INTRODUCTION

The following discussion and analysis of the operating results, financial position and future prospects of Copper Reef Mining Corporation (“Copper Reef” or the “Company”), dated March 25, 2016 constitutes management’s view of the factors that affected the Company’s financial and operating performance for the year ended November 30, 2015 and subsequent period ended March 25, 2016. This discussion should be read in conjunction with the audited financial statements and related notes of the Company for the year ended November 30, 2015 and 2014. This MD&A is prepared in conformity with National Instrument 51-102 F1 and has been approved by the Board of Directors on March 25, 2016.

All financial information is presented in Canadian dollars unless otherwise stated. All references to a year refer to the year ended on November 30 of that year. Additional information related to the Company is available for review on SEDAR at www.sedar.com.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this document constitute “forward-looking statements”. When used in this document, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “propose”, “anticipate”, “believe”, “forecast”, “estimate”, “expect” and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company’s current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments.

STRUCTURE AND BUSINESS DESCRIPTION

NAME AND INCORPORATION

The Company was incorporated under the laws of the Province of Manitoba by Letters Patent of Incorporation dated March 27, 1973 as "Copper Reef Mines (1973) Limited", as amended by Articles of Amendment dated January 18, 2005, and Articles of Amendment dated September 8, 2006, changing the corporate name to "Copper Reef Mining Corporation". The head office of the Company is located at their offices at 12 Mitchell Road, Flin Flon, Manitoba R8A 1N1. Other than shares of non-related companies pursuant to certain property agreements, the Company does not have an interest in any corporations, bodies corporate, limited partnerships, partnerships, joint ventures, associations, trusts or unincorporated organizations.

THE COMPANY

The Company is a Canadian junior mineral exploration company engaged in the acquisition, exploration and development of mineral concessions with a specific focus on mineral properties in Northwest Manitoba and Northeast Saskatchewan, Canada. All of the Company's properties are currently at the exploration stage. The Company has no long-term debt and has assembled a portfolio of base metal and precious metal prospects, including strategic locations in the provinces of Manitoba and Saskatchewan.

CORPORATE DEVELOPMENTS

- **On December 18, 2014**, the Company closed a, non-brokered, Flow Through Unit private placement on December 31, 2014 at a price of $0.05 per Unit for net proceeds of $40,000. A total of 800,000 Flow Through Units were subscribed for in the provinces of Manitoba and Saskatchewan. The shares have been issued and have a hold period to August 1, 2015. The Flow Through Units consist of one Common Share of the Issuer, issued as a "flow-through share" (the "Flow Through Shares") within the meaning of the Income Tax Act (Canada) and One Flow-Through Warrant. Each whole Warrant shall entitle the holder to purchase one Common Share for a purchase price of $0.10 per Common Share for a period of twenty-four months following the date of issuance. A director and officer of the Company subscribed for 150,000 of these units.
- **On August 12, 2015**, the Company announced that it has entered into non- binding letters of intent ("LOI's") with Wildcat Exploration Ltd. (TSX-V: WEL) to sell to Wildcat its diamond exploration properties in the Pikoo and Fort a la Corne diamond exploration areas of Saskatchewan as well as all of its gold properties in the main Flin Flon mining camp of Manitoba. The terms of the LOIs contemplate that the parties will enter into definitive agreements, subject to applicable regulatory and board approvals, on or about August 31, 2015 or such other date as the parties agree.
- **On August 28, 2015** the Company announced the appointment of Mr. Kelly Gilmore to its Board of Directors. Mr. Masson, President and CEO of the Company, welcomes Mr. Gilmore to the Board, who has been a longtime colleague of Stephen Masson and Jim Pickell. The entire board is excited as Copper Reef continues to build its team of proven mine-finders and discovery expertise with a combined expertise of over 150 years in exploration. Kelly's depth of knowledge in various areas of exploration and proven skills at finding major deposits will be a valuable asset to Copper Reef exploring its extensive quality land position in Flin Flon Belt, from Snow Lake Manitoba to Hanson Lake Saskatchewan. Mr. Gilmore joins Copper Reef at a time that he will help lead the company to refocus on its base metal exploration efforts in the prolific Flin Flon Belt that continues to turn out world class copper-zinc–silver-gold deposits.

  Mr. Gilmore, a graduate geologist of the University of Manitoba, has over 30 years of experience designing and executing exploration programs with documented success in the application and integration of geophysics, geochemistry and geology for VMS copper-zinc, nickel sulphide, gold and IOCG or Porphyry style mineralisation. His experience with Hudson Bay Exploration and Development Company Limited (HBED) primarily focussed on the Flin Flon-Snow Lake Greenstone Belt of Manitoba and Saskatchewan, Manitoba and later as Chief Exploration Geologist with Hudbay Minerals Inc included projects in Balmat, New York State, Chile, northern and south western Ontario and the Tom-Jason property in the Yukon.

  Mr. Gilmore is associated with many mine discoveries in the Flin Flon Belt, including the large Triple Seven (777) Mine and the Lalor Deposit for which he was twice part of teams awarded the PDAC Bill Dennis Prospector of the Year Award.

To Copper Reef Mr. Gilmore also brings the breadth of over 20 years involvement in leading edge research partnerships with various industry, academic and government agencies at both provincial and national levels as well as 7 years of experience with the mining associations of Manitoba and Saskatchewan.

Mr. Gilmore is registered as a professional geoscientist with the Association of Professional Engineers and Geoscientists of Manitoba (APEGM) and served two terms as a councillor. He is also a member of the Association of Professional Engineers and Geoscientists of Saskatchewan (APEGS) and the Association of Professional Geoscientists of Ontario (APGO).

- **On September 9, 2015** the Company announced the resignation of James Pickell from the Company's Board of Directors. He brought an enormous amount of expertise, insight and knowledge of the Flin Flon Greenstone Belt to Copper Reef and served diligently on the Board.
- **On September 11, 2015,** the Company and Wildcat Exploration Ltd. (TSX-V: WEL) ("Wildcat") jointly announced the mutually agreed on termination of their agreement regarding the sale to Wildcat of Copper Reef's Pikoo and Fort la Corne diamond exploration properties in northern Saskatchewan as well as all of the Company's gold properties in the main Flin Flon mining camp of Manitoba as previously announced May 12, 2015.
- **On September 25, 2015** the Company announced the closing of the first tranche of a private placement previously announced on September 11, 2015 of up to $300,000. The total for the first tranche is 1,180,000 flow-through units issued at $0.05/unit which raised fifty nine thousand dollars ($ 59,000). Each unit consists of one flow through share and one ordinary share purchase warrant. Each warrant can be exercised to purchase one common share of the Company with an exercise price of 10 cents for a two year term expiring September 24, 2017. The shares issued pursuant to this private placement are subject to a four month and one day hold period (January 26, 2016) and otherwise in compliance with applicable securities laws
- **On January 8, 2016,** the Company announced a non-brokered private placement financing up to an aggregate proceeds of $400,000 (the "Maximum Offering Amount") comprised of such number of Flow Through Shares at a price of $0.05 per Flow-Through Unit and Class "A" Units at a price of $0.025 per Unit as the Company may determine.

