

**WINSTON
RESOURCES INC.**

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED JULY 31, 2015

(Prepared by Management on November 30, 2015)

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WINSTON RESOURCES INC. MD&A for the year ended July 31, 2015

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) AS OF JULY 31, 2015 TO ACCOMPANY THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF WINSTON RESOURCES INC (THE "COMPANY" OR "WINSTON") FOR THE YEAR ENDED JULY 31, 2015.

The following Management's Discussion and Analysis should be read in conjunction with the audited consolidated financial statements of the Company for the year ended July 31, 2015, which were prepared in accordance with International Financial Reporting Standards ("IFRS") and the notes thereto. All financial amounts are stated in Canadian currency unless stated otherwise.

This MD&A contains certain forward-looking statements based on the best beliefs, and reasonable assumptions of the management of the Company. There are many risks and uncertainties attached to the mineral exploration business. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements. (See "Risks and Uncertainties" in this MD&A for more information).

DESCRIPTION OF THE BUSINESS

Overview

As at the date of this MD&A Winston Resources, through its majority owned (84.9%) subsidiary CNRP Mining, is a minerals company focusing its main efforts on developing its Elmtree Gold project in New Brunswick Canada, as well as the development and acquisition of other Canadian natural resource properties. The NI43-101 Technical report for the Elmtree Gold project is available under Winston's profile on SEDAR at www.sedar.com and on its corporate website at www.WinstonResourcesInc.com.

Winston also owns an investment portfolio of minority shareholdings in Zara Resources Inc. (CSE: ZRI) ("Zara"), Hadley Mining Inc. (CSE: HM) ("Hadley") and Leo Resources Inc. (CSE: LEO) ("Leo"). The Company has a 40.7% interest in Hadley, a 20.68% interest in Zara, and a 16.76% interest in Leo. For more information about Zara, visit the company's webpage at www.ZaraResourcesInc.com For more information about Hadley, visit the company's webpage at www.HadleyMining.com For more information about Leo visit the company's webpage at www.LeoResourcesInc.com

Proposed Crypto Next Acquisition

On September 11, 2015 the Company announced that it has signed a non-binding Letter of Intent (the "Letter of Intent") and intends to enter into a definitive binding agreement (the "Acquisition Agreement") for the acquisition of 100% of the issued and outstanding share capital of Crypto Next PLC ("Crypto Next") for CAD\$9,000,000. The purchase price for Crypto Next will be payable by the issuance of 9,000,000 new Winston shares (the "Consideration Shares") at a deemed price of \$1.00 per share. Crypto Next is a company incorporated in the Isle of Man and offers a white label crypto currency exchange. It has 14 affiliated exchanges in multiple languages, multiple currencies, and with secure policies in accordance with Isle of Man regulations. Subject to the closing of the Acquisition Agreement, Winston intends to distribute to its shareholders all its shareholdings in CNRP Mining Inc (CSE: CND), Zara Resources Inc (CSE:ZRI), Hadley Mining Inc (CSE:HM), and Leo Resources Inc (CSE:LEO). The record date for the distribution is September 10, 2015. Closing of the Acquisition Agreement will be subject to approval of Winston shareholders and regulatory authorities, and to compliance with any required governmental and securities regulations.

Conditional on closing of the Acquisition Agreement and continued listing of the Company on the CSE, it is intended that a group of private investors will purchase 3,500,000 new Winston shares at a deemed price of CAD\$0.20 per share (the "Private Placement"). The \$700,000 subscription funds will be deposited into

an escrow account with Reliable Stock Transfer Inc. at a Toronto bank until closing. Upon closing of the Acquisition Agreement and the Private Placement the Company will have 22,362,335 common shares issued and outstanding. Conditional on closing of the Acquisition Agreement, Danny Wettreich, a current director of the Company, will subscribe for \$1,000,000 of new Winston \$1 Non-Voting Convertible Preference Shares (“Preferred”) payable by 770,000 GreenCoinX (“XGC”) at \$1.30 per XGC. The Preferred will be convertible after 12 months at the option of the holder on the basis of one Preferred for one common share.

Closing of the Acquisition Agreement will be subject to approval of Winston shareholders and regulatory authorities, and to compliance with any required governmental and securities regulations. There is no guarantee that the Acquisition Agreement will close.

Zara Resources Inc. (“Zara”)

Zara Resources is a minerals company incorporated October 9, 2012 focusing on exploring and evaluation its 100% owned Forge Lake gold property and its 75% owned Pigeon River nickel-copper property in Ontario. The NI43-101 Technical reports for Forge Lake and Pigeon River are available under Zara’s profile on SEDAR at www.sedar.com. The Qualified Person for the Forge Lake Technical Report is Alan Aubut and the Technical Report was prepared by Alan Aubut. Mr. Aubut is a “Qualified Person” and “independent” of Zara within the meaning of NI 43-101. The Qualified Person for the Pigeon River Technical Report is Alan Aubut and the Technical Report was prepared by Alan Aubut. Mr. Aubut is a “Qualified Person” and “independent” of Zara within the meaning of NI 43-101. While all geological information contained herein is derived from the Technical Report, the authors thereof have not reviewed or approved this MD&A.

