CRUZ CAPITAL CORP.

For the year ended July 31, 2016

Management's Discussion and Analysis ("MD&A")

Date of Report: October 18, 2016

The following discussion and analysis of the Company's financial condition and results of operations for the year ended July 31, 2016 should be read in conjunction with its consolidated financial statements and related notes. The requisite financial data presented for the relevant periods has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

Disclaimer for Forward-Looking Information

Certain statements in this report are forward-looking statements, which reflect its management's expectations regarding the Company's future growth, results of operations, performance, business prospects and opportunities such as the intended work programs on its existing property interests, the ability to meet financial commitments and the ability to raise funds when required. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this Management's Discussion and Analysis. These assumptions, which include management's current expectations, estimates and assumptions about its current property interests, the global economic environment, the market price and demand for mineral commodities and its ability to manage the property interests and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause the actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) a decreased demand or price for mineral commodities, (3) delays in the start of projects with respect to its property interests, (4) inability to locate and acquire additional property interests, (5) the uncertainty of government regulation and politics in North America regarding mineral exploration and mining, (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (7) other factors beyond its control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. Except as required by law, the Company disclaims any intention or obligation to update or revise any forward-looking statements. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled “Risk Factors” below.

Nature of Business

Cruz Capital Corp. (the "Company") is involved in the identification, acquisition and exploration of mineral properties that management deems as potentially viable to assist in the growth of the Company. At July 31, 2016, the Company had mineral property interests located in Canada and in the USA.

During the year ended July 31, 2016, the Company consolidated its share capital, stock options and share purchase warrants on a one-new-for-twenty-old basis, changed its name to Cruz Capital Corp., and changed its trading symbol to “CUZ”. These consolidated financial statements and MD&A reflect the share consolidation. All common shares, stock options, share purchase warrants and per common share amounts have been retroactively restated.

Mineral Properties

Yukon Quartz Claims

During the year ended July 31, 2010, the Company acquired a 100% interest in ninety five load quartz mineral claims covering an area of approximately 4,836 acres, located in the Yukon Territory.

During the year ended July 31, 2013, the Company decided not to continue with certain claims. In September 2013, the Company decided not to continue with certain other claims, and the Company allowed these claims to lapse. Accordingly, the related acquisition costs of $577,085 and exploration costs of $26,475 associated with these lapsed claims were written off as of July 31, 2013.

In September 2015, the Company decided not to continue with certain claims and allowed them to lapse when they became due. Prior acquisition costs of $86,563 and exploration costs of $7,720 associated with these claims were written off as of July 31, 2015.

During the year ended July 31, 2016, the Company decided to drop one claim and allowed it to lapse when it became due. Prior acquisition costs of $7,214 and exploration costs of $643 associated with this lapsed claim were written off.

Additional work plans would require the Company to raise additional funds. The Company may continue exploration activities if the Company is able to obtain sufficient financing. While the Company have been successful in securing financings in the past, there is no assurance that the Company will be able to do so in the future, and/or that the Company will be able to raise sufficient funds to meet its work commitments for all of its properties.

As at July 31, 2016, the Company had spent a total of $1,287 in exploration expenditures on the remaining Yukon quartz claims.

Ontario Kenagami Hydrothermal Graphite Prospect

On November 13, 2013, the Company entered into a purchase agreement with an arm's length vendor (the "Kenagami Vendor") to acquire a 100% interest in the Kenagami hydrothermal graphite prospect, consisting of four claims. The Kenagami Vendor currently holds a 100% interest in these claims.

On December 22, 2014, the Company amended the purchase agreement with the Kenagami Vendor. The Kenagami Vendor agreed to defer the cash payment of $20,000 and the remaining 50,000 share issuance to September 25, 2016. On September 22, 2016, the Company further amended the purchase agreement and the amendment dated December 22, 2014 with the Kenagami Vender. The Kenagami Vendor agreed to defer the cash payment of $20,000 by one year to September 25, 2017. The Company is now required to make a cash payment as follows:

	Cash	Common Shares
Upon Approval (issued at a value of $40,000)	$ -	50,000
On or before September 25, 2016 (issued subsequent to July 31, 2016)	-	50,000
On or before September 25, 2017	20,000	-
	$ 20,000	100,000

The Company contracted Prospectair Geosurveys Inc. to assist in the exploration and development of this property, including an airborne magnetic and electromagnetic survey. The survey was completed in December 2013. As disclosed in a news release on March 12, 2014, the airborne survey discovered a large TDEM conductive anomaly measuring approximately 800 metres by 500 metres. A follow up work program is being considered however, the Company would need to raise additional funds to allocate to this project. While the Company have been successful in securing financings in the past, there is no assurance that the Company will be able to do so in the future, and/or that the Company will be able to raise sufficient funds to meet its work commitments for all of its mineral properties.

As at July 31, 2016, the Company had spent a total of $4,400 in exploration expenditures on this property.

BC War Eagle Cobalt Prospect

In June 2016, the Company acquired a 100% interest in certain mineral claims (the “War Eagle Cobalt Prospect”) in British Columbia for staking costs of $3,496.

The Company plans to dispatch crews to the property shortly to start operations on the prospect. While the Company has been successful in securing financings in the past, there is no assurance that the Company will be able to do so in the future, and/or that the Company will be able to raise sufficient funds to meet its work commitments for all of its mineral properties.

