FAR RESOURCES LTD.
FORM 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
PERIOD ENDED SEPTEMBER 30, 2016

This management's discussion and analysis of financial position and results of operations ("MD&A") is prepared as of November 28, 2016 and should be read in conjunction with the unaudited condensed interim financial statements for the period ended September 30, 2016 of Far Resources Ltd. ("Far" or the "Company") with the related notes thereto. Those unaudited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Readers may also want to refer to the March 31, 2016 audited financial statements and the accompanying notes. All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted.

Further information regarding the Company and its operations are filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada and can be obtained from www.sedar.com.

Disclaimer

Except for statements of historical facts relating to the Company, this MD&A contains "forward-looking statements" within the meaning of applicable securities legislation. These forward-looking statements are made as of the date of this MD&A and the Company does not intend and does not assume any obligation to update these forward-looking statements, except as required by applicable securities laws.

Forward-looking statements may include, but are not limited to, statements with respect to the future price of metals, the estimation of mineral resources, the realization of mineral resource estimates, the timing and amount of future exploration programs, capital expenditures, success of exploration activities, permitting timelines, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage, the completion of transactions and future listings and regulatory approvals. 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 information in this MD&A includes, among other things, disclosure regarding: the Company's mineral properties as well as its future outlook, statements with respect to the success of exploration activities, permitting timelines, costs and expenditure requirements for additional capital, regulatory approvals, as well as the information under the headings "Overall Performance", "Liquidity" and "Capital Resources".

In making the forward looking statements in this MD&A, the Company has applied certain factors and assumptions that it believes are reasonable, including that there is no material deterioration in general business and economic conditions; that the timing, costs and results of the Company's recommended exploration programs on its Winston, Tchentlo Lake and Zoro I properties are consistent with the Company's current expectations; that the Company receives regulatory and governmental approvals and permits for its properties on a timely basis; that the Company is able to obtain financing for its properties on reasonable terms and on a timely basis; that the Company is able to procure equipment and supplies in sufficient quantities and on a timely basis; that engineering and exploration timetables and capital costs for the Company's exploration plans are not incorrectly estimated or affected by unforeseen circumstances or adverse weather conditions; that any environmental and other proceedings or disputes are satisfactorily resolved.

However, 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 factors may include, among others, actual results of current and proposed exploration activities; actual results of reclamation activities; future metal prices; accidents, labor disputes, adverse weather conditions, unanticipated geological formations and other risks of the mining industry; delays in obtaining governmental or regulatory approvals or financing or in the completion of exploration activities, as well as those factors discussed in the section entitled "Risks and Uncertainties" in this MD&A. Although the Company has attempted to identify important factors that could 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 Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

The technical information in this MD&A has been reviewed by Lindsay Bottomer, P. Geo., a director of the Company and a qualified person as defined by NI 43-101.

1.1 Date

This MD&A is dated as of November 28, 2016.

1.2 Overall Performance

Winston Property

During the year ended March 31, 2015, the Company entered into an option agreement with Redline Minerals Inc. ("Redline"), Redline Mining Corporation ("RMC"), and Southwest Land & Exploration Inc. ("SWLE") (collectively, the "Optionors") to acquire up to an 80% interest in 105 unpatented and 2 patented mineral claims located in Sierra County, New Mexico, U.S.A.

During the year ended March 31, 2016, the Company has amended the option agreement with Redline and has the option to acquire an initial 50% interest upon completion of the following:

a) Cash payment of non-refundable deposits of $35,000 (paid);
b) Cash payments of $81,250 (paid);
c) Cash payment of $13,750 on or before November 15, 2014 (paid);
d) Share issuance of 300,000 common shares of the Company on January 15, 2015 (issued);
e) Cash payments of $120,000 as follows;
    1. Cash payment of $40,000 on or before February 28, 2016 (paid);
    2. Cash payment of $40,000 on or before June 1, 2016 (paid);
    3. Cash payment of $40,000 on or before June 1, 2017 (paid);
f) Issuance of 2,500,000 common shares of the Company as follows;
    1. Issue 500,000 common shares on or before October 17, 2014 (issued);
    2. Issue 500,000 common shares on or before October 17, 2015 (issued);
    3. Issue 500,000 common shares on or before October 17, 2016; (issued subsequently)
    4. Issue 500,000 common shares on or before October 17, 2017;
    5. Issue 500,000 common shares on or before October 17, 2018; and
g) Incurring exploration expenditures totaling $300,000 due on or before October 17, 2017.