Zara Proposed Change of Business

On September 14, 2015 Zara announced that, conditional on completion of a dual listing on the London AIM Market, it intends to seek shareholder approval to change its business to a natural resources investment company. It proposes to change its management, raise GBP 4 Million (or approximately CAD\$8.2 Million) in a private placement in London, and change its corporate name to SmallCap Resource Investments Inc (“SRI”) or a similar name. Zara intends to acquire minority interests in a number of publicly listed Canadian natural resource companies, utilizing a mixture of cash and newly issued shares in Zara. There is no guarantee that the dual listing on AIM will occur, or that the funding for the proposed private placement will be available, and if available will be on terms acceptable to Zara. Subject to the dual listing on AIM and to shareholder and regulatory approvals, Zara also proposes to transfer 100% ownership of its mineral exploration assets to Sonjo Assets Inc (“Sonjo”) a wholly owned subsidiary of Zara, and spin off 100% of Sonjo as a distribution to Zara shareholders. The spin-off will be transacted by way of a statutory plan of arrangement under the Business Corporations Act (British Columbia). Following the spin-off, Sonjo will apply for listing of its common shares on the CSE, although there is no guarantee that such listing application will be successful.

Zara Share Consolidation

On September 14, 2015 Zara announced that its directors approved a share consolidation of its common shares on the basis of one (1) “new” common share for ten (10) “old” common shares to be effective October 15, 2015. Following the consolidation Zara has 4,332,666 common shares issued and outstanding as at November 30, 2015. Outstanding stock options and warrants of Zara were adjusted by the Consolidation ratio. All Zara common shares and per common share amounts reported in Zara’s financial

statements and any reference of such on this MD&A have been retroactively restated to reflect the share Consolidation.

Zara Previous Activity

Zara Offer to acquire shares of Visible, Greencastle and Altai

On August 19, 2013 Zara announced its intention to offer to acquire shares of Visible, Greencastle Resources Ltd. (“Greencastle”), and Altai Resources Inc. (“Altai”) (collectively the “Targets”). By an Offer Circular dated August 26, 2013, Zara offered to acquire Shares of the Targets in consideration of the issuance of Zara common shares as follows:

Target	Offer Price	Consideration Payable
Visible	\$0.50 per Visible Share	0.04167 Zara Shares
Greencastle	\$1.40 per Greencastle Share	0.1667 Zara Shares
Altai	\$1.70 per Altai Share	0.14167 Zara Shares

The Offer was conditional on, among other things, there being validly deposited under the Offer and not withdrawn at the expiry time, such number of shares of the respective Targets that constitutes at least 50% plus one share, of the outstanding shares of the respective Targets, excluding shares beneficially owned by Zara and its directors. On September 13, 2013, the Bureau de Decision et de Revision (Quebec) (“BDR”) issued a cease trade order on Zara’s simultaneous bid for Visible, Greencastle and Altai pending correction and translation of all offer documents into French and review by staff of the Autorité des marchés financiers (“AMF”).

On May 14, 2014, Zara determined that it would no longer proceed with the take- over bids.

Zara Proposed Acquisition of Lux Aquatica Assets

On May 30, 2014, and as amended on June 19, 2014 Zara announced that it signed a Letter of Intent (“LOI”) and proposed to enter into a definitive binding agreement (the “Agreement”) to acquire certain recreational marine assets comprising two recreational submarines, a 10 year lease on a luxury yacht named Avery Claire, and the website www.LuxAquatica.com offering luxury yacht and diving services (“Lux Aquaticata”) from Chivas Land Limited (“Chivas”) for the sum of \$500,000. Subject to numerous conditions, including shareholder and regulatory approvals and the closing of the acquisition of the Lux Aquatica assets, the Company proposed to distribute its Forge Lake and Pigeon River mineral exploration assets in Ontario to Company shareholders by way of a statutory plan of arrangement under the Business Corporations Act (British Columbia). The acquisition transaction was subject to, among other things, the completion of a private placement of no less than 700,000 new Company shares at \$0.50 per share.

On October 17, 2014 Zara announced that it terminated the Letter of Intent due to Chivas not meeting its obligations in regard to completing the private placement.

Zara Cancellation of shares related to the acquisition of Forge Lake

On October 17, 2014 Zara announced that 571,578 common shares of Zara have been cancelled pursuant to that certain Mining Claim Assignment Agreement dated April 16, 2013 between Zara and Hudson River Minerals Ltd (“Hudson”) due to Hudson failing to distribute the 571,578 Zara shares to Hudson shareholders within the required time frame.

Zara Debt Conversion

On November 27, 2014 Zara settled indebtedness owing to four different parties in the total amount of \$483,808 by the issuance of a total of 967,616 common shares at \$0.50 per common share. On January 7, 2015 Zara settled indebtedness due on its Preferred Shares Series B by the issuance of 94,090 common shares at \$0.50 per common share. On January 26, 2015 Zara settled indebtedness due on its Preferred Shares Series A by the issuance of 9,100 common shares at \$0.50 per common share.