  The Offering is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory approvals. All securities to be issued under the Offering will be subject to a four-month statutory hold period in Canada.

  The Units shall consist of, and separate immediately upon closing, into one common share of the Issuer (a "Common Share") and two (2) Warrants at a purchase price of $0.05 cents/warrant for a period of twelve (12) months following the date of issuance. The Flow-Through Units shall consist of, and separate immediately upon closing, into one Common Share of the Issuer, each to be issued as a "flow-through share" (the "Flow-Through Shares") within the meaning of the Income Tax Act (Canada). The warrants attached to the Flow-Through Shares shall entitle the holder to purchase one Common Share for a purchase per share purchase warrant.
- **On March 1, 2016,** the Company announced the appointment of Mr. William J. Jackson Ba.Sc., to its Board of Directors. Mr. Masson, President and CEO of the Company, welcomes Mr. Jackson to the Board.

- **On March 7, 2016**, the Company closed a private placement which raised an aggregate of $100,000 from the sale of 3,140,000 flow-through and non-flow-through units. Details are as follows:
  1. 2,280,000 units at a price of $0.025 per unit, comprised of 2,280,000 common shares and 4,560,000 warrants. Each warrant entitles the holder to purchase one common share at an exercise price of $0.05 per warrant. The warrants are exercisable for twelve months and have an expiry date of March 9, 2017; and
  2. 860,000 flow-through units at a price of $0.05 per unit, comprised of 860,000 flow-through shares and 860,000 warrants. Each warrant entitles the holder to purchase one common share at an exercise price of $0.05 per warrant. The warrants are exercisable for twenty-four months and have an expiry date of March 9, 2018.

Directors and officers of the Company subscribed for 800,000 of these units for a total proceeds of $30,000.

Please refer to Exploration Assets – March 7, 2016 program for intended use of proceeds.

LIQUIDITY AND CAPITAL RESOURCES

As at November 30, 2015 the Company had working capital of $8,014 as compared to working capital of $508,871 as at November 30, 2014. The Company's ability to remain liquid over the long term depends on its ability to obtain additional financing. There can be no assurance that the Corporation will be able to obtain sufficient capital in the case of operating cash deficits.

EVALUATION & EXPLORATION ASSETS

The Company holds interests in 43 mineral properties, with 41 held by way of mineral claims and two by mineral leases, all located in Saskatchewan and Manitoba. Twenty-one of the properties are consolidated into nine groups or are individual claims. Twenty claims are with a combined asset value of $233,302 as at November 30, 2015 and are included under "Other Properties as presented in the Table of Evaluation and Exploration assets as noted overleaf. The final two claims have minimal value and work is expensed on an annual basis.

A continuity schedule of the capitalized expenditures allocated to individual major properties and summarized for minor properties is shown overleaf:

Please note, the Mink Narrows Group and the Smelter and Hanson Lake properties have been allocated to "Other Properties" as work for the past two years has consisted of title sustaining work necessary to maintain the current status of the claims.

Also, we have included a summary of expenditures that have been expensed not capitalized to illustrate total mineral property costs for the years ended November 30, 2015 and 2014.

A summary of major claim blocks, exploration expenditures for the years ended November 30, 2015 and 2014, including both capitalised and expensed expenditures is included overleaf:

Exploration and Evaluation Assets
For the years ended November 30, 2015 and 2014

	Total	Non Capitalised Expenditures	Total Capitalised Expenditures	Gold Rock Group	Alberts Lake Group	Morgan Group	Burn	Otter/ Twin Lakes	Pikoo	Others
Balance, November 30, 2013			**8,699,727**	**1,514,870**	**548,121**	**331,478**	–	**265,335**	–	**6,039,923**
Claim acquisition & holding	84,390	4,258	80,132	732	1,092	7,470	100	217	65,050	5,471
Assay	12,635	4,596	8,039	–	–	–	100	–	7,939	–
Line cutting	8,379	208	8,171	93	–	–	760	4,968	2,350	–
Field labour costs	170,633	100,702	69,931	8,075	7,125	–	26,511	8,551	19,669	–
Other fields costs	54,634	25,036	29,598	–	302	2,550	8,030	426	17,158	1,132
Total 2014 expenditures	**330,671**	**134,800**	**195,871**	**8,900**	**8,519**	**10,020**	**35,501**	**14,162**	**112,166**	**6,603**
Subtotal			**8,895,598**	**1,523,770**	**556,640**	**341,498**	**35,501**	**279,497**	**112,166**	**6,046,526**
MEAP and cash in lieu rebates			(42,408)	–	–	–	(12,425)	(29,983)	–	–
Write down of properties			(47,233)	–	–	–	–	–	–	(47,233)
Balance, November 30, 2014			**8,805,958**	**1,523,770**	**556,640**	**341,498**	**23,076**	**249,514**	**112,166**	**5,999,293**
Claim acquisition & holding	150,311	5,201	145,110	1,200	4,591	1,638	130	299	55,000	82,252
Assay	2,715	2,327	388	–	5	–	–	–	384	–
Line cutting	13,737	203	13,534	44	–	–	–	5,090	8,400	–
Field labour costs	147,174	96,917	50,255	1,213	5,550	–	475	5,063	37,481	475
Other fields costs	33,608	18,243	15,365	260	–	–	–	–	15,105	–
Total 2015 expenditures	**347,545**	**122,891**	**224,654**	**2,716**	**10,146**	**1,638**	**605**	**10,452**	**116,370**	**82,727**
Balance, November 30, 2015			**9,030,611**	**1,526,486**	**566,786**	**343,136**	**23,681**	**259,966**	**228,536**	**6,082,020**

Property Acquisitions

- **On February 3, 2015**, pursuant to a property purchase agreement with CanAlaska Uranium Ltd. noted in Note 7 and in Note 9(v) of the interim financial statements, the Company issued 500,000 common shares at a deemed fair value of $0.03 per share, based on the fair market price of the January 24, 2014 agreement.
- **On April 22, 2015**, the Company announced the acquisition of two claim packages located in Northern Saskatchewan.
    a. The first package consists of two blocks of claims in the Pikoo area acquired from CanAlaska Uranium Ltd ("CanAlaska") referred to as the C2 & C3 Claims. Terms of the acquisition were the issuance of 1,000,000 shares to CanAlaska Uranium Ltd. and completion of two years assessment work or the issuance of a further 1,000,000 shares of the Company. On May 11, 2015 the Company issued the 1,000,000 shares to complete the acquisition. The Agreement is subject to a 2.5% Net Smelter Returns Royalty ("NSR") from CanAlaska Uranium Ltd.
    b. The second package consists of seven widely scattered claim blocks located in the Fort a la Corme area of Northern Saskatchewan, acquired from 49 North Resources Inc. Terms of the acquisition were the issuance of 2,000,000 shares of the Company. On May 12, 2015 the Company issued the 2,000,000 shares to complete the acquisition. The Company now holds a 100% interest in the claims subject to a 3.0% NSR to 49 North Resources Inc.