In exchange for the amendment of the option agreement, the Company issued 100,000 common shares at a fair value of $3,000 on February 26, 2016.

Upon acquiring the initial 50% interest, the Company will have a further option to acquire up to an additional 30% (80% in total) interest, in increments of 10%, by completing the following:

a) Cash payments of $180,000 as follows;
   i. Cash payment of $60,000 on or before June 1, 2018;
   ii. Cash payment of $60,000 on or before June 1, 2019;
   iii. Cash payment of $60,000 on or before June 1, 2020;
b) Issuance of 1,500,000 common shares of the Company as follows;
   i. Issue 500,000 common shares on or before the first anniversary of election notice date;
   ii. Issue 500,000 common shares on or before the second anniversary of election notice date;
   iii. Issue 500,000 common shares on or before the third anniversary of election notice date;
c) Incurring exploration expenditures totaling $900,000 as follows;
   i. Incurring exploration expenditures in the amount of $300,000 on or before the first anniversary of election notice date;
   ii. Incurring exploration expenditures in the amount of $300,000 on or before the second anniversary of election notice date; and
   iii. Incurring exploration expenditures in the amount of $300,000 on or before the third anniversary of election notice date.

Upon exercise of the Initial Option, the Company and the Optionors will enter into a joint venture agreement for further exploration and development of the Property with the Company as the initial operator.

During the year ended March 31, 2016, the Company allowed 80 peripheral claims which formed part of the Winston Project to lapse. This was in response to depressed market conditions and lack of funding for generative exploration. The Company retains the core claims covering areas of known mineralisation and old workings at both Little Granite and Ivanhoe-Emporia and some of the presumed extensions. All of the proposed Phase 1 confirmatory drilling is located on the retained claims.

Tchentlo Lake

The Company staked various claims in the Tchentlo Lake Property (the "Property") located approximately 100 kilometres northwest of Fort St. James, British Columbia. The Company holds a 100% interest in the Tchentlo Lake Property comprised of two mineral tenures in two separate claim blocks.

In June 2014, the Company entered into an option agreement with Alchemist Mining Inc. ("Alchemist"), a corporation in which the CEO is a family member of the Company's CEO, whereby Alchemist may acquire up to 80% undivided interest in the Company's Tchentlo Lake Property.

Under the terms of the amended agreement, Alchemist can earn a 51% interest in the Property by:

a) Paying $60,500 to the Company ($15,500 paid) as follows;
   i. Cash payment of $5,500 within 5 days of the date which Alchemist completes a private placement financing;
   ii. Cash payment of $10,000 on or before September 8, 2015;
   iii. Cash payment of $20,000 on or before August 20, 2016;
   iv. Cash payment of $25,000 on or before August 20, 2017;
b) Issuing 350,000 common shares of Alchemist to the Company (100,000 shares issued on August 20, 2014 valued at $5,500) as follows;
   i. Issue 100,000 common shares within 5 days of the date which Alchemist completes a private placement financing;
   ii. Issue 250,000 common shares on or before August 20, 2016;
c) Incurring $255,000 of expenditures in exploration activities on the Property as follows;
   i. Incurring exploration expenditures in the amount of $80,000 on or before August 20, 2016; and

ii. Incurring exploration expenditures in the amount of $175,000 on or before August 20, 2017.