Hadley Mining Inc. (“Hadley”)

Hadley owns a 25% interest in the Pigeon River mining claim which it purchased on April 10, 2015 from Zara Resources Inc. for the sum of \$9,000. The Pigeon River mining claim is located about 80 kilometers to the west of Thunder Bay in the Pigeon River area of Northwest Ontario, and covers an unexplored magnetic target with potential to host nickel, copper and platinum group elements mineralization

Previously, Hadley had owned 100% of the Etamame Lake Nickel Project located in the Lingman Lake Greenstone belt area about 38 kilometres south-west of Sachigo Lake in Northwestern Ontario, Canada. On April 10, 2015 the Company allowed the Etamame claim to lapse, and has no further interest in Etamame.

The former parent company of Hadley, Winston completed a spin off to its shareholders of a portion of its holdings in Hadley. The spin-off was transacted by way of a statutory plan of arrangement (the "Plan of Arrangement") under the Business Corporations Act (British Columbia). Pursuant to the terms of the Plan of Arrangement, Winston distributed approximately 10% of the outstanding common shares of Hadley to holders of common shares of Winston such that each Winston shareholder of record on the effective date of the Plan of Arrangement received one common share in the capital of each of Hadley for every twenty-five common shares in the capital of Winston. As a result, Hadley Mining was listed as a public company on the CSE on December 10, 2012. Following a subsequent spin off by Winston of GreenBank Capital Inc (“GreenBank”), Winston as at July 31, 2015 owns 40.70% of Hadley and GreenBank owns 49% of Hadley.

Leo Resources Inc. (“Leo”)

Leo Resources was formed on March 18, 2013 and is a minerals company focusing its main efforts on developing its Riverbank property in Ontario. The NI43-101 Technical reports for Riverbank is available under Leo’s profile on SEDAR at www.sedar.com, and on the Company’s website at www.LeoResourcesInc.com

Leo was previously a subsidiary of Zara. On March 20, 2013, Zara announced a proposal to spin-off to its shareholders 100% of Leo. On March 20, 2013 Leo entered into an agreement with Zara to acquire 100% of the Riverbank claims (“Riverbank”) for \$358,000 to be satisfied by the issuance of 2,747,500 post consolidation common shares of Leo. In addition Zara also subscribed for 100,000 Non-Voting Series A Preferred Shares for the sum of \$100,000 cash. Riverbank is also subject to a pre-existing 2% NSR. The spin-off was transacted by way of a statutory plan of arrangement (the “Leo Plan”) under the Business Corporations Act (British Columbia). Upon completion of the Leo Plan, Leo owned 100% of Riverbank. Pursuant to the terms of the Leo Plan, Zara distributed 2,747,500 post consolidation common shares of Leo. On August 2, 2013 the spin-off received all necessary court approvals and the plan of arrangement was subsequently completed. Leo listed on the CSE on August 16, 2013. On May 21, 2014 Leo completed a 1 for 5 consolidation of its common shares.

On August 1, 2014 Leo dual listed its common shares on the Frankfurt Exchange and on XETRA.

Riverbank is located in the Kasabonika-McFauld’s Greenstone Belt about 540 km to the north east of Thunder Bay and 350 km north of Geraldton, Ontario. At August 1, 2014 the Riverbank property consisted of 7 unpatented mining claims and on June 19, 2015 the Company allowed 6 of the 7 claims to lapse. As at

November 30, 2015, it consists of 1 unpatented mining claim. The property is believed to be underlain in part by mafic to ultramafic rocks that potentially could host nickel-copper mineralization.

The Qualified Person for the Riverbank Technical Report is Alan Aubut and the Technical Report was prepared by Alan Aubut. Mr. Aubut is a “Qualified Person” and “independent” of Zara within the meaning of NI 43-101. While all Riverbank geological information contained herein is derived from the Riverbank Technical Report, the authors thereof have not reviewed or approved this MD&A. The Technical Report in its entirety can be found under Leo’s profile at www.sedar.com.

GreenBank Spin-Off

On February 8, 2013, Winston announced that its board of directors has unanimously approved a proposal to spin off to its shareholders 100% of its holdings of its wholly-owned subsidiary, GreenBank, and that following the spin-off, GreenBank would apply for listing of its common shares on the CSE. GreenBank agreed to acquire an investment portfolio from Winston payable by the issuance of 25,710,000 common shares of GreenBank at a deemed price of \$0.10 per GreenBank share. The investments comprise of 13,460,000 common shares being 49% of Zara Resources Inc (CSE: ZRI) (“Zara”) and 12,250,000 common shares being 49% of Hadley Mining Inc (CSE: HM) (“Hadley”). A Special Meeting of Winston shareholders was held on April 15, 2013 at which the shareholders voted on and approved a special resolution approving the spin-off. The spin-off was transacted by way of a statutory plan of arrangement under the Business Corporations Act (British Columbia), and GreenBank began trading as a public company on the CSE under the symbol “GBC” on April 19, 2013.

Private Placements

On November 6, 2013, the Company completed a non-brokered private placement (the “Private Placement”) with Mark Wettreich, a director of the Company, of 1,440,000 units (each a “Unit”) of Winston at a price of \$0.05 per Unit, for gross proceeds of \$72,000. Each Unit consists of one common share in the capital of Winston and one common share purchase warrant. Each common share purchase warrant entitles the holder to acquire one additional common share in the capital of Winston at an exercise price of \$0.05, for 36 months after closing. On January 1, 2014, Mark Wettreich, exercised the warrants he owned and purchased 1,440,000 common shares of Winston at a price of \$0.05 per share, for gross proceeds of \$72,000.