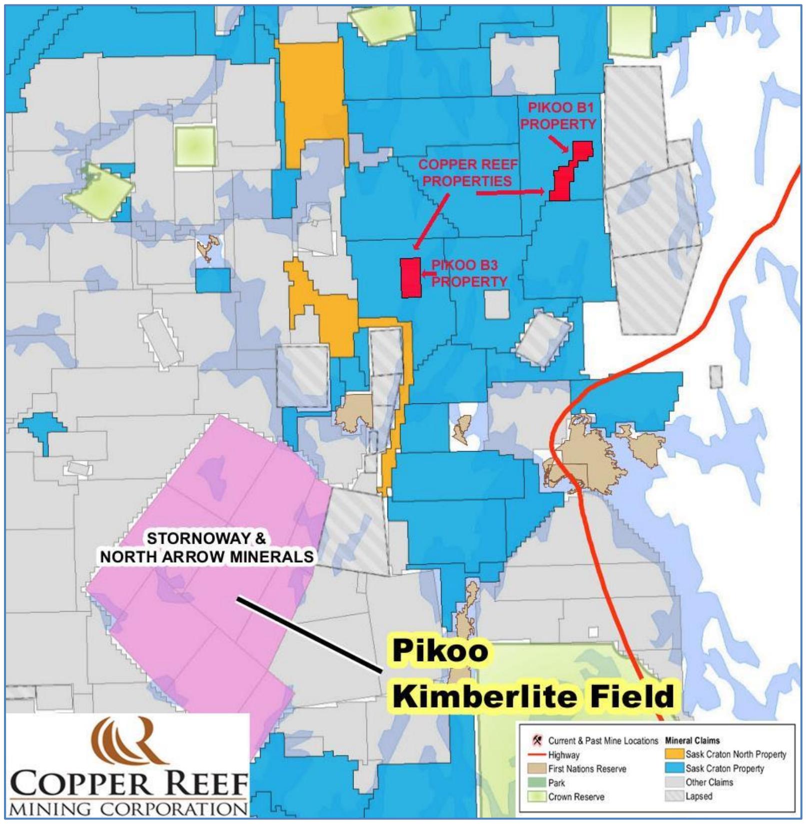
The two clusters of Pikoo area claims, obtained from CanAlaska, include a high number of untested aeromagnetic anomalies that could be caused by kimberlite intrusions. These Pikoo area properties are located immediately east of the village of Deschambault and just north of the Hanson Lake highway approximately 120 km east of Creighton-Flin Flon, Saskatchewan. This newly revealed, highly prospective Pikoo diamond-bearing district is associated with the Archean-aged Sask Craton and is currently being explored by North Arrow Minerals Inc. following its 2013 discovery of several diamond-bearing kimberlites (as noted in the North Arrow Minerals Inc. ("North Arrow") news release dated November 5th, 2013). The North Arrow discovery consists of reasonably high-grade diamond-bearing kimberlitic intrusions possessing quality diamonds (23 greater than 0.85 mm in size) in an entirely new area for kimberlite discoveries. Alto Ventures Ltd and Strike Minerals Inc are also active exploration players in the area and have outlined new kimberlite indicator mineral trends separate from North Arrow's. Copper Reef considers this new diamond play to be in its exploration infancy and has chosen to get in early and is now adding to its existing property base.

The two CanAlaska blocks, referred to as C2 and C3, contain a number of bulls-eye magnetic targets (10) and occur within the Pelican window of the Archean-aged Sask Craton, immediately west of a major crustal break referred to as the Tabbenor Fault. The known Fort a la Corne kimberlites also occur just west of this same major Tabbenor crustal structure and also are believed to be underlain by the southern continuation of the Archean Sask Craton.

The seven large claim blocks acquired from 49 North are scattered in the Fort a la Corne area and are located just north of where Shore Gold Inc drilled a major kimberlite swarm near Smeaton, Saskatchewan. Several of the newly acquired 49 North blocks have well-defined undrilled kimberlite-like targets as defined by ground magnetic and aeromagnetic surveys. Some of these targets also appear to be 'up-ice' from till samples containing kimberlite indicator minerals. As such, some of the blocks with defined ground magnetic anomalies are believed to be drill ready targets.

Property Results

- **On December 23, 2014** the Company announced the initial results from the 2014 till sampling program on its B1 and B2 Pikoo Diamond Project in Saskatchewan.



- Twenty-five samples were successfully collected on the B1 Pikoo property and 7 samples on the B3 Pikoo property. Three out of the nine magnetic anomalies that were till sampled on Copper Reef's B1 and B3 Pikoo properties returned diamond indicator minerals derived from 'down-ice' till samples. Only one of the nine magnetic anomalies (Pikoo 1-001) proved to be quite problematic for till sampling purposes, as the magnetic anomaly was likely located under a lake.

  The best till results came from down-ice of the magnetic anomaly Pikoo 1-002 that is located within the B1 Pikoo property and represents the largest, northernmost and most significant magnetic anomaly. The sampling came back with 3 chrome diopsides and 1 eclogitic olivine. A ground magnetic survey over the area outlined a strong circular anomaly approximately 100 m in diameter beneath overburden and occurring just south of a large, mostly non-magnetic granite hill.

  Also down-ice from the Pikoo 1-002 magnetic anomaly, a single grain of chrome diopside was found in a till sample collected just south of magnetic anomaly 'B'. Ground geophysics over this anomaly indicated a weak anomaly caused by a small body less than 25 meters wide and likely representing a dike. The chrome diopside could have just as easily have come from target Pikoo 1-002 which is up-ice and not from anomaly 'B'.

Another highly significant magnetic target within the B1 Pikoo property was the Pikoo 1-004 anomaly, which was also investigated by Stornoway Diamond Corporation. Here a single grain of possibly kimberlitic orthopyroxene was found in till sourced just south of this anomaly. While the anomaly appears to be caused by a NNE-trending dike located in an overburden-covered NNE lineament depression situated between two non- magnetic large granite outcrops, there is some concern whether the ground magnetic anomaly actually coincides with the aeromagnetic anomaly or if it is a separate magnetic feature. In addition, the aeromagnetic target may not have been properly covered by ground magnetic surveys and appears to lie further west beneath the lake in an area on strike with a more northerly lineament. In any event, till sampling carried out in 2014 may not have adequately covered the down-ice aspect of the target.

No samples were collected south of the second largest circular airborne magnetic anomaly on the B1 Pikoo property (i.e., the Pikoo 1-001 target) which likely lies beneath lake waters immediately south along the same lineament as the Pikoo 1-004 target.

There were no indicator minerals obtained from till sampling on the western B3 Pikoo property. The magnetic anomalies mostly appear to be explained by magnetite-bearing metasedimentary gneisses intruded by pegmatites possessing up to fist-size clusters of magnetite. The northernmost and quite intriguing circular magnetic anomaly on the B3 Pikoo property was investigated both geologically and geophysically. However, no till samples were collected down-ice from the ground magnetic anomaly and the magnetic anomaly also appears to be explained by magnetite-bearing metasedimentary gneisses.