BC and ON Cobalt Prospects

On July 22, 2016, the Company entered into a share purchase agreement with four arm’s length vendors (the “Cobalt Vendors”) to purchase 100% of the issued and outstanding shares of Cobalt Locators Inc. (“Cobalt Locators”), which holds a 100% interest in two cobalt prospects in B.C. ("BC Purcell Cobalt Prospect") and a 50% interest in four cobalt prospects in Ontario ("ON Coleman Cobalt Prospect", "ON Gilles Cobalt Prospect", "ON Gilles Cobalt Prospect", and "ON Johnson Cobalt Prospect"). The acquisition has been accounted for as an asset acquisition. In August 2016, the Company received Exchange approval, paid $20,000 cash and issued 1,600,000 shares (issued at a value of $816,000) to the Cobalt Vendors. Cobalt Locators Inc. became a wholly-owned subsidiary of the Company.

Subsequent to July 31, 2016, the Company acquired a 100% interest in 22 mineral claims for staking costs of $2,200 to increase the acreage of ON Johnson Cobalt Prospect. The Company also acquired a 100% interest in 36 mineral claims for staking costs of $3,600 to increase the acreage of ON Bucke Cobalt Prospect. Management expects to commence operations in Ontario shortly utilizing the flow-through funds on hand.

Nevada Clayton Valley West Lithium Prospect

During the year ended July 31, 2016, the Company entered into an agreement with an arm's-length vendor (the “Nevada Vendor”) to acquire a 100% interest in six claim blocks in the Clayton Valley in Nevada, USA prospective for lithium. In consideration for these claims the Company issued 300,000 shares to the Nevada Vendor valued at $30,000.

A work program is currently being formulated for this property. While the Company has been successful in securing financings in the past, there is no assurance that the Company will be able to do so in the future, and/or that the Company will be able to raise sufficient funds to meet its work commitments for all of its mineral properties.

Idaho Cobalt Prospect

In September 2016, the Company partnered with three non-related parties (the "Idaho Vendors") to acquire prospective cobalt assets and properties through a private British Columbia corporation (the "BC Company"). The BC Company and the Company were related as they have one common director. The Company held a 20% equity interest and the Idaho Vendors held an 80% equity interest in the BC Company, respectively. The BC Company indirectly acquired certain mineral claims located in the State of Idaho through its wholly-owned subsidiary (the "Idaho Subco") for $71,774. The Company paid 20% of the acquisition costs in the amount of $14,355. On September 9, 2016, the Company and the Idaho Vendors entered into a share purchase agreement with Scientific Metals Corp. ("Scientific"), an arm's length party, to sell their equity interests in the BC Company. Scientific received Exchange approval in October. In consideration, Scientific issued 2,000,000 common shares to the Company and 8,000,000 common shares to the Idaho Vendors.

Idaho Star Cobalt Prospect

In October 2016, the Company acquired a 100% interest in the Idaho Star Cobalt Prospect in Idaho, U.S.A. for staking costs of $39,964. This prospect is located approximately 9 miles southwest of Saltese, Montana and 19 miles southeast of Wallace, Idaho. This prospect consists of 44 contiguous claims within the Idaho Cobalt Belt.

Ontario Albany East Hydrothermal Graphite Prospect

On July 7, 2013, the Company entered into a purchase agreement with two arm's length vendors (the "Albany Vendors") to acquire a 100% interest in certain mineral claims located in Ontario. In consideration, the Company paid $10,000 cash and issued 100,000 common shares at a value of $160,000 to the Albany Vendors.

During the year ended July 31, 2016, the Company decided to drop this property and fully wrote off the carrying value in the amount of $194,313.

Quebec Gaspe Bay Aluminous Clay and Rare Earth Prospect

In June 2012, the Company acquired a 100% interest in additional claims (the "Staking Claims") for staking costs of $4,164. The Company owned a 100% interest in these claims.

During the year ended July 31, 2013, the Company decided not to renew certain of the Staking Claims and allowed them to lapse as they became due. Prior acquisition costs of $3,956 associated with these claims were written off.

During the year ended July 31, 2016, the Company decided to drop this property and fully wrote off the carrying value in the amount of $3,110.

Overall Performance

The Company is a mineral exploration company engaged in the business of acquisition, exploration and, if warranted, development of mineral properties. The Company does not expect to generate any revenues in the foreseeable future or until a mineable reserve is defined and economically recoverable. The Company expects to continue to incur expenses as it works to further explore and develop its mineral properties.

The Company has conducted limited exploration on some of its properties, due to, among other things, the availability of sufficient funds for the purposes of mineral exploration and development, access to the property due to climate conditions, the uncertainties associated with the prices of precious and base metals and other minerals, and the global economic climate. The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain reserves that are economically recoverable.

The Company's future performance is largely tied to the outcome of future exploration and the overall financial markets. The recoverability of minerals from the Company's properties is dependent upon, among other things, the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to continue to explore and develop its properties and upon future profitable production. Uncertainty in credit markets, fluctuation in commodity prices and general economic downturns has led to increased difficulties in raising and borrowing funds. As a result, the Company may have difficulty raising equity financing for the purposes of exploration and development of the Company's properties, without diluting the interests of current shareholders of the Company. See "Liquidity and Capital Resources" and

"Risk and Uncertainties" for a discussion of risk factors that may impact the Company's ability to raise funds.

Information about the Company's commitments relating to its mineral properties is discussed above under "Nature of Business – Mineral Properties".

