

# **Northern Lights Resources Corp.**

## **Management Discussion and Analysis**

### **For the Year Ended April 30, 2015**

**November 3, 2017**

The following discussion and analysis should be read in conjunction with the audited financial statements for the year ended April 30, 2015, and related notes included therein, prepared in accordance with International Financial Reporting Standards (“IFRS”). All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars. Additional regulatory filings for the Company can be found on the SEDAR website at [www.sedar.com](http://www.sedar.com). The Company’s website can be found at [www.northernlightsresources.com](http://www.northernlightsresources.com).

The reader should also refer to the audited financial statements for the year ended April 30, 2014.

Northern Lights Uranium Corp. (the "Company") was incorporated under the laws of British Columbia on March 28, 2007. On April 22, 2008, the Company changed its name to Northern Lights Resources Corp. The Company’s principal business activities include the acquisition and exploration of resource properties. On June 28, 2012, the Company completed its initial public offering (“IPO”) by way of prospectus, and a listing on the Canadian Securities Exchange (“CSE”).

On September 10, 2013 and September 24, 2013 cease trade orders (“CTOs”) was issued by the British Columbia Securities Commission and the Ontario Securities Commission respectively for failure of the Company to file its annual financial statements for the fiscal year ended April 30, 2013, and corresponding MD&A in a timely manner. On October 31, 2013, the CSE halted the shares of the Company due to the Company being in default of CSE requirements. On January 22, 2014, the CSE delisted the common shares. On December 10, 2014 a CTO issued by the Alberta Securities Commission for failure of the Company to file its annual financial statements for the fiscal year ended April 30, 2014, and corresponding MD&A, in a timely manner. As at the date of this MD&A, the CTOs remain in place and the common shares remain delisted.

#### **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. Forward-looking statements herein include, but is not limited to, statements relating to the timing, availability and amount of financings; expected use of proceeds; business objectives; the costs and timing relating to the potential acquisition of interests in mineral properties; the timing and costs of future exploration activities on the Company’s future properties; success of exploration activities; permitting time lines and requirements for additional capital. In making forward-looking statements herein, the Company has applied several material assumptions, including, but not limited to, any additional financing needed will be available on reasonable terms, that general business and economic conditions will not change in a materially adverse manner, and that all necessary governmental approvals for the future exploration will be obtained in a timely manner and on acceptable terms. 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 completion of financings and the use of proceeds; operations and contractual obligations; changes in exploration programs based upon results of exploration; future prices of metals; availability of third party contractors; availability of equipment; failure of equipment to operate as anticipated; accidents, effects of weather and other natural phenomena and other risks of the mineral exploration industry; environmental risks; community relations; and delays in obtaining governmental approvals or financing.

## **Overview and Going Concern**

The Company is in the business of acquiring exploration and evaluation assets. The Company currently has no properties and is in the process of looking for an acquisition of exploration and evaluation assets. Further, the Company expects its current capital resources will not be sufficient to complete its exploration plans and operations through its current operating year and will be required to raise additional funds through future equity issuances. The Company's ability to continue as a going concern is therefore dependent on its ability to raise additional funds through equity issuances. These uncertainties may cast significant doubt on the entity's ability to continue as a going concern.

The financial statements for the year ended April 30, 2015 were prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

## **Results of Operations**

The results of operations reflect the overhead costs incurred by the Company to maintain good standing with the various regulatory authorities and to provide an administrative infrastructure to manage the acquisition, and financing activities of the Company. General and administrative costs can be expected to increase or decrease in relation to the changes in activity required as property acquisitions continues. The Company has not recorded, since the date of its incorporation, any revenues from its mineral exploration and development activities.