Upon acquisition of the undivided 51% interest in the Property, Alchemist can choose to exercise the following options:

i) form a joint venture with the Company, wherein Alchemist holding a 51% Participating Interest and the Company holding a 49% Participating Interest; and
ii) acquire an additional 29% interest in the Property, increasing its interest to 80% (the "Bump-Up Right") by:
    i. Paying $75,000 to the Company (cash payment of $25,000 on or before August 20, 2018 and cash payment of $50,000 on or before August 20, 2019);
    ii. Issuing 500,000 common shares of Alchemist to the Company (issuing 250,000 common shares on or before August 20, 2018 and issuing 250,000 common shares on or before August 20, 2019); and
    iii. Incurring an additional $575,000 in expenditures on the Property (incurring exploration expenditures in the amount of $225,000 on or before August 20, 2018 and incurring exploration expenditures in the amount of $350,000 on or before August 20, 2019).

In the event Alchemist exercises the Bump-Up Right, a joint venture will be formed with Alchemist holding an 80% Participating Interest and the Company holding a 20% Participating Interest in the Property.

All share issuances pursuant to the agreement will be subject to a four-month and one day statutory hold period.

During the year ended March 31, 2015, the Company received a refund of $747 as part of BC mineral exploration tax credit related to Tchentlo Lake Property.

The Company has amended the terms of the Tchentlo Lake option agreement with Alchemist Mining Inc. Under the terms of amendment agreement, Alchemist's requirement of $25,000 in exploration expenditures and issuances to Far of 150,000 common shares the capital of Alchemist on or before August 20, 2015 has been eliminated. Alchemist's second cash payment for $10,000 will be payable to Far by September 8, 2015. All other terms of the agreement will remain in full effect.

Zoro I

On April 28, 2016, the Company entered into an agreement (the "Agreement") to option the Zoro I claim from Top Notch Marketing Ltd., R. Ross Blusson and Double-U-Em Investments Ltd. (the "Optionors"), located in Manitoba. Under the terms of the Agreement, the Company can acquire a 100% interest in and to the Zoro I Claim upon meeting the following requirements:

a) Upon execution of the Agreement, Far Resources must pay each of the Optionors $16,667 in cash (paid) and issue to each of the Optionors 333,333 common shares (issued);

b) On the first anniversary of the date of the Agreement, Far Resources must provide the Optionors with aggregate consideration of $300,000 which, at the election of the Optionors, can be satisfied by either (i) paying each Optionor $50,000 in cash and issuing each of the Optionors that number of common shares worth $50,000 at the time of issuance, based on the average of the Company's common shares' closing prices for the ten consecutive trading days immediately before the date of issuance (the "Average Price"); or (ii) issuing each of the Optionors that number of common shares worth $100,000 at the time of the issuance, based on the Average Price; and

c) On the second anniversary of the date of the Agreement, providing the Optionors with aggregate consideration of $600,000 which, at the election of the Optionors, can be satisfied by either (i) paying each of the Optionors $100,000 in cash and issuing each of the Optionors that number of shares worth $100,000 based on the Average Price; or (ii) issuing each of the Optionors that number of common shares worth $200,000 at the time of issuance, based on the Average Price.

In addition, the Company issued 1,000,000 shares to a finder for introducing the Company to the Optionors.

On October 17, 2016, the Company entered into a letter of agreement with Gogal Air Services and its associate, West Core Drilling for the Drilling Service Providers to provide drilling associated support services related to the upcoming Drill Program on the Company's Zoro Lithium Property. Under the terms of letter of agreement, the Company will pay the Drill Service Providers $260,000 in total as follows: $110,000 cash and $150,000 payable as 3,000,000 common shares in the equity of the Company at a deemed price of $0.05 per share upon completion of services.

Manitoba Lithium Property

On August 10, 2016, the Company entered into an option agreement with Strider Resources Limited ("Strider") to acquire a 100% interest in and to all lithium-bearing pegmatite dykes on three contiguous claims in Manitoba (the "Property"). The Option agreement supersedes and replaces the letter of understanding and sets the terms which Far can acquire a 100% interest in the property subject to a 2% NSR and further sets out how the Company can acquire an undivided fifty percent interest in the NSR, being one-half of the NSR or a 1% Net Smelter Return from the Optionors.

