

# **Northern Lights Resources Corp.**

## **Management Discussion and Analysis**

### **For the Year Ended April 30, 2017**

**November 3, 2017**

The following discussion and analysis should be read in conjunction with the audited financial statements for the year ended April 30, 2017, 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, 2016.

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, 2017 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 dating 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, 2017	Year Ended April 30, 2016	Year Ended April 30, 2015
Interest Income	\$ -	\$ -	\$ -
Exploration and Evaluation Assets	-	-	-
Deficit	\$3,738,971	\$3,665,110	\$3,530,915
Net Loss	(\$73,861)	(\$134,195)	(\$78,207)
Basic and Diluted Loss Per Share	(\$0.00)	(\$0.01)	(\$0.00)

Net loss increased during the year ended April 30, 2017 primarily as a result of fees accrued to the new CEO, Graham Keevil.

Net loss increased during the year ended April 30, 2016 primarily as a result of fees accrued to the new CEO, Graham Keevil.

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

## Fourth Quarter Results

The Company did not have any significant events or transactions in the quarter ended April 30, 2017 to report.

## General and Administrative Expenses

The Company incurred a loss and comprehensive loss for the year ended April 30, 2017 of \$73,861 (2016 - \$134,195). A brief explanation of the significant changes in expense categories is provided below:

- i) Write-off accounts payable of \$88,884 (2016 - \$Nil) as certain debts had expired due to the statute of limitations.
- ii) Travel and promotion increased to \$34,358 (2016 - \$4,639) due to increased activities during the current period. The increased activities included CEO travel for business meetings related to investigating business opportunities. See "Material Property Agreements" above.

## Summary of Quarterly Results

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

Three Months Ended	April 30, 2017	January 31, 2017	October 31, 2016	July 31, 2016
Interest Income	\$ -	\$ -	\$ -	\$ -
Exploration and Evaluation Assets	-	-	-	-
Deficit	3,738,971	3,761,418	3,729,096	3,697,103
Net Income (Loss)	22,447	(32,322)	(31,993)	(31,993)
Basic and Diluted Loss Per Share	(0.00)	(0.00)	(0.00)	(0.00)

Three Months Ended	April 30, 2016	January 31, 2016	October 31, 2015	July 31, 2015
Interest Income	\$ -	\$ -	\$ -	\$ -
Exploration and Evaluation Assets	-	-	-	-
Deficit	3,665,110	3,630,551	3,597,807	3,565,113
Net Loss	(34,559)	(32,744)	(32,694)	(34,198)
Basic and Diluted Loss Per Share	(0.00)	(0.00)	(0.00)	(0.00)

During the three month period ended April 30, 2017, the Company recorded net income of \$22,447. The increase over previous quarters was primarily a result of an \$88,884 gain on reversal of accounts payable.

### Liquidity and Capital Resources

At April 30, 2017, the Company had cash of \$63 (2016 – \$4).

At April 30, 2017, the Company had a working capital deficiency of \$927,996 (2016 - \$854,607).

At April 30, 2017, the Company had loans payable of \$213,945 (2016 - \$213,945). These loans are owed to Rick Timcke, a director of the Company, 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, 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. The Company’s 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, 2017, the Company had cash of \$63 and current liabilities of \$930,362. This emphasizes that the

Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances. See "Liquidity and Capital Resources" above. There is no guarantee that the Company will be able to raise capital. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the directors are actively involved in the review, planning, and approval of significant expenditures and commitments.

e) Price risk

The ability of the Company to explore and develop its exploration and evaluation assets 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**

The Company defines key management as officers and directors. During the year ended April 30, 2017, the Company:

- i) owed the former CEO and current director of the Company, Rick Timcke, \$213,945 (2016 -\$213,945) for a non-interest bearing loan.
- ii) owed \$33,160 (2016 - \$33,160) 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.
- iii) paid or accrued management fees of \$60,000 (2016 - \$60,000) to Rick Timcke, a director of the Company. Subsequent to April 30, 2017, Rick Timcke transitioned from a management role to a consulting role. At April 30, 2017, the Company owed Rick Timcke \$259,733 (2016 - \$163,641) recorded in accounts payable.
- iv) paid or accrued management fees of \$60,000 (2016 - \$60,000) to Graham Keevil, the CEO of the Company. At April 30, 2017, the Company owed the CEO \$131,250 (2016 - \$68,250) recorded in accounts payable.

### **Management Changes**

Upon Dave Cross' resignation as CFO on May 2, 2013, Albert (Rick) Timcke assumed the position of CFO.

On January 2, 2015, the Company announced the resignation of Jason Leikam as a Director.

On March 23, 2015, the Company announced that Graham Keevil would assume the positions of CEO and President. Mr. Keevil also joined the board of Directors.

On March 1, 2017, Jim Kermeen resigned as a Director.

On April 30, 2017, (i) Dennis Espadilla resigned as a Director and Secretary; (ii) Graham Keevil stepped down as CEO and President, but remained as a Director; and (iii) Albert (Rick) Timcke assumed the position of President and remains Executive Chairman and Director.

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, 2017 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, 2017 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 at November 3, 2017, the Company had 26,437,152 common shares outstanding.