## **Mineral Property Agreements**

Subsequent to the fiscal year-end of April 30, 2017, the following material events occurred:

- i) **Del Undur Project:** The Company entered into an earn-in agreement dated June 17, 2017 whereby the Company can earn up to 100% interest in a prospective titanium property located in north-eastern Mongolia for aggregate consideration of (i) cash payments of \$500,000, (ii) issuing 20,000,000 shares, and (iii) incurring exploration expenditures totaling \$2,000,000, all over a four year term. In addition, the property owner will retain a 2.0% net smelter return royalty. The agreement is conditional upon the Company obtaining a revocation to the existing cease trade orders and relisting on the Canadian Securities Exchange.
- ii) **Medicine Exploration Property:** The Company entered into a mineral property option agreement dated August 20, 2017 to acquire 100% of a prospective Zinc-Lead-Silver property in southeastern Elko County, Nevada for aggregate consideration of (i) cash payments of US\$950,000, (ii) issuing shares having a value of US\$250,000, and (iii) incurring exploration expenditures totaling US\$2,700,000, all over a six year term. In addition, the property owner will retain a 2.5% net smelter return royalty. The agreement is conditional upon the Company obtaining a revocation to the existing cease trade orders and relisting on the Canadian Securities Exchange.

## **Revenues**

Due to the Company's status as an exploration and development stage mineral resource company, and a historical lack of commercial production from its former property, the Company currently does not have any revenues from its operations.

## Selected Annual Information

	Year Ended April 30,2015	Year Ended April 30,2014	Year Ended April 30,2013
Interest Income	\$ -	\$ -	\$ -
Exploration and Evaluation Assets	-	-	-
Deficit	3,530,915	3,462,708	3,295,652
Net Loss	(78,207)	(157,056)	(2,508,948)
Basic and Diluted Loss Per Share	(0.00)	(0.01)	(0.10)

Net loss decreased during the year ended April 30, 2015 primarily due to decreased costs associated with the Company being delisted from the CSE.

Net loss was materially higher during the fiscal year ended April 30, 2013 primarily due to the Company writing off \$2,103,910 of exploration and evaluation assets pertaining to its interest in the Misty Basin Project in that year.

## Fourth Quarter Results

The Company did not have any significant events or transactions in the quarter ended April 30, 2015 to report.

## General and Administrative Expenses

The Company incurred a loss and comprehensive loss for the year ended April 30, 2015 of \$78,207 (2014 - \$157,056).

As a result of the Company being delisted from the CSE during fiscal 2015, certain expenses decreased as compared to fiscal 2014:

- i) Filing fees decreased to \$Nil (2014 - \$17,696) ;
- ii) Office expenses decreased to \$704 (2014 - \$2,315) ;
- iii) Professional fees decreased to \$7,500 (2014 - \$22,214) ; and
- iv) Travel and promotion decreased to \$3,828 (2014 - \$52,243).

## Summary of Quarterly Results

The following table sets out selected consolidated quarterly information for the last eight quarters.

Three Months Ended	April 30, 2015	January 31, 2015	October 31, 2014	July 31, 2014
Interest Income	\$ -	\$ -	\$ -	\$ -
Exploration and Evaluation Assets	-	-	-	-
Deficit	3,530,915	3,506,216	3,488,002	3,470,192
Net Loss	(24,699)	(18,214)	(17,810)	(17,484)
Basic and Diluted Loss Per Share	-	(0.00)	(0.00)	(0.00)

Three Months Ended	April 30, 2014	January 31, 2014	October 31, 2013	July 31, 2013
Interest Income	\$ -	\$ -	\$ -	\$ -
Exploration and Evaluation Assets	-	-	-	-
Deficit	3,452,708	3,440,145	3,395,788	3,363,668
Net Loss	(12,563)	(44,357)	(32,120)	(68,016)
Basic and Diluted Loss Per Share	(0.00)	(0.00)	(0.00)	(0.00)

### Liquidity and Capital Resources

At April 30, 2015, the Company had bank indebtedness of \$164 (2014 – cash of \$9).

At April 30, 2015, the Company had a working capital deficiency of \$721,003 (2014 - \$644,534). The increase is due primarily to the increased level of accounts payable.

At April 30, 2015, the Company had loans payable of \$213,945 (2014 - \$213,945). These loans are owed to Rick Timcke, a director of the Company; and are non-interest bearing.

