

SPEARMINT RESOURCES INC.

Management's Discussion and Analysis
For the three months ended April 30, 2016

Date of Report: June 29, 2016

The following discussion and analysis of its financial condition and results of operations for the three months ended April 30, 2016, should be read in conjunction with the Company's condensed interim 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 its future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. 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 report. These assumptions, which include management's current expectations, estimates and assumptions about the Company's current mineral property interests, the global economic environment, the market price and demand for commodities and its ability to manage its property interests and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause its 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 of minerals, (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 mining and mineral exploration, (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (7) other factors beyond our 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 disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled “Risk Factors” below.

Company Overview

The Company was incorporated under the Business Corporations Act of British Columbia, Canada on September 23, 2009. The Company is an exploration stage public company and is listed on the TSX Venture Exchange under our trading symbol to “SRJ”. At April 30, 2016, the Company’s principal business activities include acquiring and exploring exploration and evaluation assets. At April 30, 2016, the Company had exploration and evaluation assets located in Canada.

Mineral Properties

Otter Property (Princeton, British Columbia, Canada)

On October 11, 2011, the Company entered into an option agreement (the “Agreement”) with an arm’s length party (the “Vendor”) whereby the Company was granted an option (the “Option”) to acquire a 100% interest in and to twelve mineral claims known as the Otter Property located in the Similkameen Mining Division in the Princeton Area of British Columbia. The Vendor is the sole beneficial owner of a 100% undivided interest in the Otter Property.

The Otter Property is an epithermal precious metals project. The road access to the Otter Property is located approximately 17 kilometers north-northwest of Princeton, British Columbia and the property consists of 12 claims totaling 5,296 hectares.

As disclosed in a news release on December 21, 2012, the Company completed a program of line cutting and 3D induced polarization (IP) surveying.

On January 9, 2013, the Company amended the Agreement with the Vendor. The Vendor agreed to amend the Agreement regarding the work commitments due to be spent on the prospect.

On February 3, 2014, the Company further amended the Agreement and the amendment dated January 9, 2013 with the Vendor regarding the work commitments due to be spent on the prospect and share issuances required to be made.

On February 3, 2015, the Company further amended the option agreement and the amendments dated January 9, 2013 and February 3, 2014 with the Vendor. The Vendor agreed to defer the work commitments due to be spent on the prospect and share issuances required to be made by one year. In exchange, the Company agreed to issue an additional 100,000 common shares to the Vendor.

On February 3, 2016, the Company further amended the option agreement and the amendments with the Vendor. The Vendor agreed to cancel the requirement of incurring \$84,000 of exploration work and issuing 750,000 common shares both of which were due

on February 3, 2016. Instead, the Company issued 1,000,000 common shares to the Vendor. The Company was required to incur exploration costs and issue common shares as follows:

	<u>Cash</u>	Exploration <u>Costs</u>	Common <u>Shares</u>
Upon execution of the Agreement (paid)	\$ 25,000	\$ -	-
Upon closing date (cash paid and shares issued at a value of \$20,000)	15,000	-	1,000,000
On or before February 3, 2013 (issued at a value of \$39,000)	-	-	1,000,000
On or before February 3, 2014 (incurred)	-	116,000	-
On or before February 3, 2014 (issued at a value of \$3,500)	-	-	250,000
Within 5 business days upon Exchange approval of the February 2015 amendment (issued at a value of \$5,000)	-	-	100,000
Within 5 business days upon Exchange approval of the February 2016 amendment (issued at a value of \$35,000)	-	-	1,000,000
On or before February 3, 2017	-	300,000	1,000,000
On or before February 3, 2018	-	500,000	-
On or before February 3, 2019	-	<u>1,000,000</u>	<u>-</u>
	<u>\$ 40,000</u>	<u>\$ 1,916,000</u>	<u>4,350,000</u>

During the year ended January 31, 2013, the Company paid a finders' fee of \$6,000 in connection with this transaction.