Debt Conversion

On October 9, 2014, the Company effected a debt conversion (the “Debt Conversion”) of \$173,917 owing to Sammiri Capital Inc a private company owned by Danny Wettreich a director and CEO of Winston. The Debt Conversion comprised Units of Winston, each Unit comprising of one common share at \$0.05 per share and one warrant exercisable at \$0.05 per share (the “Debt Conversion”). The Debt Conversion resulted in the issuance of 3,478,340 common shares, representing 35.27% of the increased share capital of Winston, and 3,478,000 warrants representing 96.5% of the increased and outstanding warrants. No commission was payable in relation to the Debt Conversion.

MINERAL PROPERTIES

Zara and Leo - Riverbank Property

Through its former subsidiary Leo Resources Inc (“Leo”) Zara also previously owned 100% of the Riverbank nickel-copper property in Ontario. On August 2, 2013, all the shares of Leo were distributed to

shareholders of Zara by way of a plan of arrangement (see “Leo Resources Spin Off”). Zara no longer has an interest in Riverbank or Leo.

On October 12, 2012 Zara entered into a Purchase and Assignment Agreement (the “Agreement”) with CNRP Mining Inc (‘CNRP’), a company that is under common control. Under the terms of the Agreement Zara agreed to purchase from CNRP all of CNRP’s rights, interests, obligations and benefits in an Option Agreement dated August 10, 2011 with Melkior Resources Inc. (“Melkior”). Under the terms of the Option Agreement dated August 10, 2011, Zara has the option to acquire from Melkior up to a 70% ownership interest in the Broke Back and Riverbank mining claims through the earning of two options. Under the first option Zara may earn a 51% interest by incurring \$1.0 million in exploration expenditures by December 14, 2014. After earning and exercising its option for the 51% interest, Zara may earn a second option for a further 19% interest in the mining claims by incurring an additional \$1.0 million in exploration expenditures within twenty-four months of exercising the first option. If Zara incurs exploration expenditures in excess of \$1.0 million prior to December 14, 2014 then the amount in excess of \$1.0 million shall be carried over and shall qualify and be accounted for as expenditures to effect the second option. In consideration for the assignment of the Agreement, Zara issued 2.5 million common shares to CNRP’s parent company, Winston. In exchange for these shares, Winston paid Zara \$100,000 cash and CNRP assigned the Option Agreement to Zara. Under the terms of the Agreement, there was a contingent consideration whereby the Zara was due to issue to CNRP a 10% Promissory Note if expenditures of \$235,000 were made on the Riverbank property and Brokeback property prior to December 2012. Such expenditures were not completed, and in accordance with the agreement, the contingent consideration was not due or paid. On January 23, 2013, Zara acquired 100% of the Riverbank/Brokeback claims from Melkior, and accordingly the Option Agreement became null and void. The consideration was \$68,000 payable by the issuance of 22,500 common shares of Zara at a fair value of \$1.00 per share and 45,500 non-voting 5% convertible Series A preference shares of Zara at a fair value of \$1.00 per share. The preference shares annual yield will be payable in common shares of Zara at the prevailing market price, and are convertible at the discretion of Zara into common shares of Zara at the market price at the time of conversion. Riverbank is also subject to a pre-existing 2% NSR. On January 31, 2013, management determined it would no longer pursue the Brokeback portion of the Riverbank/Brokeback property and the Brokeback claims were allowed to lapse. Accordingly, the cost of that property, which was estimated at \$10,000, has been written off in the statement of loss in the period ended July 31, 2013. On August 2, 2013, Zara completed its Purchase Agreement (the “Agreement”) with its subsidiary Leo whereby Leo agreed to purchase from Zara, all of Zara’s rights, interests, obligations and benefits of the Riverbank property by way of a Plan of Arrangement for the amount of \$358,000. (Note 12 of Zara’s Notes to the Financial Statement for the year ended July 31, 2015).

Zara and Hadley-Pigeon River

On January 7, 2013, Zara acquired 100% of 28 Pigeon River claims located in Ontario from Pele Mountain Resources (“Pele”) for a purchase price of \$700,000. The purchase price was paid by the issuance of 225,000 common shares of Zara at a fair value of \$1.00 per share and 475,000 non-voting 5% convertible Series B preferred shares of Zara at a fair value of \$1.00 per share. The preference shares annual yield is payable in common shares of Zara at the prevailing market price. The property is also subject to a 2% NSR of which 0.5% is granted to Pele and 1.5% is granted to 2212150 Ontario Inc. (operating as Vanex Exploration). The 225,000 common shares were valued at \$225,000 and the non-voting convertible 5% preference shares were valued at \$475,000 and were issued during the period ended July 31, 2013. During the year ended July 31, 2014, management made the decision to abandon 20 of the Pigeon River claims. As a result, Zara recognized an impairment of the exploration and evaluation assets of \$501,439. During the year ended July 31, 2015, Zara allowed seven out of eight claims to lapse. As a result, Zara recognized a further impairment of \$155,339 on the exploration and evaluation assets. On April 10, 2015, Zara sold a 25% interest in its Pigeon River

mining claim to Hadley for the sum of \$9,000. As a result of this transaction, a loss in amount of \$2,541 was realized.

