this amendment with no impact on the financial statements.

The following accounting pronouncements have been issued but are not yet effective. The Company has not early adopted these standards and is currently evaluating the impact, if any, that these standards might have on its consolidated financial statements.

IFRS 9, Financial Instruments

IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39, Financial Instruments – Recognition and Measurement ("IAS 39") for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in comprehensive income indefinitely. Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income. IFRS 9 will be effective as at January 1, 2018, with early adoption permitted. The Company does not believe this change will have a material impact on its financial results.

IFRS 15, Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 to replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple element arrangements. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company does not believe implementing IFRS 15 will have a material impact on its financial results.

IFRS 16, Leases

IFRS 16 was issued in January 2016, replaces IAS 17, Leases. IFRS 16 results in most leases being reported on the balance sheet for lessees, eliminating the distinction between a finance lease and an operating lease and is effective for annual periods beginning on or after January 1, 2019. Under IFRS 16, all operating leases, except for short term and low value leases, are expected to be accounted for as finance leases. IFRS 16 also does not apply to leases to explore for or use mineral, oil, natural gas and similar non-regenerative resources. The Company does not believe IFRS 16 will have a material impact on the financial reporting of the Company.

Amendments to IFRS 2, Share-based Payments

The amendments add guidance that introduces accounting requirements for cash-settled share-based payments that follows the same approach as used for equity-settled share-based payments. The amendments are effective for annual periods beginning on or after January 1, 2018, early adoption is permitted. The Company does not have any share based payments in the form or options or warrants outstanding and believes the amendments will not have a material effect on the financial reporting of the Company.

IFRIC 22, Foreign Currency Transactions and Advance Considerations

The Interpretations Committee of the IASB has issued IFRIC 22 which clarifies the accounting for transactions that include the receipt or payment in a foreign currency in advance consideration. The interpretation covers the foreign currency translations when an entity recognizes a non-monetary asset or non-monetary liability arising the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. IFRIC 22 is effective for annual reporting periods beginning on or after January 1, 2018, earlier adoption is permitted. The Company does not believe this interpretation will have a material impact on the financial reporting of the Company.

Risks and Uncertainties

An investment in the Company's shares should be considered highly speculative. An investor should carefully consider each of, and the cumulative effect of, the following risks and uncertainties.

Development Venture

The Company has agreed to permit a third party to mine its Sabi Star properties for a royalty of 20% of the pre-tax cash flows from the business. The Company has also borrowed operating working capital from a company related to its development partner whereby the interest and principal of the loan are to be repaid from the royalty payments. There is no certainty that the development of the property and the royalty payments will be either sufficient or timely with respect to the terms of the debt agreement.

Financing Requirements

While the Company has an agreement to allow a third party to mine its properties, beyond the terms of the agreement, the exploration and development of the Company's properties, including continuing exploration and development of the Sabi Star Property, may require substantial additional financing. Failure to obtain sufficient financing will result in a delay or indefinite postponement of exploration and or even a loss of a property interest. When such additional capital is required, the Company may pursue sources of such capital through various financing transactions or arrangements, including joint venturing of projects, debt financing, equity financing or other means. Additional financing may not be available when needed or if available, the terms of such financing might not be favourable to the Company and might involve substantial dilution to existing shareholders. The Company may not be successful in locating suitable financing transactions in the time period required or at all, may not obtain the capital required by other means and failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition and results of operations.

Dilution Risk

To finance future operations and development efforts, the Company may raise funds through the issue of Company Shares or securities convertible into Company Shares. The constating documents of the Company will allow it to issue, among other things, an unlimited number of Company shares for such consideration and on such terms and conditions as may be established by the directors of the Company, in many cases, without the approval of shareholders. The size of future issues of Company shares or securities convertible into Company shares or the effect, if any, that future issues and sales of the Company shares will have on the price of the Company shares cannot be predicted at this time. Any transaction involving the issue of previously authorized but unissued Company shares or securities convertible into Company Shares would result in dilution, possibly substantial, to present and prospective shareholders of the Company.

Local Legal, Political and Economic Factors

The Company's operations are conducted in Zimbabwe and, as such, will be exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to: terrorism; hostage taking; military repression; extreme fluctuations in currency exchange rates; labour unrest; the risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licences, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Zimbabwe has a history of political and economic instability. This instability could result in new governments or the adoption of new policies, laws or regulations that might assume a substantially more hostile attitude toward foreign investment, including the imposition of additional taxes. In an extreme case, such a change could result in the termination of contract rights and expropriation of foreign-owned assets.

Historically Disadvantaged Aboriginal People

Zimbabwe is in the process of enacting legislation to assist people of aboriginal descent to overcome perceived historic economic disadvantages. The Indigenisation Act became law in Zimbabwe on April 17, 2008. The Indigenisation Act provides for all companies operating in Zimbabwe to arrange for 51% of their shares or interest therein to be owned by indigenous Zimbabweans, however, recent statements by the Zimbabwe government have indicated that companies will be required to relinquish a lower percentage.

On January 29, 2010, the Zimbabwe Government published regulations with respect to the Indigenisation Act that include the requirement for companies operating in Zimbabwe to provide specified information to the Minister of Youth Development, Indigenisation and Empowerment (the "Minister"), including an indigenisation implementation plan, by April 15, 2010. That information, together with responses from all sectors of the Zimbabwe economy, will be used as a basis for determining what amount less than 51% shall apply to any sector and subsector and the maximum period for achieving indigenization. The regulations require the Minister to complete the determinations by February 28, 2011. Mezzotin has filed the necessary documentation with the Minister. There is great uncertainty as to whether the legislation will be enforced in the current form and what impact it will have on companies like Mezzotin and/or the Company.