The Company may exercise the First Option by making the following cash payments and common share issuances to Strider:

Upon signing the Option Agreement Far Resources will pay to Strider $50,000 in cash and $50,000 in shares of Far Resources;

a) on or before first anniversary date of the Definitive Agreement Far Resources will pay to Strider $50,000 in cash and $50,000 in shares of Far Resources;

b) on or before second anniversary date of the Definitive Agreement Far Resources will pay to Strider $75,000 in cash and $75,000 in shares of Far Resources; and

c) on or before third anniversary date of the Definitive Agreement Far Resources will pay to Strider $75,000 in cash and $75,000 in shares of Far Resources.

All shares issued under the Option Agreement will be subject to a four month and one day statutory hold period from the date of issuance.

Provided the Company has exercised the First Option, Far Resources may exercise the Second Option by making a $1,000,000 cash payment to Strider, together with all accrued but unpaid NSR at the time, prior to the commencement of commercial production.

During the option period, Far Resources will be solely responsible for carrying out and administering exploration, development and mining work on the Property and for maintaining the Property in good standing.

1.3 Selected Annual Information

The following table sets forth selected financial information for the Company expressed in Canadian dollars for the three most recently completed financial years and should be read in conjunction with the Company's financial statements and related notes for such periods.

	For the Fiscal Year ended March 31, 2016	For the Fiscal Year ended March 31, 2015	For the Fiscal Year ended March 31, 2014
Revenue	$ -	$ -	$ -
Expenses	$ 180,531	$ 159,780	$ 341,738
Total comprehensive loss	$ 182,531	$ 149,849	$ 581,539
Loss per share – basic and diluted	$ (0.01)	$ (0.01)	$ (0.03)
Working capital (deficiency)	$ (360,860)	$ (258,672)	$ (158,204)
Exploration and evaluation assets	$ 289,391	$ 260,391	$ 156,138
Total assets	$ 308,506	$ 278,436	$ 180,115
Total long-term financial liabilities	$ -	$ -	$ -
Deficit	$ (1,785,380)	$ (1,790,275)	$ (1,640,426)
Weighted average number of common shares outstanding	21,922,186	18,866,393	18,647,215

1.4 Summary of Quarterly Results

A summary of selected financial information for the eight most recently completed quarters is set out below and should be read in conjunction with the Company's financial statements and related notes for such periods.

	Three Months Ended September 30, 2016	Three Months Ended June 30, 2016	Three Months Ended March 31, 2016	Three Months Ended December 31, 2015
Revenue	$ -	$ -	$ -	$ -
Expenses	$ 347,065	$ 195,287	$ 83,679	$ 47,366
Total comprehensive loss	$ 381,065	$ 193,287	$ 82,180	$ 50,366
Loss per share – basic and diluted (1)	$ (0.01)	$ (0.00)	$ (0.00)	$ (0.00)
Total assets	$ 1,141,840	$ 1,213,857	$ 308,506	$ 275,461
Total liabilities	$ 275,212	$ 357,223	$ 376,475	$ 303,500
Total equity (deficit)	$ (2,359,732)	$ (1,978,667)	$ (67,969)	$ (28,039)
Weighted average number of common shares outstanding	46,383,222	31,727,134	23,769,700	23,016,797

	Three Months Ended September 30, 2015	Three Months Ended June 30, 2015	Three Months Ended March 31, 2015	Three Months Ended December 31, 2014
Revenue	$ -	$ -	$ -	$ -
Expenses	$ 15,909	$ 33,577	$ 17,575	$ 46,353
Total comprehensive loss	$ 15,909	$ 34,076	$ 7,690	$ 46,353
Loss per share – basic and diluted (1)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Total assets	$ 278,720	$ 275,552	$ 278,436	$ 264,378
Total liabilities	$ 287,286	$ 265,409	$ 271,217	$ 380,515
Total equity	$ (8,566)	$ 10,143	$ 7,219	$ (116,137)
Weighted average number of common shares outstanding	21,666,562	19,606,667	19,147,215	19,027,650

(1) Based on the weighted average number of commom shares outstanding during the period.