Zara-Forge Lake

On April 16, 2013, Zara completed the acquisition of 100% of the Forge Lake Gold Project located in Ontario from Hudson River Minerals Ltd (“HRM”) for the sum of \$583,010. Zara acquired the property by the purchase of all the rights, title and interest to that certain Mineral Exploration Agreement dated November 1, 2011 (“the License”) between HRM and 3011650 Nova Scotia Ltd. (“Licensor”). The License is subject to an original 5 years with an extension for a further 5 years and the right to convert from a license into a lease with rights to enter commercial production. If the property goes into production, there is a 3.0% royalty, of which the first 1% can be purchased for \$1 Million and the second 1% can be re-purchased for \$1 Million for each 0.5%. As consideration, Zara issued HRM 571,578 common shares of Zara at a fair value of \$1.00 per common share. The consideration is subject to an agreement whereby HRM distributes the shares to its shareholders within 18 months and until such time when the distribution takes place the shares cannot be sold and voting rights are to be exercised by Danny Wettreich, the CEO of Zara, under a voting rights agreement. In addition, Zara issued 2% of the \$583,010 value to the Licensor or \$11,432 payable through the issue of 11,432 common shares during the period ended July 31, 2013 and guaranteed three years of license and tax payments to the Licensor. As these shares were not distributed within the required time, they were cancelled.

During the year ended July 31, 2015, management determined that Zara did not have the financing to further the project and hence the carrying value of the Forge Lake property of \$603,394 was impaired. Management is of the opinion that with sufficient funding to develop Forge Lake, the property has the potential for commercial production. Management is seeking additional funding to develop Forge Lake.

Hadley-Etamame Nickel Project

The Etamame Nickel Project is located in the Lingman Lake Greenstone belt area about 38 kilometres southwest of Sachigo Lake in Northwestern Ontario, Canada. It consisted of 10 claim blocks totaling 142 claim units that have not previously been drilled. On April 8, 2014, management determined that they would not renew nine of the ten claim blocks and accordingly recognized a write-off in the amount of \$288,099 during the year ended July 31, 2014. On April 10, 2015, the Company allowed the Etamame claim to lapse, and has no further interest in Etamame.

Hadley- Pigeon River

On April 10, 2015, Zara sold a 25% interest in its Pigeon River mining claim to Hadley for the sum of \$9,000 (see above Zara and Hadley-Pigeon River)

INTEREST IN MINERAL PROPERTIES

The full capitalized cost of the mineral properties is reflected in the accompanying financial statements

FINANCIAL STATEMENTS GOING CONCERN ASSUMPTION

The financial statements have been prepared on the basis of accounting principles applicable to a going concern. The use of these principles assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge its liabilities in the normal course of operations. The Company acquired its first exploration and evaluation assets (“E&E”) in fiscal 2012, as such active exploration has not commenced. It is unknown whether the E&E contain reserves that are economically recoverable. As a Company that is commencing active operations; it incurs operating losses, which casts significant doubt about the Company’s ability to continue as a going concern.

The business of exploration involves a high degree of risk, as such there is no assurance that the Company’s expected exploration programs will result in profitable mining operations. Until it is determined that the E&E contain mineral reserves or resources that can be economically mined, they are classified as exploration and evaluation assets using the full cost method allowed under IFRS 6. The Company’s continued existence is dependent upon the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in its E&E, and making the required payments pursuant to E&E purchase agreements. The Company has yet to generate income and cash flows from its operations.

There is no assurance that the Company will be able to obtain the external financing necessary to explore, develop, if E&E are proven successful, and bring to commercial production its E&E. The Company has no proven history of profitability, which casts doubt as to whether the Company will be able to continue as a going concern should it not be able to obtain the necessary financing to fund working capital and capital expenditures. The ability of the Company to arrange such financing in the future depends in part upon the prevailing capital market conditions as well as the business performance of the Company. If additional financing is raised by the issuance of shares from the treasury of the Company existing shareholders may have their interest diluted. If adequate financing is not available, the Company may be required to relinquish rights to certain of its interests or terminate its operations.

As at July 31, 2015, the Company had yet to generate revenues from operations and had a deficit of \$10,343,561 (2014 - \$5,809,778). The Company is actively seeking additional sources of financing. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of uncertainties related to events or conditions that may cast significant doubt upon the entity’s ability to continue as a going concern that these uncertainties are material and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and discharge its liabilities and commitments in other than the normal course of business and at amounts different from those in the audited financial statements. These adjustments could be material.

RESULTS OF OPERATIONS

The Company is in the exploration and evaluation stage and therefore did not have revenues from operations.

For the year ended July 31, 2015 the Company incurred a comprehensive loss of \$5,482,093 (2014 - \$2,588,767) (\$0.59 loss per share (2014 - \$0.48)).