During the year ended January 31, 2016, the Company decided not to continue with certain mineral claims and allowed them to lapse when they became due. Prior acquisition costs of \$78,061 and exploration costs of \$69,980 associated with these claims were written off.

Subsequent to April 30, 2016, the Company decided to drop this property and fully wrote off prior acquisition and exploration costs of \$111,291 as of April 30, 2016.

Whabouchi Lakes Lithium Property (Quebec, Canada)

In March 2016, the Company acquired the Whabouchi Lakes Lithium Property, located in the James Bay area of the province of Quebec, for staking costs of \$1,068. This property consists of four claims that total approximately 2.13 square kilometers. Management is formulating the first phase of exploration.

Management anticipates that additional funds will need to be raised, through equity financings, shareholder loans, or otherwise, to fund a work program on this property.

Although the Company has secured financings in the past, there is no assurance that the Company will be able to do so in the future on terms that are favourable or at all.

Whabouchi Lakes West Lithium Property (Quebec, Canada)

In April 2016, the Company acquired the Whabouchi Lakes West Lithium Property located in the James Bay area of the province of Quebec, for staking costs of \$1,193. This property consists of 20 claims that total approximately 10.66 square kilometers. Management is reviewing all pertinent data and intends to have a crew on the property shortly.

Management anticipates that additional funds will need to be raised, through equity financings, shareholder loans, or otherwise, to fund a work program on this property. Although the Company has secured financings in the past, there is no assurance that the Company will be able to do so in the future on terms that are favourable or at all.

Preissac Lithium Property (Quebec, Canada)

Subsequent to April 30, 2016, the Company entered into a share purchase agreement (the “Agreement”) to purchase all the outstanding common shares of a private arm’s length company which holds a 100% interest in the Preissac Lithium Property in Quebec. Pursuant to the Agreement, the Company paid \$10,000 in cash and issued 8,000,000 common shares.

Management anticipates that additional funds will need to be raised, through equity financings, shareholder loans, or otherwise, to fund a work program on this property. Although the Company has secured financings in the past, there is no assurance that the Company will be able to do so in the future on terms that are favourable or at all.

Airshare Acquisition

On November 25, 2015, the Company entered into an Asset Purchase Agreement with three arm’s length parties (the “Airshare Vendors”) whereby the Company agreed to acquire all of the assets related to or used in connection with a software application concept known as “Airshare” from the Airshare Vendors in exchange for 4,000,002 common shares of the Company. The assets to be acquired consist of various intellectual property assets related to the concept, including code, branding and domain names.

During the three months ended April 30, 2016, the Company issued 4,000,002 common shares per the Agreement which was valued at \$200,000.

Overall Performance

The Company is an exploration stage issuer engaged in the business of acquisition, exploration and, if warranted, development of mineral properties. As such, the Company has not had any revenues in the past two fiscal years. The Company does not expect to generate any revenues in the foreseeable future. The Company expects to continue to incur expenses as work is performed to explore and develop its mineral properties.

The Company is in the process of exploring its mineral properties and has not yet determined whether the mineral 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 mineral 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 has led to increased difficulties in raising and borrowing funds. As a result, the Company may have difficulties raising equity financing for the purposes of exploration and development of the Company's mineral properties, without diluting the interests of current shareholders of the Company.

The Company incurred operating expenses of \$16,241 and \$14,619 for the three months ended April 30, 2016 and 2015, respectively. Majority of the operating expenses for the three months ended April 30, 2016 remain approximately the same as the three months ended April 30, 2015. The Company had a working capital deficiency of \$491,055 and cash of \$13,797 at April 30, 2016 as compared to a working capital deficiency of \$494,270 and cash of \$1,376 at January 31, 2016. As at April 30, 2016, the Company had an accumulated deficit of \$1,274,304 since inception. Management believes that the Company's available funds will not be sufficient to meet the working capital requirements for the next twelve month period.