The Company did not generate any revenue during the year ended July 31, 2016 and 2015. The Company's net comprehensive loss decreased from $834,847 for the year ended July 31, 2015 to $594,155 for the year ended July 31, 2016, mainly due to decreases in consulting fees of $212,130, in management fees of $71,000, and in the write-down of exploration and evaluation assets of $62,696, offset by an increase in share-based payment of $82,668. The Company's cash slightly increased from $41,698 as at July 31, 2015 to $46,162 as at July 31, 2016, and its working capital deficiency increased from $1,365,401 as at July 31, 2015 to $1,478,926 as at July 31, 2016.

The Company's current assets have increased to $100,458 as at July 31, 2016 from $60,009 as at July 31, 2015, due mainly to an increase in prepaid expenses. The Company's current liabilities have increased from $1,425,410 as at July 31, 2015 to $1,579,384 as at July 31, 2016, due to an increase in accounts payable and accrued liabilities. The value ascribed to the Company's exploration and evaluation assets has decreased from $266,891 as at July 31, 2015 to $97,319 as at July 31, 2016, due mainly to the write-down of the Ontario Albany East Hydrothermal Graphite Prospect.

Additional information about the risks and uncertainties relating to the Company's business and financial performance is discussed below under "Risks and Uncertainties".

Summary of Quarterly Results

The following table sets out selected quarterly financial data for the eight most recently completed interim quarters:

	2016 Fourth	**2016 Third**	**2016 Second**	**2016 First**	**2015 Fourth**	**2015 Third**	**2015 Second**	**2015 First**
Revenues	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Operating expenses	$(197,379)	$(46,590)	$(36,992)	$(107,891)	$(124,136)	$(132,893)	$(181,368)	$(128,474)
Loss before other items	$(197,379)	$(46,590)	$(36,992)	$(107,891)	$(124,136)	$(132,893)	$(181,368)	$(128,474)
Loss per share (Basic and diluted)	$(0.036)	$(0.010)	$(0.008)	$(0.026)	$(0.030)	$(0.032)	$(0.059)	$(0.062)
Other items:								
Interest expense	$(23)	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Write-down of mineral properties	$(194,313)	$(10,967)	$Nil	$Nil	$(100,233)	$(167,743)	$Nil	$Nil
Net comprehensive loss	$(391,715)	$(57,557)	$(36,992)	$(107,891)	$(224,369)	$(300,636)	$(181,368)	$(128,474)
Basic and diluted loss per share	$(0.071)	$(0.013)	$(0.008)	$(0.026)	$(0.054)	$(0.072)	$(0.059)	$(0.062)

Summary of Results During Prior Eight Quarters

Net comprehensive loss increased by $52,894 from the first to the second quarter of 2015 mainly due to an increase in consulting and management fees. Net comprehensive loss increased by $119,268 from the second to the third quarter of 2015 mainly due to an increase in the write-down of exploration and evaluation assets offset by a decrease in management fees. Net comprehensive loss decreased by $76,267 from the third to the fourth quarter of 2015 mainly due to a decrease in the write-down of exploration and evaluation assets. Net comprehensive loss decreased by $116,478 from the fourth quarter of 2015 to the first quarter of 2016 mainly due to a decrease in professional fees and a decrease in the write-down of exploration and evaluation assets. Net comprehensive loss decreased by $70,899 from the first to the second quarter of 2016 mainly due to a decrease in consulting fees. Net comprehensive loss increased by $20,565 from the second to the third quarter of 2016 mainly due to an increase in consulting fees and in the write-down of exploration and evaluation assets. Net comprehensive loss increased by $334,158 from the third to the fourth quarter of 2016 mainly due to an increase in share-based payments and in the write-down of exploration and evaluation assets.

Selected Annual Information

The following table sets out selected audited financial information for the Company, which has been prepared in accordance with IFRS:

	Year ended July 31,		
	2016	**2015**	**2014**
Total revenues	$Nil	$Nil	$Nil
Loss before discontinued operations and extraordinary items:			
Total	$(594,155)	$(834,847)	$(998,096)
Per share	$(0.13)	$(0.25)	$(0.48)
Per share fully diluted	$(0.13)	$(0.25)	$(0.48)
Net comprehensive loss:			
Total	$(594,155)	$(834,847)	$(998,096)
Per share	$(0.13)	$(0.25)	$(0.48)
Per share fully diluted	$(0.13)	$(0.25)	$(0.48)
Total assets	$206,329	$335,972	$571,337
Total long term debt	$Nil	$Nil	$Nil
Cash dividends	$Nil	$Nil	$Nil

Year Ended July 31, 2016 Compared to the Year Ended July 31, 2015

Net comprehensive loss decreased by $240,692 to $594,155 for the year ended July 31, 2016 from $834,847 for the year ended July 31, 2015, due mainly to a decrease in consulting fees (fiscal 2016: $165,670; fiscal 2015: $377,800), in management and directors' fees (fiscal 2016: $20,500; fiscal 2015: $91,500), and in the write-down of exploration and evaluation assets (fiscal 2016: $205,280; fiscal 2015: $267,976), offset by an increase in share-based payments (fiscal 2016: $82,668; fiscal 2015: $Nil).

Total assets decreased by $129,643 to $206,329 as at July 31, 2016 from $335,972 as at July 31, 2015 due to a decrease of $169,572 in exploration and evaluation assets to $97,319 as at July 31, 2016 from $266,891 as at July 31, 2015, offset by an increase of $40,449 in total current assets.