In conclusion, the highest priority target noted to date on Copper Reef’s Pikoo properties is represented by the B1 Pikoo property 1-002 circular magnetic target, which possesses key kimberlite indicators located in glacial tills collected down-ice from this anomaly. Although this target could represent a kimberlite pipe, it will require additional till sampling and confirmation drilling. The B3 Pikoo property magnetic targets have now been downgraded as not having an obvious kimberlitic association. Management and Copper Reef’s Board are evaluating the results and how best to approach the B1 Pikoo 1-002 target in particular, as well as targets B1 Pikoo 1-001 and 004 as they may lie beneath lake waters.

Also explored during this prospecting program was a VTEM anomaly that occurs just south of the Gurney Mine Structure. A gold deposit possibility similar to Callinex’s nearby Gossan Hill gold zone is located just to the east of the property. The anomaly lies beneath the waters of Burn Lake and will require ground geophysics over ice to accurately locate.

Two drill targets were recommended in the 2014 Burn Property Report (now completed) with three other drill targets recommended following ground geophysical work. Further work on Hudbay’s drill core, now located at Copper Reef’s core logging facility, will be carried out this Fall to look in detail at the lithologies hosting the mineralization and to assay for Platinum Group Metals (PGMs). The nickel-copper target horizon could also continue onto Callinex’s property located to the east.

- **On February 4, 2015**, the Company announced that an airborne magnetic survey had been completed over its B1 Property, located in the Pikoo diamond exploration play near Pelican Narrows, Saskatchewan.

  As noted in the company’s December 23rd, 2014 press release, several significant till samples containing Kimberlite Indicator Minerals (KIMs) analysed at C F Minerals, are aligned along a prospective north-northeastward trend on the company’s B1 property that may be associated with magnetic anomalies, originally outlined by Stornoway Diamond Corporation in a 2007 aeromagnetic survey.

  This newly completed aeromagnetic survey over the entire B1 Property is expected to provide a much clearer, higher resolution image of the two main southern magnetic targets (Pikoo 1- 001 and 004) on that property. Owing to lake cover and proximity to shorelines, previous ground magnetic surveys were unable to accurately locate and define the two southern aeromagnetic targets.

It is also important to note that the some of the best KIM in till results noted within the B1 Pikoo property were picked up immediately down-ice of the Pikoo 1-002 magnetic anomaly, that may easily represent one of the largest, northernmost and most significant magnetic anomalies on the B1 Pikoo property.

The new 220 line-km airborne magnetic survey covering the Copper Reef properties (see below) was flown at a 50 metre line spacing, parallel to an azimuth of 207 degrees, and along 34 lines. Eight tie lines flown parallel at an azimuth of 117 degrees are also included in the 220 line-km total.

Management feels that this new survey will provide a much better definition to the cluster of magnetic anomalies on the property and may further explain the second largest circular airborne magnetic anomaly on the B1 Pikoo property (i.e., the Pikoo 1-001 target) that likely occurs beneath lake waters and immediately south along the same lineament as the Pikoo 1- 004 target. Copper Reef intends to follow the targets with prospecting and further till sampling in order to establish drill targets with confidence.

- **On November 5, 2015**, the Company announced an end-of-summer field work update on its Pikoo Diamond Project in Saskatchewan.

  Till sampling of several high-priority kimberlite target possibilities directly associated with circular aeromagnetic anomalies has been completed on three of the Company's Pikoo diamond project properties C2 and C3 10 km east of the village of Deschambault and B1 near Pelican Narrows, Saskatchewan. Till samples were collected to search for a suite of the unique 'indicator' minerals that are often key elements of diamondiferous kimberlite intrusions. On the C2 and C3 properties till samples were collected along lines (referred to as a fence) perpendicular to the ice direction down ice (to the SE) of a total of 9 anomalies. Prospecting for boulders of magnetic rocks were carried out along this till sample fence and the geology mapped with various lithologies tested for magnetic susceptibility for their relative magnetism. The magnetic anomalies do not outcrop but occur below swamps, thick overburden or lakes. A total of 28 till samples were taken at 100-200 meter intervals along 3 till sample fences. 10 till samples were taken on the C2 property, 12 till samples were taken on the C3 property (4 covering the southern anomaly and 8 covering the northern anomaly) and an additional 6 samples were taken on the B1 property southeast of the Pikoo1-002 anomaly where kimberlite indicators minerals were obtained last year. In general, the properties were found to be covered with thin glacial till and/or in some areas by extensive areas of swampy organic material or lake deposited clay. Some glacial outwash material was observed in the field and rejected for sampling. For the most part good lodgement basal till; very hard stony sandy to silty clay referred commonly as "hard pan" was collected at the sample sites. At a few locations only sandy stony basal till was available. The line of till samples southwest of each anomaly collectively would in theory capture indicator minerals from any possible kimberlite source that might be of interest on the property.

  On B1 an additional 6 samples were taken in the area where kimberlite indicator minerals (mainly chrome diopside) were discovered last year just south of a small strong circular anomaly. The overburden cover was thick in the immediate area of this magnetic anomaly before very quickly trailing into swampy muskeg to the south. Detailed prospecting found neither an outcrop source nor boulders that might indicate the nature of the anomaly of B1 .

  The Till samples have been sent to Charles Fipke's lab C.F. Minerals Research Ltd. of Kelowna, B.C. where they will undergo various methods of separating out the kimberlite indicators minerals if present. Follow up of any good results would likely result in ground geophysical surveys or a magnetic-electromagnetic survey on C2 and C3 claims and possibly drilling on B1 over the winter.

Pikoo is a new diamondiferous kimberlite district located in east central Saskatchewan, associated with the Archean-aged Saskatchewan Craton. On November 6, 2013, North Arrow announced the discovery of two distinct kimberlite indicator mineral trains in the area and, in follow-up drilling, the PK 150 kimberlite, which returned 745 diamonds larger than 0.106 mm, including 23 diamonds larger than 0.85 mm from a 209.7 kg sample of drill core. To date, seven discrete kimberlite occurrences have been identified. In addition, other publicly-traded companies have recently identified distinct kimberlite indicator mineral trains in the Pikoo area.

BASE METAL TARGETS

While Copper Reef waits for these till samples results on our Pikoo Diamond Exploration claims, we are busy modelling the data from airborne electromagnetic anomalies on the Company's base metal targets. Five target areas from a VTEM airborne survey in the Alberts Lake area 20 km east of Flin Flon are being evaluated geophysically to access their shape, dip, exact location as well as relative conductivity and strength. Volcanogenic polymetallic base metal deposits generally show up geophysically as these type of conductors.. The plan is to drill the most promising of these targets this coming winter. The anomalies lie immediately north of former producing Copper-Zinc- Gold-Silver Mines held by Hudbay Minerals and adjacent to Callinex Minerals claims to the south.