Management anticipates that additional funds will need to be raised, through equity financings, shareholder loans, or otherwise, to fund the Company's planned work programs on the mineral properties and ongoing operations. Although the Company has secured financings in the past, there is no assurance that the Company will be able to do so in the future on terms that are favourable or at all. The Company may have difficulty raising additional funds as necessary due to a number of uncertainties and risk factors, including uncertainty in credit markets, fluctuation in commodity prices and general economic downturns. See "Liquidity and Capital Resources" and "Risk Factors" for a discussion of risk factors that may impact the Company's ability to raise funds. Information about the Company's commitments relating to our mineral properties is discussed above under "Company Overview – Mineral Properties".

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

Summary of Quarterly Results

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

	2017 First	2016 Fourth	2016 Third	2016 Second	2016 First	2015 Fourth	2015 Third	2015 Second
Total revenues	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Loss before discontinued operations and extraordinary items:								
Total	\$(127,815)	\$(151,805)	\$(172,098)	\$(16,334)	\$(14,619)	\$(48,542)	\$(72,304)	\$(82,220)
Loss per share	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)
Loss per share fully diluted	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)
Net comprehensive loss:								
Total	\$(127,815)	\$(151,805)	\$(172,098)	\$(16,334)	\$(14,619)	\$(48,542)	\$(72,304)	\$(82,220)
Loss per share	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)
Loss per share fully diluted	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)

Summary of Results During Prior Eight Quarters

Net comprehensive loss decreased by \$9,916 from the second quarter of 2015 to the third quarter of 2015 primarily due to lower consulting fees during the quarter. Net comprehensive loss decreased by \$23,762 from the third quarter of 2015 to the fourth quarter of 2015 primarily due to lower consulting fees during the quarter. Net comprehensive loss decreased by \$33,923 from the fourth quarter of 2015 to the first quarter of 2016 primarily due to decreased consulting and professional fees. Net comprehensive loss was relatively stable from the first quarter of 2016 to the second quarter of 2016. Net comprehensive loss increased by \$155,764 from the second quarter of 2016 to the third quarter of 2016 primarily due to an increase in the write-down of exploration and evaluation assets associated with the Otter Property mineral claims. Net comprehensive loss decreased by \$20,293 from the third quarter of 2016 to the fourth quarter of 2016 mainly due to a decrease of \$148,041 in the write-down of exploration and evaluation assets offset by an increase of \$135,000 in consulting fees. Net comprehensive loss decreased by \$23,990 from the fourth quarter of 2016 to the first quarter of 2017 primarily due to a decrease of \$135,000 in consulting fees offset by an increase of \$111,291 in the write-down of exploration and evaluation assets.

Discussion of Operations

Three Months Ended April 30, 2016 Compared to the Three Months Ended April 30, 2015

The Company did not generate any revenues for the three months ended April 30, 2016 and 2015. Net comprehensive loss was \$127,815 for the three months ended April 30, 2016, compared to net comprehensive loss of \$14,619 for the three months ended April 30, 2015. The increase of \$113,196 was mainly due to an increase in the write-down of exploration and evaluation assets associated with the Otter Property mineral claims in the amount of \$111,291.

Operating expenses totaled \$16,241 for the three months ended April 30, 2016 compared to \$14,619 for the three months ended April 30, 2015. The slight increase in operating expenses for the three months ended April 30, 2016 was mainly due to an increase in professional fees of \$6,808 (three months ended April 30, 2015 - \$3,737). These expenses represent the costs of administering a public company.

Total assets increased by \$146,618 to \$232,264 as at April 30, 2016 from \$85,646 as at January 31, 2016 mainly due to the acquisition of Airshare offset by the write-down of the Otter Property mineral claims.

See “Company Overview – Mineral Properties” for a discussion of the Company’s mineral properties, 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 events, risks and uncertainties that the Company believes will materially affect its future performance and “Risk Factors” for a discussion of risk factors affecting the Company.