The Company's current assets have increased by $40,449 from $60,009 as at July 31, 2015 to $100,458 as at July 31, 2016. The Company's current liabilities have increased by $153,974 to $1,579,384 as at July 31, 2016 from $1,425,410 as at July 31, 2015. Current liabilities as at July 31, 2016 consisted of accounts payable and accrued liabilities of $1,409,884 (July 31, 2015: $1,239,410) and loans payable of $169,500 (July 31, 2015: $186,000).

Year Ended July 31, 2015 Compared to the Year Ended July 31, 2014

Net comprehensive loss decreased by $163,249 to $834,847 for the year ended July 31, 2015 from $998,096 for the year ended July 31, 2014, due mainly to a decrease in share-based payments (fiscal 2015: $Nil; fiscal 2014: $265,148).

Total assets decreased by $235,365 to $335,972 as at July 31, 2015 from $571,337 as at July 31, 2014 due to a decrease of $265,401 in exploration and evaluation assets to $266,891 as at July 31, 2015 from $532,292 as at July 31, 2014.

The Company's current assets have increased by $30,684 from $29,325 as at July 31, 2014 to $60,009 as at July 31, 2015. This was in addition to increased current liabilities of $1,425,410 as at July 31, 2015 compared to $1,227,870 as at July 31, 2014. Current liabilities as at July 31, 2015 consisted of accounts payable and accrued liabilities of $1,239,410 (July 31, 2014: $1,227,870) and loans payable of $186,000 (July 31, 2014: $Nil).

See "Overall Performance" for a discussion of trends in financial position and financial performance of the Company and "Changes in Accounting Policies" for a discussion of the trends and risks that have affected the Company as a result of transition from Canadian GAAP to IFRS effective August 1, 2010.

Discussion of Operations

The Company did not generate any revenue for the year ended July 31, 2016 and 2015. Net comprehensive loss decreased from $834,847 for the year ended July 31, 2015 to $594,155 for the year ended July 31, 2016. The primary cause of this decrease was a decrease to operating expenses as well as a decrease to the write-down of exploration and evaluation assets. Total operating expenses were $388,852 for the year ended July 31, 2016 compared to $566,871 for the year ended July 31, 2015. The decrease was due to a decrease in consulting fees (fiscal 2016: $165,670; fiscal 2015: $377,800), in management and directors' fees (fiscal 2016: $20,500;

fiscal 2015: $91,500), and in the write-down of exploration and evaluation assets (fiscal 2016: $205,280; fiscal 2015: $267,976), offset by an increase in share-based payments (fiscal 2016: $82,668; fiscal 2015: $Nil). These expenses represent the costs of administering a public company.

See "Selected Annual Information" for a discussion of the Company's financial condition and financial performance and factors that have caused period to period variations.

See "Nature of Business – Mineral Properties" for a discussion of the Company's mineral properties on a property by property basis, including its plans for the mineral properties, the status of its plans, expenditures made and the anticipated timing and costs to take its mineral properties to the next stage of the project plan.

See "Overall Performance" for a discussion of the commitments, events, risks and uncertainties that the Company believe will materially affect its future performance and "Risks and Uncertainties" for a discussion of risk factors affecting the Company.

Use of Proceeds

Financing	**Previously Disclosed Use of Proceeds**	**Status of Use of**
$200,000 *June 2016* *Non-Brokered* *Private Placement*	Towards general working capital.	As of the date of this report, all proceeds had been used towards general working capital.
$1,800,000 Non flow-through $293,000 Flow-through *August 2016* *Private Placement*	Non flow-through funds - towards accounts payable, accrued liabilities, repayment of loans, public company costs, working capital, and for future identification, negotiations, acquisition, and potential work commitments on mineral properties. Flow-through funds - towards existing Canadian properties.	As of the date of this report, $684,000 in non flow-through funds were used. $293,000 in flow-through funds and $1,116,000 in non flow-through funds has not been used.

In June 2016, the Company closed a non-brokered private placement consisting of 2,000,000 units at $0.10 per unit for gross proceeds of $200,000. Each unit consisted of one common share and one share purchase warrant which entitles the holder to purchase one additional common share of the Company at a price of $0.15 per share until June 13, 2021. In connection with the financing, the Company incurred filing fees of $2,130.

Subsequent to July 31, 2016, the Company closed a private placement consisting of 6,000,000 non flow-through units at $0.30 per unit and 732,500 flow-through units at $0.40 per unit for gross proceeds of $2,093,000. Each non flow-through unit consisted of one common share and one share purchase warrant which entitles the holder to purchase one additional common share of the Company at a price of $0.45 per share until August 24, 2019. Each flow-through unit consisted of one flow-through common share and one share purchase warrant which entitles the holder to purchase one additional non flow-through common share of the Company at a price of $0.50 per share until August 24, 2019. In connection with the financing, the Company paid aggregate finder's fees of $93,852 and issued 267,254 non flow-through broker warrants ("NFT Broker Warrants") and 34,200 flow-through broker warrants ("FT Broker Warrants"). Each NFT

Broker Warrant will be exercisable at $0.45 per share into one common share until August 24, 2019. Each FT Broker Warrant will be exercisable at $0.50 per share into one common share until August 24, 2019.

Liquidity and Capital Resources

Liquidity

At July 31, 2016, the Company had $46,162 in cash and a working capital deficiency of $1,478,926 as compared to cash of $41,698 and a working capital deficiency of $1,365,401 at July 31, 2015.