- **On January 4, 2016**, the Company announced results from the kimberlite indicator mineral (KIM's) sampling carried out this fall at its C2, C3 and B1 properties at their Pikoo Diamond Project in Saskatchewan. The 28 Till samples collected were sent to Charles Fipke's lab C.F. Minerals Research Ltd. of Kelowna, where they underwent various methods of separating and collecting kimberlite indicator minerals. A total of 982 kimberlite indicator minerals were visually picked and from that total, 60 kimberlite indicator minerals were verified by microprobe analysis from 20 of the 28 samples collected. Management believes these preliminary results, especially those on the C2 and northern C3 properties are significant and warrant further till sampling and ground examination.

  The C2 and C3 properties are located north of the Hanson Lake Highway 10 km east of the village of Deschambault. The B1 property lies north of Pelican Narrows, Saskatchewan. Till samples were collected to search for a suite of the unique 'indicator' minerals that are often key elements of diamondiferous kimberlite intrusions.

  The till sampling at the C3 property centred around two targets, one at the northern end of the property and one at the south, separated by 3.5 kilometers. Results from both areas are encouraging. The northern target (C3A) is an isolated circular magnetic anomaly. The southern target (C3B) consists of two circular twin like (binary) magnetic anomalies. Both targets are proximal to the north trending Tabernnor Fault structure.

  Till sampling of the northern magnetic anomaly (C3A) returned twenty (20) kimberlite indicator minerals from five till samples. Two till samples taken near the south flank of this isolated magnetic anomaly returned three (3) peridotitic clino-pyroxenes and one (1) orthopyroxene. A single till sample collected 700 metres down ice (to the south west) of this magnetic anomaly returned nine (9) kimberlite indicator minerals consisting of: one (1) chromite, four (4) olivines including a forsteritic olivine, two (2) picro-ilmenites, one (1) peridotitic clino-pyroxene, and one (1) orthopyroxene. Samples collected 200 metres west and 200 metres north east of this highly encouraging sample contained three (3) peridotitic clino-pyroxenes and four (4) picroilmenites respectively. The target lies inside the western flank of the Archean "Pelican Window" (an exposure of the Archean Sask Craton composed of various very coarse gneissic rocks surrounded by younger Proterozoic aged rocks) just east of the Tabernnor Fault structure. This is considered a high priority target for follow up.

Four till samples from the C3B target were taken just south (down ice) of the larger magnetic anomaly. The sampling returned: one (1) chromite, two (2) peridotitic clino-pyroxenes, one (1) picro-ilmenite and one (1) orthopyroxene. No sampling was carried out south of the smaller binary magnetic anomaly in this survey. The geology of this area consists of a granite pluton on the south side of the "Pelican Window" Till sampling at the C2 property also returned encouraging kimberlite indicator mineral results. There are up to 9 separate circular magnetic anomalies that form a cluster on the C2 property that lie within the south flank of the "Pelican Window". The 2015 sampling has outlined a 1.7 km long south east trending kimberlite indicator mineral train near the southern portion of the property, immediate north of Church Lake.

The till sampling in two areas consisted of an east-west fence of samples designed to pick up any kimberlite indicator minerals derived from the central cluster of magnetic anomalies to the north and north east.

In the centre southern portion of the C2 property seven (7) till samples were collected. These samples lie just south of three prominent magnetic anomalies and some slightly weaker ones further north and north east. All but one of these samples contained kimberlite indicator minerals with a combined total of 15 KIMs including four (4) chromites (values of 36 to 51% C2O3), five (5) olivines, one (1) picro-ilmenite and five (5) peridotitic clino-pyroxenes. The two samples located immediately south of one of the target magnetic anomalies, had chromites with values of 48.5 to 51.75% C2O3 respectively.

Three samples along the southern boundary of the property at the south west end of the magnetic anomalies returned a combined total of six (6) KIMs including one (1) chromite, one (1) olivine, two (2) picro-ilmenite and three (3) peridotitic clino-pyroxenes.

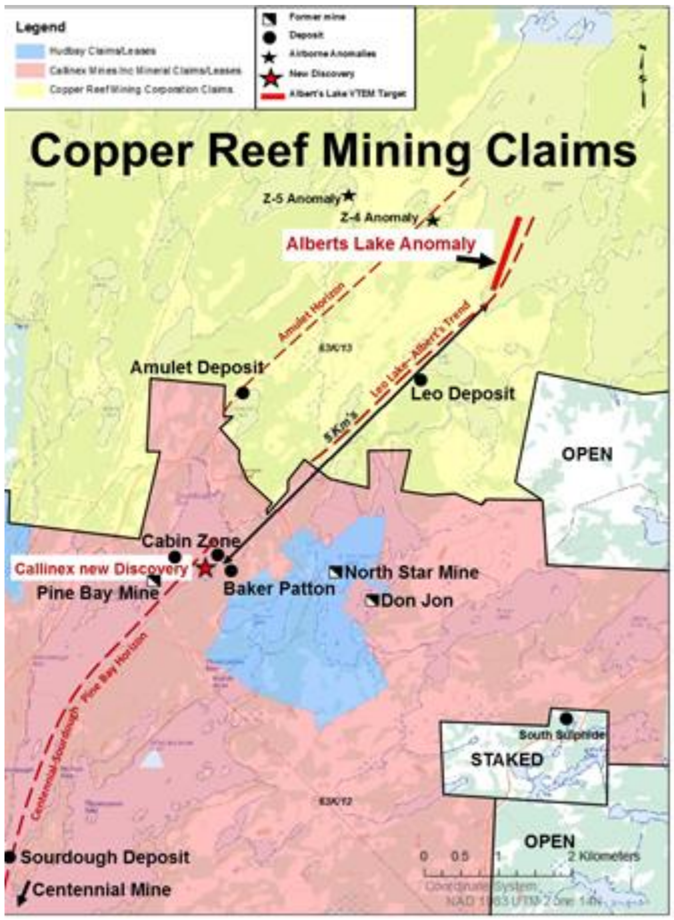
The company believes this cluster of samples with kimberlite indicators minerals on the C2 property is significant and plans further work because: a) The most encouraging samples are very proximal to the cluster of circular magnetic anomalies; b) The abundance of chromites, picro-ilmenites and olivines as well as peridotitic clino-pyroxenes; c) The length of the sample train (1.7 km) that has been established; d) The till samples taken along the south boundary indicate the source is likely north (up ice) on Copper Reef's Property; and e) The host rocks lie within the "Pelican Window" that exposes the Archean Sask Craton which proximity is considered favourable for kimberlites.

On the B1 Property that lies north-east of the Pikoo diamond discovery, 13 kimberlite indicator minerals were found in four samples following up the 2014 till sampling survey that produced indicator minerals. The indicator minerals in the new samples consisted of: a) Ten chrome diopsides; and b) Three olivines. This is more encouraging than the 2014 sampling.

Pikoo is a new diamondiferous kimberlite district located in east central Saskatchewan, associated with the Archean-aged Saskatchewan Craton. On November 6, 2013, North Arrow announced the discovery of two distinct kimberlite indicator mineral trains in the area and, in follow-up drilling, the PK 150 kimberlite, which returned 745 diamonds larger than 0.106 mm, including 23 diamonds larger than 0.85 mm from a 209.7 kg sample of drill core. To date, seven discrete kimberlite occurrences have been identified. In addition, other publicly-traded companies have recently identified distinct kimberlite indicator mineral trains in the Pikoo area.