WINSTON RESOURCES INC. MD&A for the year ended July 31, 2015

This loss is mainly comprised of the net of:

- Gain on debt settlement of \$69,567 (2014 - \$nil) (refer to note 12 in the Notes to the Consolidated Financial statements for the year ended July 31, 2015),
- Gain on sale of equity investments \$8,521 (2014 - \$nil)

Offset by expenses of:

- \$5,393,760 (2014 -\$2,310,000) impairment loss on exploration and evaluation assets (refer to note 9 in the Notes to the Consolidated Financial statements for the year ended July 31, 2015),
- professional fees of \$33,897 (2014 - \$118,960),
- office and general \$25,274 (2014 - \$63,905),
- filing and listing fees \$18,976 (2014 - \$20,553),
- transfer agent fees \$11,756 (2014 -\$11,374).
- Shareholder information \$7,463 (2014 - \$8,891) and
- Interest on property obligation \$nil (2014 - \$12,500)

For the three month period ended July 31, 2015 the loss was \$5,353,348 (2014 - \$2,403,649)

This loss is mainly comprised of the net of:

- Gain on debt settlement of \$69,567 (2014 - \$nil) (refer to note 12 in the Notes to the Consolidated Financial statements for the year ended July 31, 2015),

Offset by expenses of:

- \$5,353,148 (2014 -\$2,403,649) impairment loss on exploration and evaluation assets (refer to note 9 in the Notes to the Consolidated Financial statements for the year ended July 31, 2015),
- professional fees of \$343 (2014 - \$35,562),
- office and general of \$14,641 (2014 - \$18,127), and
- transfer agent fees of \$6,080 (2014 - \$2,335).

For the year July 31, 2015 the Company used cash in operating activities of \$(67,165) (2014 - \$(260,326)). For the year ended July 31, 2015 the Company provided (used) cash in investing activities of \$9,680 (2014 - \$(25,956)). For the year ended July 31, 2015 the Company generated cash in financing activities of \$59,451 (2014 - \$233,665).

For the three month period ended July 31, 2015 cash used in operating activities was \$(26,470) (2014 - \$(141,357)). For the three month period ended July 31, 2015 cash used in investing activities was \$nil (2014 - \$(25,956)). For the three month period ended July 31, 2015 cash generated in financing activities was \$28,777 (2014 - \$123,140).

Depending on future events, the rate of expenditures and general and administrative costs could increase or decrease.

Selected Financial Information

The following table provides selected financial information that should be read in conjunction with the audited Financial Statements and Notes of the Company for the applicable period.

WINSTON RESOURCES INC. MD&A for the year ended July 31, 2015

For the year ended July 31,	2015	2014
	\$	\$
Interest Income	81	2,556
Net Loss and Comprehensive Loss	5,482,093	2,588,767
Interest in Exploration and Evaluation Assets	Nil	5,393,760
Current Assets	18,415	57,308
Total Assets	28,105	5,522,928
Total Liabilities	903,681	1,028,886
Shareholders' (deficiency) Equity	(875,576)	4,494,042

Selected Quarterly Financial Information

<u>Quarter ended</u>	<u>Jul. 31, 2015</u>	<u>Apr. 30, 2015</u>	<u>Jan. 31, 2015</u>	<u>Oct. 31, 2014</u>
	\$	\$	\$	\$
Net loss	(5,353,348)	(62,921)	(29,369)	(36,374)
Interest in Exploration and Evaluation assets	-	5,393,760	5,393,760	5,393,760
Current Assets	18,415	19,186	24,130	27,652
Total Assets	28,105	5,425,835	5,477,677	5,456,083
Total Liabilities	903,681	878,821	867,742	844,350
Total Shareholder's (Deficiency) Equity	(875,576)	4,547,014	4,609,935	4,639,385
<u>Quarter ended</u>	<u>Jul. 31, 2014</u>	<u>Apr. 30, 2014</u>	<u>Jan. 31, 2014</u>	<u>Oct. 31, 2013</u>
	\$	\$	\$	\$
Net loss	(2,403,649)	(68,041)	(47,307)	(69,770)
Interest in Exploration and Evaluation assets	5,393,760	7,703,760	7,703,760	7,703,760
Current Assets	57,308	76,918	76,658	76,953

WINSTON RESOURCES INC. MD&A for the year ended July 31, 2015

Total Assets	5,522,928	7,880,383	7,887,238	7,893,106
Total Liabilities	1,028,886	982,992	921,806	1,024,367
Total Shareholder's Equity	4,494,042	6,897,391	6,965,432	6,868,739

Liquidity and Solvency

The Company will need access to equity capital to pursue its business plan and there is no guarantee that equity may be available, and if available it may not be on terms that Management finds is in the interest of the Company. The Company considers its investments in Zara, Hadley and Leo as long term investments, however retains the option of disposing of some or all its investments in Zara, Hadley and Leo to raise funds. Due to the significant percentage ownership of Zara, Hadley and Leo, the Company may have difficulty selling some or all of its shareholding and any such sale may negatively impact the value of its investments. The Company may also borrow funds from its CEO. In order to maintain its operations the Company needs funds for primarily management fees, legal and accounting. Some of the management fees have been accrued by management and as a result do not represent a cash requirement for the Company, however there is no assurance that management fees will be accrued in the future. The Company would need to raise additional equity capital in order to pursue other investment opportunities or to support special projects. The exploration budgets for Zara, Hadley and Leo will require additional equity to be raised by those companies in order to fund those exploration budgets, and there is no guarantee that such equity can be raised by Zara, Hadley and Leo.