Liquidity and Capital Resources

Liquidity

At April 30, 2016, the Company had \$13,797 in cash and a working capital deficiency of \$491,055 compared to cash of \$1,376 and working capital deficiency of \$494,270 at January 31, 2016. Total current assets increased by \$16,648 and current liabilities increased slightly by \$13,433 from January 31, 2016 to April 30, 2016. Current liabilities as at April 30, 2016 consisted of accounts payable and accrued liabilities of \$276,291 (January 31, 2016: \$265,641), interest payable of \$317 (January 31, 2016: \$34) and loans payable of \$240,450 (January 31, 2016: \$237,950). The loans payable are comprised of the following:

- In November 2014, the Company entered into agreements (the “Loan Agreements”) with four arm’s length parties (the “Lenders”). Pursuant to the terms of the Loan Agreements, the Lenders agreed to convert a total of \$183,750 in consulting fees payable into loans payable, bearing no interest and are payable upon demand.

- In December 2014, the Company received loans from three arm's length lenders for a total of \$15,000, bearing no interest and due upon demand.
- During the year ended January 31, 2016, the Company received loans from six arm's length lenders for a total of \$34,000, bearing no interest and due upon demand. The Company repaid \$5,000 to one lender during the year.
- During the year ended January 31, 2016, the Company received loans from five arm's length lenders for a total of \$10,200, bearing interest at 10% per annum and due upon demand.
- During the three months ended April 30, 2016, the Company received a loan from one arm's length lender in the amount of \$2,500, bearing interest at 10% per annum and due upon demand.

Subsequent to April 30, 2016, the Company announced a private placement consisting of flow-through and non flow-through units. The private placement is subject to Exchange approval.

The private placement consists of up to 6,000,000 flow-through units at a price of \$0.05 per unit for aggregate proceeds of up to \$300,000. Each flow-through unit will consist of one flow-through common share and one non flow-through common share purchase warrant. Each non flow-through warrant will entitle the holder to purchase one additional non flow-through common share of the Company at an exercise price of \$0.06 per common share for a period of five years from the date of issue.

The private placement would also consist of up to 10,000,000 non flow-through units at a price of \$0.05 per unit for aggregate proceeds of up to \$500,000. Each non flow-through unit will consist of one non flow-through common share and one non flow-through common share purchase warrant. Each non flow-through warrant will entitle the holder to purchase one additional non flow-through common share of the Company at an exercise price of \$0.05 per common share for a period of five years from the date of issue.

As of June 29, 2016, the Company had received \$50,000 in non flow-through share subscriptions.

Management believes that the Company's cash will not be sufficient to meet its working capital requirements for the next twelve month period. As a mineral exploration company, expenses are expected to increase as the Company explores its mineral properties further; however, management does not expect the Company to generate revenues in the foreseeable future.

The Company's ability to conduct the planned work programs on its mineral properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they become due is dependent, in large part, on the ability of its 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 its liabilities and future cash commitments. Although the Company has secured financings in the past, there is no assurance that the Company will be able to do so in the future on terms that are favourable 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.

There is substantial doubt about the Company's ability to continue as a going concern as the continuation of its business is dependent upon obtaining further long-term financing, successful exploration of its mineral property interests, the identification of reserves sufficient to warrant development, successful development of its property interests and achieving a profitable level of operations. Due to the uncertainty of the Company's ability to meet its current operating and capital expenses, in their report on the Company's audited financial statements for the year ended January 31, 2016, the independent auditors included an explanatory paragraph regarding their substantial doubt about the Company's ability to continue as a going concern.

The Company has no long-term debt.

Capital Resources

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

Operating Activities

During the three months ended April 30, 2016, operating activities used \$9,818 in cash. The principal source of this amount was our loss for the period of \$127,815, offset by the write-down of exploration and evaluation assets associated with the Otter property mineral claims in the amount of \$111,291.

During the three months ended April 30, 2015, operating activities used \$8,744 in cash. The principal source of this amount was our loss for the period of \$14,619 and an increase in prepaid expenses of \$4,250, offset by an increase in accounts payable and accrued liabilities of \$9,909.