The Company's current assets have increased from $60,009 as at July 31, 2015 to $100,458 as at July 31, 2016 due mainly to an increase in prepaid expenses. The Company's current liabilities have increased from $1,425,410 as at July 31, 2015 to $1,579,384 as at July 31, 2016, mainly due to an increase in accounts payable and accrued liabilities. The value ascribed to the Company's exploration and evaluation assets has decreased from $266,891 as at July 31, 2015 to $97,319 at July 31, 2016, due mainly to the write-down of exploration and evaluation assets offset by the acquisition of the Nevada Clayton Valley West lithium property.

In October 2014, the Company entered into agreements with three arm's length lenders, whereby the lenders agreed to convert a total of $336,000 in consulting fees payable into loans payable, bearing no interest and are payable upon demand. During the year ended July 31, 2015, the Company repaid a total of $150,000 to the three lenders. During the year ended July 31, 2016, the Company repaid a total of $16,500 to one lender.

During the year ended July 31, 2016, the Company received loan advances totaling $16,700 from two arm's length parties, an officer and a director of the Company ($2,000 from an officer and $1,200 from a director), bearing no interest and due upon demand. The Company fully repaid these loans during the period.

As at July 31, 2016, $169,500 (July 31, 2015: $186,000) of principal had not been repaid. Subsequent to July 31, 2016, the Company fully repaid all the outstanding loans.

In June 2016, the Company closed a non-brokered private placement consisting of 2,000,000 units at $0.10 per unit for gross proceeds of $200,000.

In August 2016, the Company closed a private placement consisting of 6,000,000 non flow-through units at $0.30 per unit and 732,500 flow-through units at $0.40 per unit for gross proceeds of $2,093,000.

Management believes that the Company's cash is sufficient to meet the current working capital requirements, including the existing commitments relating to the Company's mineral properties. But in future, the Company expects to raise additional capital as the needs arise. See "Nature of Business – Mineral Properties" and "Overall Performance" for a discussion of the Company's commitments relating to its mineral properties. As a mineral exploration company, its expenses are expected to increase as the Company explores its mineral properties further. Management does not expect the Company to generate sustained revenues from mineral production in the foreseeable future.

The Company's ability to conduct the planned work programs on its mineral properties, meet ongoing levels of corporate overhead and discharge its liabilities as they become due is dependent, in large part, on the ability of management to raise additional funds as necessary. Management anticipates that additional equity financings will need to be conducted to raise additional funds which, if successful, will result in dilution in the equity interests of the Company's current shareholders. Obtaining commercial loans, assuming those loans would be available, will increase the Company's liabilities and future cash commitments. Although the Company have secured financings in the past, there is no assurance that the Company will be able to do so in the future on terms that is favourable to the Company or at all. The Company's ability to raise additional funds in the future and its liquidity may be negatively impacted by a number of factors, including changes in commodity prices, market volatility and general economic downturns.

Capital Resources

The Company has the following commitments for capital expenditures with respect to its mineral properties as of July 31, 2016. The expenditures are optional and the Company may decide not to incur such payments in the event the Company does not decide to pursue further exploration with respect to such properties.

- *BC War Eagle and Purcell Cobalt Prospects*:

    - The Company owns a 100% interest in these mineral claims, which are in good standing until June 13, 2017. In order to keep these claims in good standing, the Company is required to incur a minimum of $26,691 in exploration expenditures on these claims by June 13, 2017 or to pay cash-in-lieu of $53,382.

- *Ontario Kenagami Hydrothermal Graphite Prospect*:

    - November 2013 purchase agreement and amendments dated December 2014 and September 25, 2016: As at July 31, 2016, the Company was required to pay $20,000 in acquisition costs prior to September 25, 2016. Subsequent to July 31, 2016, the Company further amended the purchase agreement and the amendment dated December 22, 2014 with the Kenagami Vender to defer the cash payment of $20,000 by one year. The Company is now required to pay $20,000 in acquisition costs prior to September 25, 2017. In addition, these mineral claims are in good standing until September 25, 2017. In order to keep these claims in good standing, the Company is required to incur a minimum of $1,600 in exploration expenditures on these claims by September 25, 2017.

- *Yukon Quartz Claims*:

    - Two Yukon Quartz claims are in good standing until October 3, 2017. In order to renew these claims for another year, the Company is required to pay an annual rent of $210 to the Government of Yukon by October 3, 2017 for the Yukon Quartz claims, unless the Company spend an amount greater than that in exploration beforehand. In addition, the Company is also required to pay the claim recording fees of $10 to the Government of Yukon by October 3, 2017.

- *Ontario Coleman, Gilles, Bucke, and Johnson Cobalt Prospects*:
    - These mineral claims are in good standing until July 19, 2018. In order to keep these claims in good standing, the Company is required to incur a minimum of $14,400 in exploration expenditures on these claims by July 19, 2018.
- *Nevada Clayton Valley West Lithium Prospect:*
    - These mineral claims are in good standing until September 1, 2017. In order to keep these claims in good standing, the Company is required to incur pay BLM fees of USD1,860 and county fees of USD240 by September 1, 2017.

See "Nature of Business – Mineral Properties" for a discussion of the Company's capital expenditure commitments with respect to its mineral properties.

Operating Activities

During the year ended July 31, 2016 and July 31, 2015, operating activities used cash of $171,200 and $221,301, respectively. The use of cash for the year ended July 31, 2016 was mainly attributable to its loss for the year of $594,155, offset mainly by non-cash accounts payable and accrued liabilities of $170,472 and by the write-down of exploration and evaluation assets of $205,280. The use of cash for the year ended July 31, 2015 was attributable to its loss for the year of $834,847, offset mainly by non-cash accounts payable and accrued liabilities of $351,540 and by the write-down of exploration and evaluation assets of $267,976.