The following table summarizes the Company's cash on hand, working capital and cash flow as at July 31, 2015:

For the year ended July 31,	2015	2014
Cash	\$3,501	\$1,535
Working Capital	\$(885,266)	\$(971,578)
Cash Used in Operating Activities	\$(67,165)	\$(260,326)
Cash Provided by Financing Activities	\$59,451	\$233,665
Net Change in Cash (Decrease)	\$1,966	\$(52,617)

The Company is dependent on the sale of newly issued shares to finance its operational activities and general and administrative costs. Its majority owned subsidiary CNRP is dependent on the sale of newly issued shares to finance its exploration activities and make property acquisition payments as well as its general and administrative costs. The Company will have to raise additional funds in the future to continue its operations. There can be no assurance, however, that the Company will be successful in its efforts. If such funds are not available or other sources of financing cannot be obtained, then the Company will be forced to curtail its activities.

WINSTON RESOURCES INC. MD&A for the year ended July 31, 2015

Capital Resources

The Company has no operations that generate cash flow and its long term financial success is dependent on its subsidiary CNRP, and its affiliates Zara, Hadley and Leo, discovering properties that contain mineral reserves that are economically recoverable, and on the capital appreciation of its investment securities. The Company's primary capital assets as at July 31, 2015 are investment securities and resource properties. The Company has no commitments for capital expenditure, and there are no known trends or expected fluctuations in the Company's capital resources. The exploration budgets for CNRP, Zara, Hadley and Leo will require additional equity to be raised by those companies in order to fund those exploration budgets, and there is no guarantee that such equity can be raised by CNRP, Zara, Hadley and Leo.

Common Shares

The authorized capital of the issuer consists of an unlimited number of common shares without par value of which 9,862,335 are outstanding as of November 30, 2015. Holders of the issuer's common shares are entitled to vote at all meetings of shareholders declared by the directors, and subject to the rights of holders of any shares ranking in priority to or on a parity with the common shares, to participate ratably in any distribution of property or assets upon the liquidation, winding up or dissolution of the Issuer.

The following is a summary of the Company's (excluding CNRP which is shown separately below) outstanding stock options and warrant data as of November 30, 2015

Winston Stock Options

Options to purchase common shares in the capital of Winston are granted by Winston's Board of Directors to eligible persons pursuant to Winston's 2015 Stock Option Incentive Plan. During the year ended July 31, 2015, Winston granted the stock options of 450,000 to a director as shown in the following table, and 630,000 options are outstanding as at November 30, 2015.

Date	Number	Name of Optionee if Related Person and relationship	Exercise Price	Expiry Date	Market Price on date of Grant
7/1/2013	140,000	(1)Daniel Wettreich, Director	\$0.05	7/1/2018	\$0.05
7/1/2013	60,000	Mark Wettreich, Director	\$0.05	7/1/2018	\$0.05
8/5/2014	110,000	Daniel Wettreich, Director	\$0.05	8/5/2019	\$0.02
8/5/2014	40,000	Mark Wettreich, Director	\$0.05	8/5/2019	\$0.02
8/5/2014	80,000	Peter Wanner, Director	\$0.05	8/1/2016	\$0.02
7/1/2015	100,000	David M. Lonsdale, Director	\$0.05	7/1/2017	\$0.01
8/5/2014	100,000	Paul Cullingham, Director	\$0.05	8/5/2016	\$0.02

WINSTON RESOURCES INC. MD&A for the year ended July 31, 2015

(1) Daniel Wettreich surrendered 60,000 options effective August 5, 2014

Winston Warrants

At November 30, 2015 the Company had the following warrants and brokers warrants outstanding.

Date of Expiry	Description	Number of Warrants	Weighted Average Exercise Price
October 9, 2017	Subscriber Warrants	3,478,340	0.05
		3,478,340	\$0.05

CNRP Stock Options

At November 30, 2015 the Company had 1,400,000 stock options issued and outstanding.

Date issued	Number	Name of Optionee if Related Person and relationship	Exercise Price	Expiry Date	Market Price on date of Grant
10/13/2014	575,000 (1)	Daniel Wettreich, Director	\$0.05	10/31/2017	\$0.01
10/13/2014	450,000	Mark Wettreich, Director	\$0.05	10/31/2017	\$0.01
10/13/2014	125,000	Peter Wanner, Director	\$0.05	10/31/2016	\$0.01
5/30/2014	125,000	Paul Cullingham, Director	\$0.05	7/31/2016	\$0.01
7/01/2015	125,000	David Lonsdale, Director	\$0.05	7/01/2017	\$0.01

(1) Daniel Wettreich surrendered 125,000 options on July 1, 2015

Warrants

At November 30, 2015 the Company had no warrants and brokers' warrants outstanding.

Outlook and Capital Requirements

There is no guarantee that market conditions will be conducive to raising additional equity capital. Depending on future events, the rate of Company expenditures and general and administrative costs could increase or decrease.

Related Parties Transactions

Related party transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties

The amount of due from related companies at July 31, 2015 in the amount of \$5,375 (2014 - \$25,956) which was made to provide working capital, is comprised of due from Hadley of \$5,375 (2014 - \$6,600) and due from GreenBank Capital of \$nil (2014 - \$19,356). Daniel Wettreich, a director and officer of the Company, is a director of Hadley and GreenBank.