Investing Activities

During the three months ended April 30, 2016, investing activities used cash of \$6,261 due to staking costs incurred on the two Whabouchi Lakes properties in Quebec totaling \$2,261 and \$4,000 in filing fees paid on the Airshare acquisition.

For the three months ended April 30, 2015, the Company did not have any cash flows from investing activities.

Financing Activities

During the three months ended April 30, 2016, financing activities provided cash of \$28,500, which was attributable to loan advances of \$2,500, and to the exercise of share purchase warrants of \$26,000.

For the three months ended April 30, 2015, the Company did not have any cash flows from financing activities.

Changes in Accounting Policies including Initial Adoption

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 are currently evaluating the impact, if any, that these standards might have on its condensed interim 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.

IFRS 15 - Revenue from Contracts and Customers (“IFRS 15”), was issued by the IASB on May 28, 2014, and will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments. IFRS 15 uses a control based approach to recognize revenue which is a change from the risk and reward approach under the current standard. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual years beginning on or after January 1, 2017. The Company is currently evaluating the impact of IFRS 15 on its financial statements.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization: The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a

business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the financial statements given that the Company has not used a revenue-based method to depreciate its non-current assets.

Off-Balance Sheet Arrangements

As of the date of this report, the Company does not utilize off-balance sheet arrangements.

Related Parties Transactions

As at April 30, 2016, amounts due to related parties were \$84,873, which included \$63,189 due to Makena Resources Inc., for unpaid accounting and administrative expenses and office rent expenses; \$5,987 due to Sienna Resources Inc., a public company with one common director for unpaid administrative expenses, office expenses and rent expenses; \$3,197 due to Cruz Capital Corp. (formerly Turbo Capital Inc.), a public company with directors in common for unpaid administrative expenses; \$10,000 owing to three directors for unpaid directors' fees; and \$2,500 owing to an officer for unpaid accounting fees.

During the three months ended April 30, 2016, office and miscellaneous expenses included \$Nil (three months ended April 30, 2015: \$3,000), which was for reimbursement of accounting overhead to Makena Resources, a public company with two common directors and a common officer.

The transactions that gave rise to the amounts due to and due from related parties were 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.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, and loans payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

Proposed Transactions

There were no proposed transactions as of the date of this Report.

Additional Disclosure for Venture Issuers without Significant Revenue

During the three months ended April 30, 2016 and 2015, the Company incurred the following expenses:

	2016	2015
Capitalized acquisition costs	\$37,261	\$5,000
Operating expenses	\$16,241	\$14,619
Write-down of exploration and evaluation assets	\$111,291	\$Nil

Please refer to Note 5 in the financial statements for the three months ended April 30, 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's common shares are listed on the TSX Venture Exchange under the symbol "SRJ". The Company's authorized share capital consists of an unlimited number of common shares without par value.

As at April 30, 2016, the Company had 49,875,002 common shares issued and outstanding. Subsequent to April 30, 2016, the following common shares were issued:

- 1,700,000 common shares pursuant to the exercise of share purchase warrants at a price of \$0.02 per share for total proceeds of \$34,000; and
- 8,000,000 common shares pursuant to the share purchase agreement for the Preissac Lithium Property.

As at June 29, 2016, the Company had 59,575,002 common shares issued and outstanding.

Stock options

As at April 30, 2016, the Company had 2,175,000 stock options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number	Exercise Price	Expiry Date
2,125,000	\$0.05	October 8, 2018
50,000	\$0.05	June 4, 2019
<u>2,175,000</u>		

Subsequent to April 30, 2016, the Company granted 3,700,000 stock options to directors, officers and consultants at an exercise price of \$0.05 per share for a period of five years. As at June 29, 2016, the Company had 5,875,000 stock options outstanding.