Investing Activities

During the year ended July 31, 2016 and July 31, 2015, the Company used cash of $5,706 and $5,000, respectively, from investing activities due to investments in exploration and evaluation assets.

Financing Activities

During the year ended July 31, 2016 and July 31, 2015, the Company was provided $181,370 and $251,942 by financing activities, respectively. During the year ended July 31, 2016, $200,000 was provided from the issuance of share capital and $16,700 from loan proceeds, offset by loan repayments of $33,200 and share issue costs of $2,130. During the year ended July 31, 2015, $415,000 was provided from the issuance of share capital and $10,000 from loan proceeds, offset by loan repayments of $160,000 and share issue costs of $13,058.

Changes in Accounting Policies

Accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of 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")

In November 2009, the IASB issued IFRS 9 Financial Instruments as the first step in its project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flow of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument.

IFRS 9 amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including added disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on financial liabilities and derecognition of financial instruments. The amended standard is effective for annual periods beginning on or after January 1, 2018.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Related Parties Transactions

During the year ended July 31, 2016, the Company incurred management fees of $13,000 to two directors. There are no management agreements in place and the Company has no contractual requirement to continue paying management fees. During the year ended July 31, 2016, the Company accrued $7,500 in directors' fees payable to three directors. Management fees, directors' fees and share-based payments are intended to compensate such persons for their time and dedication to the Company.

During the year ended July 31, 2016, the Company paid $500 to an officer in consideration for accounting services provided to the Company. Such payments were made in lieu of management fees to its Chief Financial Officer.

During the year ended July 31, 2016, the Company incurred share-based payments of $8,267 to one director. As a mineral exploration issuer, the Company partially relies on the issuance of stock options to compensate its directors and officers for their time and dedication to the Company.

As at July 31, 2016, accounts payable and accrued liabilities include $37,377 (July 31, 2015: $291,652) payable to three directors and two public companies with directors in common for unpaid fees. The Company accrued $17,001 payable to Makena Resources Inc., a public company with common directors, for reimbursement of accounting and office expenses. The Company accrued $476 payable to Sienna Resources Inc., a public company with a common director, for reimbursement of administrative expenses. The Company also accrued $13,600 in aggregate to three directors for 2015 and 2016 directors' fees, as well as $6,300 in aggregate to two directors in respect of management fees.

During the year ended July 31, 2016, office and miscellaneous expenses included $3,000 which was for reimbursement of accounting overhead to Makena Resources. These amounts are unsecured, non-interest bearing and payable on demand.

During the year ended July 31, 2016, the Company received loan advances totaling $3,200 from a director and an officer of the Company, bearing no interest and due upon demand. The Company fully repaid these loans during the period.

During the year ended July 31, 2016, the Company reimbursed Makena Resources in the amount of $12,991 (2015: 11,407) for the service provided by the Chief Financial Officer.

These transactions are in the normal course of operations and were measured at the exchange amount, which is a reasonable amount agreed upon by the Company and the particular related party or parties.

Fourth Quarter - Unaudited

The Company did not have any revenue during the three months ended July 31, 2016 and 2015. Total operating expenses were $197,379 for the three months ended July 31, 2016, as compared to $124,136 for the three months ended July 31, 2015. The increase resulted primarily from an increase in share-based payments (three months ended July 31, 2016: $82,668; three months ended July 31, 2015: $Nil), offset by a decrease in consulting fees (three months ended July 31, 2016: $40,037; three months ended July 31, 2015: $90,000).

Net comprehensive loss increased to $391,715 for the three months ended July 31, 2016 as compared to $224,369 for the three months ended July 31, 2015. The increase resulted mainly from a write-down of exploration and evaluation assets of $194,313 being recognized during the three months ended July 31, 2016 compared to $100,233 being recognized during the three months ended July 31, 2015, as well as an increase of $73,243 in operating expenses.

Financial Instruments and Other Instruments

Financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivables, accounts payable and accrued liabilities, and loans payable approximates their carrying values due to the short term nature of the financial instruments. The Company's cash is measured at fair value using Level 1 inputs.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. As at July 31, 2016, the Company has a minimal exposure to the US$ that is subject to fluctuations as a result of exchange rate variations to the extent that transactions are made in this currency. The Company considers this risk to be insignificant and therefore does not hedge its foreign exchange risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and receivables are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. As at July 31, 2016, the Company is not exposed to any significant credit risk.

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 has non-interest bearing debt instruments and is therefore not exposed to risk in the event of interest rate fluctuations. As at July 31, 2016, the Company is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Company addresses its liquidity through equity financing obtained through the sale of common shares and the exercise of warrants and options. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

Price Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company.

Based on management's knowledge and experience of the financial markets, management does not believe that the Company's current financial instruments will be affected by foreign exchange risk, credit risk, interest rate risk and price risk.

Proposed Transactions

The Company does not have any proposed transactions as of the date of this report.

Additional Disclosure for Venture Issuers without Significant Revenue

During the year ended July 31, 2016 and 2015, the Company incurred expenses including the following:

	2016	**2015**
Operating expenses	$388,852	$566,871
Capitalized exploration costs	$212	$2,575
Capitalized acquisition costs	$35,496	$Nil
Write-down of exploration and evaluation assets	$205,280	$267,976

Please refer to Note 6 *Exploration and Evaluation Assets* in the consolidated financial statements for the year ended July 31, 2016 for a description of the capitalized acquisition and exploration costs presented on a property-by-property basis.