- **On March 7, 2016**, the Company announced a successful private placement. In that news release, the Company outlined the intended use of proceeds.

  "The Company intends to utilize the proceeds of this first tranche for drilling the Alberts Lake VTEM Airborne Target, 20 km east of Flin Flon, Manitoba as reported in Copper Reef's February 17, 2016 Press Release. The target is large, approximately 700m in strike length and lies immediately north of a large alteration zone of the type associated with Volcanogenic Massive Sulphide (VMS) copper-zinc gold deposits . To the south on this same trend are located a number of former Copper-Zinc-Gold mines and deposits including the recently discovered new zone by Callinex in the Pine Bay area. Copper Reef's large property lies within 800 metres of this new discovery."



Albert's Lake VTEM Air Borne Target

EXPLORATION ACTIVITIES FOR THE YEAR

During the year ended November 30, 2015, work was concentrated on the Otter/Twin Lakes and Pikoo properties. The Company continues to focus on other work with the goal to maintain the properties in good standing while increasing the Company's geological knowledge of the properties in question.

Quality Control

The Company employs QA/QC protocol on all aspects of its analytical procedures. Core samples are sawn and one half of the HQ core is restored to the core boxes for future reference and the other half sent out for analysis. Samples of veining or mineralization are taken in approximately 50 cm intervals or less. Sample preparation and analytical work is conducted at TSL Labs in Saskatoon, Saskatchewan utilizing fire assaying with a two assay ton charge, with an AA finish. In addition, pulps of the samples are analysed using a multi-acid digest/ ICP-AES and AAS techniques for trace elements.

Commercially prepared standards representing 3 ranges of gold grades are inserted at intervals of 1 in 10 samples. A blank standard is inserted every 20 samples. Stephen Masson M.Sc., P.Geo. President of Copper Reef is the Qualified Person for the Company. He has reviewed the drill core and confirms the assay results.

Stephen L. Masson, P.Geo, also a director of the Company, is the Qualified Person, as defined by National Instrument 43-101 ("NI 43-101"). He has reviewed and approved the technical information relating to the evaluation and exploration assets disclosed in the Company's MD&A.

RESULTS OF OPERATIONS

Operational results reflect overhead costs incurred for mineral property acquisitions and associated exploration expenses as well as other regulatory expenses incurred by the Company.

General and administrative costs can be expected to fluctuate relationally with acquisitions, exploration and operations.

SELECTED ANNUAL INFORMATION

The following are highlights of financial data on the Company for the three most recently completed financial years:

	2015	2014	2013
	$	$	$
(Loss) for the year (1)	**(426,082)**	(166,350)	(2,088,284)
(Loss) per common share, basic and diluted	**(0.001)**	(0.001)	(0.019)
Weighted Average number of common shares	**118,655,711**	114,787,327	110,163,081
Statement of Financial Position Data			
Working capital surplus	**8,014**	508,871	675,659
Total assets	**9,194,443**	9,460,442	9,478,574

(1) Includes an unrealized Gain/(Loss) on marketable securities of $(99,614) (2014 – 85,106 2013 – $(1,568,000)).

REVENUES

The Company is currently engaged in mineral property acquisition and exploration and does not have revenues from its operations. Net revenues shown in the Statements of Loss and Comprehensive Loss relate to un-realized Gains/(losses) with marketable securities, and option payments by third parties (cash and shares).

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected quarterly information for the preceding eight quarters ended November 30, 2015:

	Q4 November 30, 2015	**Q3 August 31, 2015**	**Q2 May 31, 2015**	**Q1 February 28, 2015**
Operating (loss)	(114,253)	(246,608)	5,134	(155,355)
Net income (loss) for the period	(29,253)	(246,608)	5,134	(155,355)
Net income/(loss) per share, basic non-diluted	(0.002)	(0.002)	(0.001)	0.000
Weighted average shares outstanding	120,437,124	119,481,300	116,258,707	115,805,744

	Q4 November 30, 2014	Q3 August 31, 2014	Q2 May 31, 2014	Q1 February 28, 2014
Operating (loss)	(113,969)	(37,087)	(125,585)	(82,949)
Net income (loss) for the period	31,975	(39,424)	(515,953)	357,051
Net income/(loss) per share, basic non-diluted	0.000	(0.000)	(0.004)	0.003
Weighted average shares outstanding	114,787,327	115,281,300	115,281,300	113,402,300

*This financial data has been prepared in accordance with International Financial Reporting Standards and all figures are stated in Canadian dollars.

RESULTS OF OPERATIONS FOR THE YEARS ENDED NOVEMBER 30, 2015 AND 2014:

	2015 $	**2014 $**	**Increase/ (decrease) $**	**Increase/ (decrease) %**
Expenditures				
Bank charges and interest	**511**	589	(77)	-13%
Filing fees	**24,734**	25,522	(788)	-3%
Management fees and salaries	**63,000**	32,375	30,625	95%
Office and general	**70,675**	62,086	8,589	14%
Professional fees	**48,043**	52,387	(4,344)	-8%
Rent and utilities	**38,148**	39,400	(1,252)	-3%
Travel and promotion	**6,605**	11,177	(4,570)	-41%
Generative exploration not capitalised	**122,891**	134,800	(11,909)	-9%
Total expenditures	**374,608**	**358,336**	**16,273**	5%

Overall expenditures increased by 5% from fiscal 2014.

During the year ended November 30, 2015, the Company successfully continued with overall cost controls. The reduction in demand for the shares of junior exploration companies has continued and Copper Reef is no exception. Operations were largely funded through an orderly selling programme of a portion of the Company's investment in Foran Mining Corp.

Management fees and salaries increased significantly as a year-over-year expense, but the increase was derived from a moratorium on management salaries during fiscal 2014 and subsequently ended during fiscal 2015.

Travel and promotion were significantly reduced as a year-over-year expense due to ongoing cost cutting measures..

Management continues to hold the Company on what is essentially a care and maintenance programme that takes into account the need to maintain titles of Company's portfolio of mineral properties in good standing.

Generative exploration, not capitalized

Planned reduction due to budget restraints.

OUTSTANDING SHARE DATA

- **AUTHORIZED SHARE CAPITAL**

Unlimited share capital with no par value.