Share Purchase Warrants

As at April 30, 2016, the Company had 17,475,000 share purchase warrants outstanding. Each share purchase warrant entitled the holder the right to purchase one common share at an exercise price of \$0.02 per share until February 3, 2017. Subsequent to April 30, 2016, 1,700,000 share purchase warrants were exercised into common shares. As at June 29, 2016, the Company had 15,775,000 share purchase warrants outstanding.

Risk Factors

An investment in the Company involves a number of risks. You should carefully consider the following risks and uncertainties in addition to other information in this report in evaluating the Company and our business before making any investment decision in regards to the shares of the Company's common stock. Our business, operating and financial condition could be harmed due to any of the following risks. The risks described below are not the only ones facing the Company. Additional risks not presently known to us may also impair our business operations.

Risks Relating to our Financial Condition

The Company has had a history of losses and minimal revenue to date, which trend may continue and may negatively impact our ability to achieve our business objectives.

The Company has experienced net losses since inception, and expects to continue to incur substantial losses for the foreseeable future. As of April 30, 2016, the Company had accumulated losses of \$1,274,304 since inception. Management expects the business to continue to experience negative cash flow for the foreseeable future and cannot predict when, if ever, the Company's business might become profitable. The Company will require additional financing in order to conduct its future work programs on the exploration and evaluation assets, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. If the Company is unable to raise funds on acceptable terms, the Company may not be able to execute its business plan, take advantage of future opportunities, or respond to competitive pressures or unanticipated requirements. This may seriously harm our business, financial condition and results of operations.

The Company's proposed operations require significant capital expenditures for which the Company may not have sufficient funding and if the Company does obtain additional financing, its existing shareholders may suffer substantial dilution.

The Company intends to make capital expenditures far in excess of its existing capital resources to acquire and explore its mineral properties. The Company intends to rely on external sources of financing to meet its capital requirements to continue acquiring, exploring and developing mineral properties and to otherwise implement its business plan. The Company plans to obtain such funding through the debt and equity markets, but the Company can offer no assurance that the Company will be able to obtain additional funding when it is required or that it will be available to the Company on commercially

acceptable terms, if at all. In addition, any additional equity financing may involve substantial dilution to our then existing shareholders.

The Company has been the subject of a going concern opinion by its independent auditor who has expressed substantial doubt as to the Company's ability to continue as a going concern.

The independent auditor has added an explanatory paragraph to their audit report issued in connection with the Company's annual audited financial statements for the year ended January 31, 2016 which states that the Company's recurring losses from operations and the need to raise additional financing in order to execute its business plan raise substantial doubt about the Company's ability to continue as a going concern. The Company's financial statements do not include any adjustment that might result from the outcome of this uncertainty. Assurances cannot be given that adequate financing can be obtained to meet its capital requirements. If the Company is unable to generate profits and unable to continue to obtain financing to meet its working capital requirements, the Company may have to curtail its business sharply or cease operations altogether. The Company's continuation as a going concern is dependent upon its ability to generate sufficient cash flow to meet its obligations on a timely basis to retain its current financing, to obtain additional financing, and, ultimately, to attain profitability. Should any of these events not occur, the Company will be adversely affected and the Company may have to cease operations.

Risks Related to our Business

Because of the unique difficulties and uncertainties inherent in mineral exploration ventures, the Company faces 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 intends 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 its properties may not result in the discovery of mineral deposits. Any expenditures 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 exploration efforts. If the results of its exploration do not reveal viable commercial mineralization, the Company may decide to abandon its property interests.

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

The Company intends to continue exploration on its 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 its 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 us 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 its properties, its 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.

The potential profitability of mineral ventures depends in part upon factors beyond the Company's control and even if the Company discovers and exploits 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 an adequate return on invested capital. These factors may have material and negative effects on the Company's financial performance and its 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 federal, provincial, state 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 federal, provincial, state and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of drilling methods and equipment.

Environmental and other legal standards imposed by federal, provincial, state or local authorities may be changed and any such changes may prevent the Company from conducting planned activities or may increase its costs of doing so, which would have material adverse effects on its 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. 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 its ability to carry on its business.