Additional Disclosure of Outstanding Share Data

Common Shares

The Company has authorized an unlimited number of common shares without par value.

As at July 31, 2016, the Company had 6,475,582 common shares issued and outstanding. Subsequently, the Company issued 6,732,500 common shares pursuant to a private placement and the Company issued a total of 1,650,000 common shares in respect to mineral property acquisitions. As of October 18, 2016, the Company had 14,858,082 common shares issued and outstanding.

Stock options

As at July 31, 2016, the Company had 627,800 share purchase options outstanding and exercisable entitling the holders thereof the right to purchase one common share for each option held as follows:

Number	Exercise Price	Expiry Date
16,425	$4.00	January 13, 2017
500,000	$0.35	January 25, 2017
1,450	$4.00	October 11, 2017
109,925	$2.00	September 3, 2018
627,800		

In September, the Company granted 250,000 stock options to directors, officers and consultants at an exercise price of $0.60 per share for a period of three months. As of October 18, 2016, the Company had 877,800 share purchase options outstanding and exercisable.

Warrants

As at July 31, 2016, the Company had 4,603,130 share purchase warrants outstanding. Each warrant entitles the holder the right to purchase one common share as follows:

Number	Exercise Price	Expiry Date
230,205	$10.00	September 6, 2016
8,750	$12.00	September 6, 2016
267,425	$4.00	January 28, 2018
2,096,750	$1.00	December 18, 2019
2,000,000	$0.15	June 13, 2021
4,603,130		

Subsequent to July 31, 2016, the Company issued 6,732,500 share purchase warrants and 301,454 broker warrants in connection with a private placement. 230,205 share purchase warrants at an exercise price of $10 and 8,750 share purchase warrants at an exercise price of $12, all expired unexercised. As of October 18, 2016, the Company 11,398,129 share purchase warrants issued and outstanding.

Risks and Uncertainties

Because of the unique difficulties and uncertainties inherent in mineral exploration ventures, the Company face a high risk of business failure.

Potential investors should be aware of the difficulties normally encountered by mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration program that the Company intend to undertake on its properties and any additional properties that the Company may acquire. These potential problems include unanticipated problems relating to exploration, and additional costs and expenses that may exceed current estimates. The expenditures to be made by the Company in the exploration of the properties may not result in the discovery of any mineral deposits. Any expenditure that the Company may make in the exploration of any other mineral property that the Company may acquire may not result in the discovery of any commercially exploitable mineral deposits. Problems such as unusual or unexpected geological formations and other conditions are involved in all mineral exploration and often result in unsuccessful and/or expensive exploration efforts. If the results of the exploration do not reveal viable commercial mineralization, the Company may decide to abandon or sell some or all of the property interests.

Because of the speculative nature of the exploration of mineral properties, there is no assurance that the exploration activities will result in the discovery of any quantities of mineral deposits on the current properties or any other additional properties the Company may acquire.

The Company intend to continue exploration on the current properties and the Company may or may not acquire additional interests in other mineral properties. The search for mineral deposits as a business is extremely risky. The Company can provide investors with no assurance that exploration on the current properties, or any other property that the Company may acquire, will establish that any commercially exploitable quantities of mineral deposits exist. Additional potential problems may prevent the Company from discovering any mineral deposits. These potential problems include unanticipated problems relating to exploration and additional costs and expenses that may exceed current estimates. If the Company is unable to establish the presence of mineral deposits on the properties, the Company's ability to fund future exploration activities will be impeded, the Company will not be able to operate profitably and investors may lose all of their investment in the Company.

Because of the inherent dangers involved in mineral exploration and exploitation, there is a risk that the Company may incur liability or damages as the Company conducts business.

The search for mineral deposits involves numerous hazards. As a result, the Company may become subject to liability for such hazards, including pollution, cave-ins and other hazards against which the Company cannot insure or against which the Company may elect not to insure. At the present time the Company have no coverage to insure against these hazards. The payment of such liabilities may have a material adverse effect on the Company's financial position.

The potential profitability of mineral ventures depends in part upon factors beyond the control of the Company and even if the Company discover and exploit mineral deposits, the Company may never become commercially viable and the Company may be forced to cease operations.

The commercial feasibility of an exploration program on a mineral property is dependent upon many factors beyond the Company's control, including the existence and size of mineral deposits in the properties the Company explore, the proximity and capacity of processing equipment, market fluctuations of prices, taxes, royalties, land tenure, allowable production and environmental regulation. These factors cannot be accurately predicted and any one or a combination of these factors may result in the Company not receiving any return on invested capital. These factors may have material and negative effects on financial performance and the Company's ability to continue operations.

Exploration and exploitation activities are subject to comprehensive regulation which may cause substantial delays or require capital outlays in excess of those anticipated causing an adverse effect on the Company.

Exploration and exploitation activities are subject to foreign, federal, provincial, and local laws, regulations and policies, including laws regulating the removal of natural resources from the ground and the discharge of materials into the environment. Exploration and exploitation activities are also subject to foreign, federal, provincial, and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of drilling methods and equipment. Properties may also be subject to complex Aboriginal claims.

Environmental and other legal standards imposed by foreign, federal, provincial, or local authorities may be changed and any such changes may prevent the Company from conducting planned activities or may increase costs of doing so, which would have material adverse effects on the Company's business. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on the Company, especially, foreign laws and regulations. Additionally, the Company may be subject to liability for pollution or other environmental damages that the Company may not be able to or elect not to insure against due to prohibitive premium costs and other reasons. Any laws, regulations or policies of any government body or regulatory agency may be changed, applied or interpreted in a manner which will alter and negatively affect the Company's ability to carry on business.