For the three month period ended September 30, 2016

The Company earned no revenue and had a comprehensive loss of $381,065 (2015 - $15,909).

Total expenses were $347,065 (2015 – $15,909), comprised of the following significant items:

- Management fees of $18,000 (2015 - $6,000) were related to director fees and administrative fees paid or accrued. The increase is a result of new management compensation plan put in place;
- Consulting fees of $51,150 (2015 - $1,500) were related to general exploration consulting work that were not property specific;
- Share-based payments of $234,115 (2015 - $nil) were related to stock options granted to management, directors, and consultant and;
- Transfer agent and filing fees of $23,010 (2015 - $2,240) were related to corporate services and filing costs from multiple financings and debt settlement arrangements.

For the six month period ended September 30, 2016

The Company earned no revenue and had a comprehensive loss of $574,352 (2015 - $49,985).

Total expenses were $542,352 (2015 – $49,485), comprised of the following significant items:

- Management fees of $36,000 (2015 - $14,500) were related to director fees and administrative fees paid or accrued. The increase is a result of new management compensation plan put in place;
- Consulting fees of $162,550 (2015 - $3,000) were related to general exploration consulting work that were not property specific;
- Investor relations of $15,863 (2015 - $nil) were related to general promotional costs associated with the financings in the current period and
- Transfer agent and filing fees of $48,407 (2015 - $5,365) were related to corporate services and filing costs from multiple financings and debt settlement arrangements.

1.5 Liquidity

The Company has not generated any revenue from operations and to date has relied entirely upon the sale, by way of private placement, of Common Shares and Seed Units to carry on its business. See Item 1.6 "Capital Resources" below.

The Company's financial statements have been prepared on a going concern basis and assume 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.

		September 30, 2016		March 31, 2016
Working capital (deficiency)	$	110,648	$	(360,860)
Deficit	$	(2,359,732)	$	(1,785,380)

Net cash used in operating activities for the period ended September 30, 2016 was $330,862 compared to $15,072 used during the period ended September 30, 2015 and consists primarily of changes in non-cash working capital items.

Net cash used in investing activities for the period ended September 30, 2016 was $183,145 compared to of $2,500 during the period ended September 30, 2015, consists primarily of acquisition costs and property expenditures during the period.

Net cash provided by financing activities for the period ended September 30, 2016 was $875,890 compared to $15,000 provided during the period ended September 30, 2015. The increase was due to proceeds from private placement financings net of share issuance costs, options exercised, and loans repaid during the period.

The Company will need to obtain additional debt/equity financing in order to carry out its proposed exploration programs on its properties and satisfy its business and property commitments for the ensuing year. The Company has significantly reduced its costs in the past year, is continuing to economize, and expects to meet its short term obligations for administrative expenses with the cash it has on hand. It will have to raise additional funds to meets its obligations under the terms of the option agreement with Redline (see "Winston Property" above). The Company will have to rely on equity or debt financing from arm's length parties to fund its operations for the upcoming year. The Company may find it necessary to issue shares to acquit some of its existing debt obligations.

1.6 Capital Resources

On April 28, 2016, the Company closed the second and final tranche of the private placement. In connection with the second and final tranche, the Company issued an aggregate of 1,000,000 units at a price of $0.03 per unit. Each unit consists of one common share and one half of one common share purchase warrant. Each whole warrant will be exercisable into one common share of the Company at a price of $0.10 per share for a period of one year from the date of closing.

On May 5, 2016, 250,000 options were exercised.