As at March 25, 2016, the Company had the following common shares, stock options and warrants outstanding:

Common shares	123,901,300
Stock options (all vested)	5,050,000
Warrants	7,400,000
Fully diluted shares outstanding	**136,371,300**

	Number of Shares	Share Capital
Balance as at November 30, 2014	**115,281,300**	**13,181,915**
Shares issued for Flow-Through, private placements, January 5, 2015	800,000	40,000
Fair value of warrants issued		-12,000
Shares issued under Property Purchase Agreements – Pikoo	500,000	15,000
Shares issued under Property Purchase Agreements - Can Alaska	1,000,000	40,000
Shares issued under Property Purchase Agreements - Ft. la Corme	2,000,000	80,000
Shares issued for Flow-Through, private placements, September 25, 2015	1,180,000	59,000
Fair value of warrants issued	–	-29,500
Balance as at November 30, 2015	**120,761,300**	**13,374,415**
Flow Through Shares issued for cash March 10, 2016	860,000	43,000
Fair value of warrants issued		(18,000)
Flow through share premium		(15,200)
Common shares issued for cash March 10, 2016	2,280,000	57,000
Fair value of warrants issued		(31,500)
Balance – March 25, 2016	**123,901,300**	**13,409,715**

STOCK OPTIONS AS AT MARCH 25, 2016

Grant date	Number of options	Weighted average exercise price $'s	Estimated Grant Date Fair Value $'s
Balance November 30, 2014 and 2013	**8,070,000**	**0.10**	**472,637**
Expired May 25, 2015	(3,020,000)	0.10	(187,737)
Balance November 30, 2015 and March 25, 2016	**5,050,000**	**0.10**	**284,900**

WARRANTS AS AT MARCH 25, 2016

The Company's warrant activity to March 25, 2016, is summarized as follows:

	Issued	Expiry Date	Weighted Average Exercise Price $	Remain-ing Contrac-tual Life (in Years)	Estimated Grant Date Fair Value $
Balance November 30, 2013	**3,750,000**		**0.15**	**0.1**	**26,250**
Expired	(3,750,000)				(26,250)
Issued, January 24, 2014	1,000,000	Jan. 23, 2016	0.10	0.1	16,000
Balance November 30, 2014	**1,000,000**		**0.10**	0.1	**16,000**
Issued December 31, 2014	800,000	Dec. 31, 2016	0.10	1.1	12,000
Issued September 25, 2015	1,180,000	Sept. 24, 2017	0.10	1.8	29,500
Balance November 30, 2015	**2,980,000**		**0.10**	**1.1**	**57,500**
Expired, January 23, 2016	(1,000,000)		0.10		(16,000)
Issued March 10, 2016	860,000	March 9, 2018	0.05	1.0	18,000
Issued March 10, 2016	4,560,000	March 9, 2017	0.05	2.0	31,500
Balance March 25, 2016	**7,400,000**		**0.06**	**1.7**	**91,000**

CHANGES TO ACCOUNTING POLICIES

The Company has adopted certain accounting policies to be consistent with IFRS effective December 1, 2014. However, these changes to its accounting policies have not resulted in any significant change to the recognition and measurement of assets, liabilities, equity, revenue and expenses within its financial statements.

OFF-BALANCE SHEET ARRANGEMENTS AND PROPOSED TRANSACTIONS

As at March 25, 2016, the Company has no off-balance sheet arrangements, nor any proposed transactions.

RELATED PARTY TRANSACTIONS AND BALANCES

RELATED PARTY BALANCES

		November 30, 2015		November 30. 2014	
Related party	**Purpose**	**Amounts charged during the year $**	**Amounts payable or accrued at year-end $**	Amount Charged during the year $	Amounts payable or accrued at year-end $
Corporation controlled by an officer	Filing fees	**12,147**	**1,625**	7,775	1,625
	expenses	**0**		2,498	–
Accounting firm of which an officer of the Company is a partner	Professional fees	**7,500**	**15,000**	7,500	7,500
Corporation controlled by a director and significant shareholder	Management fees, Director	**63,000**	**3,000**	101,125	–
	Exploration	**173,844**	**14,980**	146,505	19,996
	Office, rent and general expenses	**102,417**	**21,077**	99,741	21,737
Totals		**358,909**	**55,685**	365,144	50,858

During the year ended November 30, 2015, the Company recorded director’s fees of $nil (2013 - $nil).

All of the above transactions are in the normal course of business and are measured at the exchange amounts established and agreed to by the related parties.

Accounts payable and accrued liabilities to related parties are unsecured and non-interest bearing with no fixed terms of repayment.

The remuneration of directors and other members of management were as follows:

	November 30	
	2015	2014
	$	$
Short term employee benefits	**96,647**	108,900
Totals	**96,647**	108,900

In accordance to IAS 24, key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key executives is determined by the compensation committee having regard to the performance of individuals and market trends.

COMMITMENTS AND CONTINGENCIES

- **COMMITMENTS**

Consulting Agreement

The Company entered into an exploration management services agreement dated December 31, 2010 with M'Ore and the President and significant shareholder of M'Ore, who is an officer, director and shareholder of the Company. Pursuant to the agreement, M'Ore provides consulting and management services to the Company and incurs various administrative expenses, including administrative salaries and office and vehicle rentals on behalf of the Company. The term of the agreement is for a period of two years ended December 31, 2012 and can be renewed thereafter at the end of every 12 months. On March 28, 2013, the Company has extended the term of the agreement for a further two year term to December 31, 2014.

Once the agreement is renewed it is anticipated that the basic terms would be unchanged. This would result in management fees and salaries incurred by M'Ore being capped at $200,000 per annum. Additional charges to the Company in prior years consisted of a lease with M'Ore whereby the Company would pay $30,000, plus operating expenses, per annum for rental of office and storage space. The lease also specifies rates to be charged for the use of various equipment if utilized by the Company.

Contingencies

The Company's exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

- **FLOW-THROUGH EXPENDITURES**

During the year ended November 30, 2015, the Company renounced Canadian exploration expenditures in the aggregate amount of $99,000 (2014 -$165,500) related to proceeds from the issuance of flow-through shares pursuant to the financings and has incurred these qualifying Canadian exploration expenditures as at November

30, 2015. If the Company does not incur the required qualifying expenditures, it will be required to indemnify the holders of the flow-through shares for any tax and other costs payable by them as a result of the Company not making the required expenditures.

RISKS AND UNCERTAINTIES

The Company is in the business of acquiring, exploring and developing gold and base metal properties. It is exposed to a number of risks and uncertainties that are common to other mineral exploration companies in the same business. The industry is capital intensive at all stages and is subjected to variations in commodity prices, market sentiment, exchange rates for currency, inflations and other risks. The Company currently has no source of revenue other than interest income. The Company will rely mainly on equity financing to fund exploration activities on its mineral properties.

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may apply.

1. Financial risks

The Company's financial instruments consist of cash, marketable securities, amounts receivable, and accounts payable and accrued liabilities. The carrying values of cash, amounts receivable, and accounts payable and accrued liabilities approximate their estimated fair values due to the relatively short period to maturity of those financial instruments.

The Company is exposed to credit risk with respect to its cash and amounts receivable. Cash has been placed on deposit with a single Canadian, financial institutions. Credit risk arises from the non-performance of counterparties of contractual financial obligations. The Company manages credit risk, in respect of cash by purchasing term deposits held at a major Canadian financial institution.

Amounts receivable consist of amounts due from the Company's brokerage house, Financier Banque National. Management believes that the credit risk concentration with respect to these financial instruments is minimal.