Because the Company's property interests may not contain any mineral deposits and because the Company have never made a profit from operations, the Company's securities are highly speculative and investors may lose all of their investment in the Company.

The Company's securities must be considered highly speculative, generally because of the nature of its business and the stage of exploration. The Company currently has exploration stage property interests which may not contain mineral deposits. The Company may or may not acquire additional interests in other mineral properties but the Company does not have plans to acquire rights in any specific mineral properties as of the date of this Management's Discussion and Analysis. Accordingly, the Company have not generated any revenues nor have the Company realized a profit from operations to date and there is little likelihood that the Company will generate any revenues or realize any profits in the short term. Any profitability in the future from the Company's business will be dependent upon locating and exploiting mineral deposits on current properties or mineral deposits on any additional properties that the Company may acquire and subsequent development. The likelihood that any mineral properties that the Company may acquire or have an interest in will contain commercially exploitable mineral deposits is extremely remote. The Company may never discover mineral deposits in respect to current properties or any other area, or the Company may do so and still not be commercially successful if the Company is unable to exploit those mineral deposits profitably. The Company may not be able to operate profitably and may have to cease operations, the price of the Company's securities may decline and investors may lose all of their investment in the Company.

As the Company face intense competition in the mineral exploration and exploitation industry, the Company will have to compete with competitors for financing and for qualified managerial and technical employees.

Competition includes large established mining companies with substantial capabilities and with greater financial and technical resources than the Company have. As a result of this competition, the Company may have to compete for financing and be unable to conduct any financing on terms the Company consider acceptable. The Company may also have to compete with the other mining companies for the recruitment and retention of qualified managerial and technical employees. If the Company is unable to successfully compete for financing or for qualified employees, the exploration programs may be slowed down or suspended, which may cause operations to cease as a company.

The Company have a history of losses and have a deficit, which raises substantial doubt about its ability to continue as a going concern.

The Company has not generated any revenues during the years ended July 31, 2016 and 2015. The Company will continue to incur operating expenses without revenues if and until the Company engage in commercial operations. Accumulated loss as of July 31, 2016 was $12,748,453 since inception. The Company had cash in the amount of $46,162 as at July 31, 2016. The Company estimates the average monthly operating expenses to be approximately $30,000 each month. The Company cannot provide assurances that the Company will be able to successfully explore and develop its property interests. These circumstances raise substantial doubt about its ability to continue as a going concern, which was also described in an explanatory paragraph to the independent auditors' report on the Company's audited financial statements, July 31, 2016. If the Company is unable to continue as a going concern, investors will likely lose all of their investments in the Company.

The Company's future is dependent upon its ability to obtain financing and if the Company does not obtain such financing, the Company may have to cease its exploration activities and investors could lose their entire investment.

There is no assurance that the Company will operate profitably or will generate any positive cash flow in the future. The Company will require additional financing in order to proceed with the exploration and, if warranted, development of its properties. The Company will also require additional financing for fees the Company must pay to maintain its status in relation to the rights to the properties and to pay the fees and expenses necessary to operate as a public company. The Company will also need more funds if the costs of the exploration of its mineral claims are greater than the Company has anticipated. The Company will require additional financing to sustain its business operations if the Company is not successful in earning revenues. The Company will also need further financing if the Company decides to obtain additional mineral properties. The Company currently does not have any arrangements for further financing as the Company believes that it is sufficiently funded for the current operations but in future the Company expects to raise additional capital as the needs arise. The Company's future is dependent upon its ability to obtain financing. If the Company does not obtain such financing, its business could fail and investors could lose their entire investment.

The Company's directors and officers are engaged in other business activities and accordingly may not devote sufficient time to the Company's business affairs, which may affect its ability to conduct operations and generate revenues.

The Company's directors and officers are involved in other business activities. As a result of their other business endeavours, the Company's directors and officers will exercise their fiduciary duties and duty of care but nonetheless may not be able to devote sufficient time to the Company's business affairs, which may negatively affect the Company's ability to conduct ongoing operations and its ability to generate revenues. In addition, the management of the Company may be periodically interrupted or delayed as a result of the Company's officers' other business interests.

RISKS RELATING TO THE COMPANY'S COMMON STOCK

A decline in the price of the Company's common stock could affect its ability to raise further working capital and adversely impact ability to continue operations.

A prolonged decline in the price of the Company's common stock could result in a reduction in the liquidity of its common stock and a reduction in its ability to raise capital. Because a significant portion of operations have been and will be financed through the continued sale of equity securities, a decline in the price of the common stock could be especially detrimental to liquidity and operations. Such reductions may force the Company to reallocate funds from other planned uses and may have a significant negative effect on business plans and operations, including the ability to continue current operations. If the Company's stock price declines, the Company can offer no assurance that it will be able to raise additional capital or generate funds from operations sufficient to meet its obligations. If the Company is unable to raise sufficient capital in the future, the Company may not be able to have the resources to continue normal operations or become insolvent.

The market price for the Company's common stock may also be affected by its ability to meet or exceed expectations of analysts or investors. Any failure to meet these expectations, even if minor, may have a material adverse effect on the market price of its common stock and its operations as a result.

Additional Information

The Company file annual and interim reports, information circulars and other information with certain Canadian securities regulatory authorities. The documents filed with the Canadian securities regulatory authorities are available at http://www.sedar.com.