Title to mineral properties is a complex process and the Company may suffer a material adverse effect in the event one or more of its property interests are determined to have title deficiencies.

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to its properties will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company does not have title to one or more of its properties could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

The Company has a very small management team and the loss of any member of the team may prevent the Company from implementing its business plan in a timely manner.

The Company has two executive officers and a limited number of additional consultants upon whom its success largely depends. The Company does not maintain key person life insurance policies on its executive officers or consultants, the loss of which could seriously harm its business, financial condition and results of operations. In such an event, the Company may not be able to recruit personnel to replace its executive officers or consultants in a timely manner, or at all, on acceptable terms.

Because its property interests may not contain mineral deposits and because the Company has never made a profit from its operations, our 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 its stage of operations. 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 report. Accordingly, the Company has not generated significant revenues nor has the Company realized a profit from its 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 its business will be dependent upon locating and exploiting mineral deposits on its current properties or mineral deposits on any additional properties that the Company may acquire. 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 its 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.

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

The Company's competition includes large established mining companies with substantial capabilities and with greater financial and technical resources than us. As a result of this competition, the Company may have to compete for financing and be unable to acquire financing on terms the Company considers 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, its exploration programs may be slowed down or suspended, which may cause us to cease operations.

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 positive cash flow in the future. The Company requires additional financing in order to proceed with the exploration and development of its properties. The Company will also require additional financing for the fees the Company must pay to maintain its status in relation to the rights to its 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 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 decide to obtain additional mineral properties. The Company currently does not have any arrangements for further financing and the Company may not be able to obtain financing when required. The Company's future is dependent upon its ability to obtain financing. If the Company do not obtain such financing, its business could fail and investors could lose their entire investment.

Complying with environmental and other government regulations could be costly and could negatively impact its production.

The Company's business is governed by numerous laws and regulations at various levels of government. These laws and regulations govern the operation and maintenance of our facilities, the discharge of materials into the environment and other environmental protection issues. Such laws and regulations may, among other potential consequences, require that the Company acquire permits before commencing mining operations and restrict the substances that can be released into the environment.

Under these laws and regulations, the Company could be liable for personal injury, clean-up costs and other environmental and property damages, as well as administrative, civil and criminal penalties. Prior to commencement of mining operations, the Company may secure limited insurance coverage for sudden and accidental environmental damages as well as environmental damage that occurs over time. However, the Company does not believe that insurance coverage for the full potential liability of environmental damages is

available at a reasonable cost. Accordingly, the Company could be liable, or could be required to cease production on properties, if environmental damage occurs.

The costs of complying with environmental laws and regulations in the future may harm its business. Furthermore, future changes in environmental laws and regulations could result in stricter standards and enforcement, larger fines and liability, and increased capital expenditures and operating costs, any of which could have a material adverse effect on its financial condition or results of operations.

Risks Related to its Common Stock

Because the Company does not intend to pay any cash dividends on its shares of common stock in the near future, its shareholders will not be able to receive a return on their shares unless they sell them.

The Company intends to retain any future earnings to finance the development and expansion of its business. The Company does not anticipate paying any cash dividends on its common stock in the near future. The declaration, payment and amount of any future dividends will be made at the discretion of the board of directors, and will depend upon, among other things, the results of operations, cash flows and financial condition, operating and capital requirements, and other factors as the board of directors considers relevant. There is no assurance that future dividends will be paid, and if dividends are paid, there is no assurance with respect to the amount of any such dividend. Unless the Company pays dividends, its shareholders will not be able to receive a return on their shares unless they sell them.

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

A prolonged decline in the price of its 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 its operations have been and will be financed through the sale of equity securities, a decline in the price of its common stock could be especially detrimental to its liquidity and its operations. Such reductions may force the Company to reallocate funds from other planned uses and may have a significant negative effect on its business plan and operations, including its ability to develop new products and continue its current operations. If its stock price declines, the Company can offer no assurance that the Company 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 its normal operations.

The market price for its 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.

Additional Information

The Company files 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>.