On May 18, 2016, the Company closed an oversubscribed private placement financing announced on April 28, 2016. The Company issued a total of 18,000,000 units at a price of $0.05 per unit, for proceeds of $900,000. Each unit consists of one common share in the equity of the Company and one half of one common share purchase warrant. Each whole warrant will entitle the holder to acquire one additional common share at an exercise price of $0.10 for a period of 24 months from closing of the financing, provided that, in the event the closing price of the Company's outstanding common shares on the Canadian Securities Exchange is greater than $0.15 per share for a period of 20 consecutive trading days at any time following the closing of the financing, the Company may, at its option, accelerate the expiry date of the warrants by giving written notice to the holders of the warrants. Finders fees are payable on the financing, consisting of $47,110 cash and 1,346,000 broker warrants. Each broker warrant is exercisable into one common share in the equity of the Company at an exercise price of $0.10 for a period of two years, expiring May 18, 2018.

On June 30, 2016, 250,000 options were exercised.

On August 30, 2016, the Company completed a shares for debt settlement with a related party whereby the Company issued 1,250,000 common shares at a fair value of $100,000 to acquit $62,500 of debt, resulting in a loss on settlement of $37,500.

On October 17, 2016, the Company announced a non-brokered private placement to raise up to $200,000. The financing will consist of up to 4,000,000 units at $0.05 per unit where each unit will consist of one common share and one half of one common share purchase warrant. Each whole warrant will entitle the holder to acquire one additional common share at an exercise price of $0.10 for a period of 24 months from closing of the financing.

Contractual Obligations

Other than miscellaneous stock option and consulting agreements, the Company does not presently have any other material contractual obligations. See Item 1.8 "Transactions with Related Parties".

As at September 30, 2016, the Company had no long-term debt.

1.7 Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements

1.8 Transactions with Related Parties

During the period ended September 30, 2016, the Company:

Paid or accrued to:	Nature of transaction	For the six months ended September 30, 2016	For the six months ended September 30, 2015
Key management personnel:			
Directors	Management fees/Share-based payments	$ 30,183	$ 12,000
CFO	Share-based payments	31,490	-
CEO	Management fees/Share-based payments	184,260	2,500
		$ 245,933	$ 14,500
Related party:			
A firm of which the CFO is a partner	Professional fees	$ 15,100	$ 10,650

The amounts due to related parties included in accounts payable and accrued liabilities are as follows:

	As at September 30 2016	As at March 31, 2016
Due to a firm of which the CFO of the Company is a partner	$ 62,639	$ 126,284
Due to directors of the Company	114,150	119,150
	$ 176,789	$ 245,434

During the period ended September 30, 2016, the Company issued 1,250,000 shares to settle $62,500 of debt with a firm of which the CFO of the Company is a partner, recognizing a loss on shares for debt of $37,500.

Transactions with related parties were in the normal course of business and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

1.9 Proposed Transactions

Save as disclosed herein, there are no asset or business acquisitions or dispositions currently being proposed by the directors or senior management of the Company that will have a material effect on the financial condition, results of operations or cash flows of the Company.

1.10 New Accounting Standards and Amendments to Existing Standards

New accounting standards and recent pronouncements

The following new and amended standards adopted by the Company during the September 30, 2016 reporting period did not result in a significant impact on the Company's financial statements:

- Amendments to IFRS 2, *Share-based Payment* clarifies vesting conditions by separately defining a performance condition and a service condition, both of which were previously incorporated within the definition of a vesting condition.

- Amendments to IAS 24, *Related Party Disclosures* clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation.

  The Company has not applied the following new or revised standards and amendments that have been issued but are not yet effective for the Company's March 31, 2017 reporting period:

- New standard IFRS 9, *Financial Instruments*, Classification and Measurement is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, "Financial Instruments: Recognition and Measurement." IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit and loss. The standard is effective for annual periods beginning on or after January 1, 2018.

- New standard IFRS 15, *Revenue from Contracts with Customers* provides a single principle-based framework to be applied to all contracts with customers. IFRS 15 replaces the previous revenue standard IAS 18, Revenue, and the related Interpretations on revenue recognition. The standard scopes out contracts that are considered to be lease contracts, insurance contracts and financial instruments. The new standard is a control-based model as compared to the existing revenue standard which is primarily focused on risks and rewards. Under the new standard, revenue is recognized when a customer obtains control of a good or service. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the good or service. This standard is effective for reporting periods beginning on or after January 1, 2018.