The Company is not exposed to significant interest rate risk due to the short-term maturity of these monetary assets. Fluctuations in market rates do not have a significant impact on estimated fair values at November 30, 2015. Future cash flows from interest on cash will be affected by interest rate fluctuations. The Company manages interest rate risk by investing in highly liquid investments with maturities of three months or less.

Foreign exchange risk is the risk arising from changes in foreign currency fluctuations. The Company does not use any derivative instruments to reduce its exposure to fluctuations in foreign currency rates.

Other price risk is the risk that the estimated fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk. The Company is not exposed to significant other price risk.

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due. The Company's expected source of cash flow in the upcoming year will be through equity financings. The Company maintained working capital at November 30, 2015 in the amount of $8,014, which was increased by $100,000 with a combined flow through and non-flow through financing. The company anticipates additional such financings over the year, which further increase the Company's ability to meet short-term business requirements.

Risk to the Company from its marketable securities is derived from two factors:

- The ability of the issuer to sustain itself financially; and
- The ability to monetize the securities of the issuer.

The Company's marketable securities consist of 2,870,200 shares of Foran Mining Corporation (2014 – 2.870,200 shares) with a quoted market value at November 30, 2015 of $100,514 (2014 − $603,742) and 20,000 shares of Jaxon Minerals Inc. (2014 - 20,000 shares) with a quoted market value at November 30, 2015 of $900 (2014 − $1,000). A 1% change in the quoted market prices of these marketable securities would result in a $1,005 change to the Company's net loss for the year ended November 30, 2015 (2014 – $6,027).

2. Going Concern

The Company's capability to continue as a going concern is dependent upon its ability to obtain additional debt or equity financing to meet its obligations as they come due. If the Company were unable to continue as a going concern, then significant adjustments would be required to the carrying value of assets and liabilities, and to the statements of financial position classifications currently used.

Copper Reef has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to other companies in the same business, including under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources and the lack of revenues.

The Company plans to obtain financing in the future primarily through further equity financing, as well as through joint venturing and/or optioning out the Company's properties to qualified mineral exploration companies. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operation and eventually to forfeit or sell its interest in its mineral properties.

Management has maintained a strict cost control program to effectively control expenditures. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

The Company's expected source of cash flow for the upcoming year ended November 30, 2016 will be through equity financings.

The Company maintained cash at November 30, 2015 in the amount of $50,623 (2014 – $35,365), in order to meet short-term business requirements. At November 30, 2015, the Company had accounts payable and accrued liabilities of $153,771 (2014 - $142,688). All accounts payable and accrued liabilities are current.

On March 10, 2016, the Company completed a $100,000 equity financing.

3. Exploration and Mining Risks

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At present, the Company's properties have no known body of commercial ore. Unusual or unexpected formations, formation pressures, fires, power outages, labor disruptions, flooding, explorations, cave-ins, landslides and the inability to obtain suitable adequate machinery, equipment or labor are other risks involved in the operation of mines and the conduct of exploration programs. The Company has relied on and may continue to rely upon consultants and others for exploration and development expertise. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineral deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing gold, copper and other mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The Company has no producing mines at this time. All of the properties in which the Company may earn an interest are at the exploration stage only. Most exploration projects do not result in the discovery of commercially mineable deposits of ore.

4. Development Risks

The marketability of any minerals which may be acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection.

5. Loss of Interest in and Value of Properties

The Company's ability to maintain its interests in its mineral properties and to fund ongoing exploration costs will be entirely dependent on its ability to raise additional funds by equity financings. If the Company is unable to raise such funds it may suffer dilution or loss of its interest in its mineral properties. The amounts attributed to the Company's interests in mineral properties in its financial statements represent acquisition and exploration costs, and should not be taken to reflect realizable value.

6. Financing Risks

The Company has no history of earnings and no source of operating cash flow and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its equity shares. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its property, there is no assurance that any such funds will be available. If available, future equity financings may result in substantial dilution to purchasers under the Offering. At present it is impossible to determine what amounts of additional funds, if any, may be required.

7. Metal Prices

The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of ore are discovered, a profitable market may exist for the sale of minerals produced by the Company. Factors beyond the control of the Company may affect the marketability of any substances discovered. Mineral prices, in particular gold prices, have fluctuated widely in recent years. The marketability of minerals is also affected by numerous other factors beyond the control of the Company. These other factors include government regulations relating to price, royalties, allowable production and importing and exporting of minerals.

8. Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

9. Environmental and Other Regulatory Requirements

Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted and which may well be beyond the capacity of the Company to fund. The Company's right to exploit the mining properties is subject to various reporting requirements and to obtaining certain government approvals and there is no assurance that such approvals, including environmental approvals, will be obtained without inordinate delay or at all.

10. No Assurance of Titles, Boundaries or Surface Rights

The Company has investigated rights of ownership of all of the mineral properties in which it has an interest and, to the best of its knowledge, all agreements relating to such ownership rights are in good standing. However, all properties may be subject to prior claims or agreement transfers, and rights of ownership may be affected by undetected defects. While to the best of the Company's knowledge, title to all properties in which it has the right to acquire an interest is in good standing, this should not be construed as a guarantee of title. Other parties may dispute title to the mining properties in which the Company has the right to acquire an interest. The properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects or the statutes referred to above.

11. Permits and Licenses

The operations of the Company may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

12. Inability to Meet Cost Contribution Requirements

The Company may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party and the Company may as a result, be subject to loss of its rights to acquire interests in the properties subject to such agreements.

13. Reliance on Key Personnel

The nature of the business of the Company, the ability of the Company to continue its exploration and development activities and to thereby develop a competitive edge in the marketplace depends, in a large part, on the ability of the Company to attract and maintain qualified key management personnel. Competition for such personnel is intense, and there can be no assurance that the Company will be able to attract and retain such personnel. The development of the Company now and in the future, will depend on the efforts of key management figures, the loss of whom could have a material adverse effect on the Company. The Company does not currently maintain key-man life insurance on any of the key management employees.

CONFLICTS OF INTEREST

Copper Reef's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which Copper Reef may participate, the directors and officers of Copper Reef may have a conflict of interest in negotiating and concluding on terms with respect to the transaction. If a conflict of interest arises, Copper Reef will follow the provisions of the *Business Corporations Act (BC)* ("Corporations Act") dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of Copper Reef's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of Manitoba, the directors and officers of Copper Reef are required to act honestly, in good faith, and in the best interest of Copper Reef.

Future Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after December 1, 2015 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

- IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

- IFRS 16 – Leases ("IFRS 16") was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if IFRS 15 has also been applied.
- IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

Forward Looking Statements

Statements contained in this MD&A that are not historical facts are forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of metals; the estimation of mineral reserves and resources, the realization of mineral reserve estimates; the timing and amount of estimated future production, costs of production, and capital expenditures; costs and timing of the development of new deposits; success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, risks related to the integration of acquisitions; risks related to operations; risks related to joint venture operations; actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labor disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the sections entitled "Risks and Uncertainties" in this MD&A. Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this MD&A speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events.

Forward-looking statements and other information contained herein concerning the mining industry and general expectations concerning the mining industry are based on estimates prepared by the Company using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.