There is no guarantee that the legislation will be amended, requiring a dilution of the Company's interest in the Sabi Star Property in favour of previously disadvantaged persons. Were such a dilution required, there is no guarantee that the Company would be fully compensated for the interest given up.

In the March 2018 National Budget, the Zimbabwean government approved indigenization law amendments which, would appear to repeal the laws in their entirety with the exception of mining for platinum and diamonds. At this time, it is too early to determine the real extent of the change since the changes have not yet been fully tested.

Title to Properties

The Company holds its interest in the Sabi Star Property through Mezzotin Investments Pvt. ("Mezzotin"), which is an indirect wholly-owned subsidiary. The Company believes that Mezzotin presently holds all necessary licenses and permits required to carry on with activities which it is currently conducting under applicable laws and regulations and that Mezzotin is presently complying in all material respects with the terms of such licenses and permits. All of Mezzotin's claims are under the jurisdiction of the Government Assistant Mining Commissioner in Mutare, Zimbabwe and the Company believes that all of such claims have been pegged in accordance with the provisions of the Zimbabwe Mines and Minerals Act. Title reviews have been performed with respect to the Sabi Star Property. Although title reviews are often done according to industry standards prior to the purchase of a mining property, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise to defeat the claim of the Company which could result in the loss of a property interest.

The mining claims may be terminated in the event the Company fails to pay annual inspection fees or fails to conduct a development work program on the mining claims annually. Under the laws of Zimbabwe, mineral resources belong to the state and governmental concessions and prospecting licenses are required to explore for, exploit, and extract mineral reserves.

Nature of Exploration and Development

The business of exploring for minerals involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation.

Furthermore, resources and reserves are estimates based upon drilling results, past experience with mining properties, experience of the person making the resource/reserve estimates and many other factors. Resource/reserve estimation is an interpretative process based upon available data. The actual quality and characteristics of mineral deposits and metallurgical recovery rates cannot be known until mining takes place, and will almost certainly differ from the assumptions used to develop reserves. Further, reserves are valued based on current costs and current prices and consequently may be reduced with declines in, or sustained low, metal prices.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, catastrophic equipment failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although Company will maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability.

Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards that may not be insured against or that Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in Zimbabwe. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that existing or future environmental regulation will not materially adversely affect the Company's business, financial condition and results of operations.

Exchange Controls

Foreign operations may require funding if their cash requirements exceed operating cash flow. To the extent that funding is required, there may be exchange controls limiting such funding or adverse tax consequences associated with such funding. In addition, taxes and exchange controls may affect the dividends received from foreign subsidiaries. Exchange controls may prevent transferring funds abroad.

Commodity Price Volatility

Any future profitability of the Company's operations will be dependent upon the market price of mineral commodities. Mineral prices, including the price of tantalum, fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of mineral commodities, including the price of tantalum, has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition and results of operations. In addition to adversely affecting the Company's reserve or resource estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Foreign Subsidiaries

The Company is a holding company that conducts operations through foreign subsidiaries and substantially all of its assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between the parent Company and such entities, or among such entities, could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's valuation and stock price.

Governmental Regulation of the Mining Industry

All minerals and fossil fuels are vested in the State of Zimbabwe and may be acquired by companies and individuals through the pegging of claims or applications for Special Grants, Exclusive Prospecting Orders ("EPO") and Mining Leases. All of these are covered by the Mines and Minerals Act and the Mining Regulations. The Mines and Minerals Act was promulgated in 1961 and amendments require approval by Parliament. The Mining Regulations may be amended by the Minister of Mines. The Mines and Minerals Act is currently under review, with the Chamber of Mines having set up a committee to propose amendments Although the Company believes that the current activities at the Sabi Star Property are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development of the Company's properties.

Additional disclosure for Venture Issuers without Significant Revenue

The requisite disclosure for Venture issuers without significant revenue has been addressed in the Discussion of Operations section.

Subsequent Event

On April 11, 2018, the Company announced that, subject to regulatory approval, it has agreed to issue 8,014,969 common shares at a deemed price of $0.05 per share to Hong Kong-based Max Mind Investment Limited ("Max Mind"), an arm's length private investment company, to settle indebtedness owing to Max Mind. Max Mind, through a Zimbabwean subsidiary, holds the rights to explore and, if warranted, mine the Company's Sabi Star rare earth project located in Eastern Zimbabwe. The amount of indebtedness to be settled totals $400,748 (US$314,831) and consists of advances made to the Company by Max Mind pursuant to a December 2015 loan agreement between the parties, plus accrued and unpaid interest thereon. Upon completion of the debt settlement, Max Mind would own approximately 14.1% of the outstanding common shares of the Company. All shares issued under the debt settlement transaction will be subject to a 4-month hold period.

Outstanding Shares

The following table outlines the equity securities of the Company and all other securities of the Company which are convertible into, exercisable or exchangeable for voting or equity securities as of the date of this MD&A:

	Number
Common shares outstanding	48,979,100
Issuable under warrants and options	nil
Total diluted common shares	48,979,100
Shares to be issued pursuant to debt settlement agreement	8,014,969
Total Shares after debt settlement	**56,994,069**

Additional Information

Additional information relating to the Company including the Company's 43-101 Technical Report can be found on SEDAR at www.sedar.com.