- New standard, IFRS 16, *Leases* was issued in January 2016 and specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. This standard is effective for reporting periods beginning on or after January 1, 2019.

The Company is currently evaluating the impact the new accounting standards are expected to have on its financial statements.

1.11 Financial and Other Instruments

Capital and Financial Risk Management

Capital management

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern.

In the management of capital, the Company monitors its adjusted capital which comprises all components of equity (i.e. capital stock, reserves and deficit).

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue Common Shares through private placements. The Company is not exposed to any externally imposed capital requirements.

The Company's overall strategy remains unchanged from fiscal year 2016.

Fair value

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

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

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

The fair value of the Company's long term investment constitutes a Level 1 fair value measurement.

The carrying value of cash, short-term loan payable and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with major Canadian financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2016, the Company had a cash balance of $376,314 (March 31, 2016 – $14,431) to settle current liabilities of $357,223 (March 31, 2016 – $376,475). All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's cash does not have significant exposure to interest.

(b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in a foreign currency. As at September 30, 2016 and 2015, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

(c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

1.12 Other MD&A Requirements

Disclosure of Outstanding Security Data

As at November 28, 2016, the following shares and options were issued and outstanding:

	Issued & Outstanding	Authorized
Share capital		
- Common	48,691,556	unlimited
Options	3,788,000	
Warrants	11,620,000	
Agent's warrants	1,396,000	
Fully Diluted:	65,495,556	

Except as disclosed above, there are no other options, warrants or other rights to acquire common shares of the Company outstanding.

Additional Disclosure for Junior Issuers

The Company requires additional funds to cover the estimated general and administrative expenses. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company. See "Risks and Uncertainties" below.

Risks and Uncertainties

Mineral exploration is subject to a high degree of risk, which even a combination of experience, knowledge and careful evaluation may fail to overcome. These risks may be even greater in the Company's case given its formative stage of development.

Exploration activities are expensive and seldom result in the discovery of a commercially viable resource. There is no assurance that the Company's exploration will result in the discovery of an economically viable mineral deposit. The Company has generated losses to date and anticipates that it will require additional funds to further explore its properties. There is no assurance such additional funding will be available to the Company on commercially reasonable terms or at all. Additional equity financing may result in substantial dilution thereby reducing the marketability of the Company's shares. The Company's activities are subject to the risks normally encountered in the mining exploration business. The economics of exploring, developing and operating resource properties are affected by many factors including the cost of exploration and development operations, variations of the grade of any ore mined and the rate of resource extraction and fluctuations in the price of resources produced, government regulations relating to royalties, taxes and environmental protection and title defects. The Company's mineral resource properties have not been surveyed and may be subject to prior unregistered agreements, interests or land claims and title may be affected by undetected defects. In addition, the Company may become subject to liability for hazards against which it is not insured. The mining industry is highly competitive in all its phases and the Company competes with other mining companies, many with greater financial and technical resources, in the search for, and the acquisition of, mineral resource properties and in the marketing of minerals. Additional risks include the current lack of any market for the Company's securities and the present intention of the Company not to pay dividends. Certain of the Company's directors and officers also serve as directors or officers of other public and private resource companies, and to the extent that such other companies may participate in ventures in which the Company may participate, such directors and officers of the Company may have a conflict of interest. Finally, the Company has no history of earnings, and there is no assurance that any of its current or future mineral properties will generate earnings, operate profitably or provide a return on investment in the future. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.
For a more detailed discussion of the risk factors affecting the Company and its exploration activities, please refer to the Prospectus which can be assessed on the SEDAR website at **www.sedar.com**.

Internal Control over Financial Reporting Procedures

The management of the Company is responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. Management is also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the statements made in this MD&A and the Company's financial statements for the period ended September 30, 2016.

The management of the Company has filed the Venture Issuer Basic Certificate with the Annual Filings on SEDAR at **www.sedar.com**.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**"), the venture issuer's basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.