The Company expects its current capital resources will not be sufficient to meet its business objectives or day-to-day operations through its current operating year, and that its continuation as a going concern will be dependent on its ability to raise additional funds through equity issuances. There is no guarantee the Company will be successful in that regard. See “*Overview and Going Concern*” above.

### Financial Risk Factors

The Company’s financial instruments consist of cash, receivables, bank indebtedness, accounts payable and accrued liabilities, and loans payables. The fair value of these financial instruments, other than cash, approximates their carrying values due to the short-term nature of these instruments. Cash is measured at fair value using level 1 inputs.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and commodity price risk.

a) *Currency risk*

The Company operates in Canada and is not subject to significant currency risk.

b) *Credit risk*

Credit risk is risk of financial loss to the Company if the counterparty to a financial statement fails to meet its contractual obligations. Any Company cash is held in large Canadian financial institutions and is not exposed to significant credit risk.

c) *Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to limited interest rate risk as it only holds non-interest bearing debt.

d) *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. At April 30, 2015, the Company had bank indebtedness of \$164 and other current liabilities of \$725,176. This emphasizes that the Company’s ability to continue as a going concern is dependent on management’s ability

to settle liabilities or raise the required capital through future equity or debt issuances. See “Liquidity and Capital Resources” above. The Company is currently precluded from raising any financing due to the cease trade orders in place. There is no assurance the Company will be able to remove such cease trade orders and complete any future financing or otherwise reduce its liabilities.

e) *Price risk*

The ability of the Company to explore and develop its any mineral exploration properties, and the future profitability of the Company, are directly related to the price of commodities. The Company monitors these prices to determine the appropriate course of action to be taken.

### **Related Party Transactions**

During the fiscal year ended April 30, 2015, the Company:

- i) had a non-interest bearing loan payable to Rick Timcke, a director, for \$213,945 (2014 - \$213,945).
- ii) recorded professional fees of \$Nil (2014 - \$10,000) to an accounting firm, Cross Davis & Company, in which a former officer and director of the Company, Dave Cross, is a partner. Dave Cross resigned as the CFO of the Company on April 30, 2013. At April 30, 2015, the accounting firm was owed \$33,160 (2014 - \$33,160) which is included in accounts payable and accrued liabilities.
- iii) recorded management fees of \$60,000 (2014 - \$60,000) for Rick Timcke, a director of the Company. At April 30, 2015, the Company owed Mr. Timcke \$112,855 (2014 - \$45,871) as recorded in accounts payable.
- iv) recorded management fees of \$5,000 (2014 - \$Nil) for Graham Keevil as the new CEO of the Company. At April 30, 2015, the Company owed Mr. Keevil \$5,250 (2014 - \$Nil) as recorded in accounts payable.

### **Management Changes**

Certain changes have occurred to the officers and directors of the Company since the start of the fiscal year ended April 30, 2015:

- On January 2, 2015 Jason Leikam resigned as a Director.
- On March 23, 2015, Graham Keevil became a director and assumed the positions of CEO and President.
- On March 1, 2017, Jim Kermeen resigned as a Director.
- On April 30, 2017, Dennis Espadilla resigned as a Director and Secretary.
- Also on April 30, 2017 Graham Keevil stepped down as CEO and President, but remained as a Director.
- On April 30, 2017, Albert (Rick) Timcke assumed the position of President and also is Executive Chairman.

The Company currently has two Directors, Albert (Rick) Timcke and Graham Keevil.

### **Off Balance Sheet Arrangements**

The Company is not a party to any off balance sheet arrangements or transactions.

### **Changes in Accounting Policies and Future Accounting Pronouncements**

Please refer to the consolidated financial statements for the year ended April 30, 2015 located on [www.sedar.com](http://www.sedar.com).

### **Critical Accounting Estimates**

Please refer to the consolidated financial statements for the year ended April 30, 2015 located on [www.sedar.com](http://www.sedar.com).

**Contingencies**

There are no contingent liabilities.

**Management's Responsibility for Financial Statements**

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the financial statements.

**Other MD&A Requirements**

As of the date of this MD&A, the Company had 26,437,152 common shares outstanding.