The due to related parties in the amount of \$108,579 (2014 - \$147,449) which was made to provide working capital is comprised of due to Daniel Wettreich, an officer and director of the Company, of \$11,087 (2014 - \$3,833), a payable to Zara of \$2,007 (2014 - \$4,657), a payable to Leo of \$35,255 (2014 - \$35,255), a payable to GreenBank \$34,763 (2014 - \$nil) and a payable to Sammiri Capital Inc. ("Sammiri") a private company owned by Daniel Wettreich, of \$25,467 (2014 - \$103,704). The amounts are interest free, payable on demand and have no set repayment terms.

During the year ended July 31, 2015, the Company along with CNRP incurred transfer agent fees of \$7,570 (2014 - \$nil) to Reliable Stock Transfer Inc., ("Reliable") a company owned by Daniel Wettreich for the provision of share transfer services. The amount is comprised of \$3,700 (2014 - \$nil) incurred by the Company and \$3,870 (2014 - \$nil) incurred by CNRP. As at July 31, 2015, amount owed to Reliable is \$7,464 (2014 - \$nil). This is comprised of \$4,099 (2014 - \$nil) owed by the Company and \$3,365 (2014 - \$nil) owed by CNRP and has been included in the accounts payable and accrued liabilities.

As at July 31, 2015, the amount of \$33,900 (2014 - \$128,080) was owed to Sammiri for management services provided in prior periods and has been included in accounts payables and accrued liabilities.

On November 6, 2013, the Company completed a non-brokered private placement (the "Private Placement") with Mark Wettreich, a director of the Company, of 1,440,000 units (each a "Unit") of Winston at a price of \$0.05 per Unit, for gross proceeds of \$72,000. Each Unit consists of one common share in the capital of Winston and one common share purchase warrant. Each common share purchase warrant entitles the holder to acquire one additional common share in the capital of Winston at an exercise price of \$0.05. On January 1, 2014 the 1,440,000 warrants were exercised for gross proceeds of \$72,000.

On October 9, 2014, the Company effected a debt conversion (the "Debt Conversion") of \$173,917 owing to Sammiri. The Debt Conversion comprised Units of Winston, each Unit comprising of one common share at \$0.05 per share and one warrant exercisable at \$0.05 per share (the "Debt Conversion"). The Debt Conversion resulted in the issuance of 3,478,340 common shares, representing 35.27% of the increased share capital of Winston, and 3,478,000 warrants representing 96.5% of the increased and outstanding warrants. No commission was payable in relation to the Debt Conversion.

Key Management Compensation

During the year, the Company granted 450,000 options (2014 - nil) to five directors and they were assigned a fair value of \$3,600.

During the year, CNRP also granted 1,400,000 options (2014 - 125,000) to four directors (2014 -one director) and they were assigned a fair value of \$4,525 (2014 - \$300).

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet transactions.

Proposed Transactions

There are no proposed transactions that will materially affect the performance of the Company other than those disclosed in this MD&A.

Accounting Policies

The accounting policies and methods employed by the Company determine how it reports its financial condition and results of operations, and may require management to make judgments or rely on assumptions about matters that are inherently uncertain. The Company's results of operations are reported using policies and methods in accordance with IFRS. In preparing financial statements in accordance with IFRS, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses for the period. Management reviews its estimates and assumptions on an ongoing basis using the most current information available. These financial statements have been prepared by management in accordance with IFRS. Outlined below are those policies considered particularly significant:

Significant Estimates and Judgments

The preparation of these financial statements in accordance with IFRS requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses.

Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates.

The most significant estimates relate to impairment assessments of E&E, recoverability of government HST recoverable and the valuation of share-based payments. Other major assumptions is the fair value of related party accounts payable and accounts receivable and the classification of current and non-current. The most significant judgements relate to the use of the going concern assumption in the preparation of the financial statements, the recognition of deferred income tax assets and liabilities, and the determination of the economic viability of exploration and evaluation assets.

After capitalization, E&E assets are reviewed for indicators of impairment at each reporting period under IFRS 6. Determining if there are any facts and circumstances indicating impairment loss is a subjective process involving judgment and a number of estimates and interpretations in many cases. When an

indication of impairment loss exists, the recoverable amount of the cash generating unit (“CGU”) must be estimated. Identifying the CGUs requires management judgment. In testing CGUs for impairment, management estimates the recoverable amount of the CGUs. This requires management to make several assumptions as to future events or circumstances.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company’s title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

The Company records all share-based compensation using the fair value method. The Company uses the Black-Scholes option pricing model to determine the fair value of share-based compensation. The main factor affecting the estimates of the fair value of stock options is the stock price, expected volatility used and the expected duration of the instrument. The Company currently estimates the expected volatility of its common shares based on comparable information derived from the trading history of guideline public companies which are in a similar situation to the Company taking into consideration the expected life of the options.

The Company has less than 50% voting rights in Leo, Hadley and Zara. Management has assessed the involvement of the Company in accordance with IFRS 10 and has concluded that while it has significant influence over those companies it does not have control (actual or de facto control) of those companies. In making its judgment, management considered the Company’s voting rights, the relative size and dispersion of the voting rights held by other shareholders and other relevant facts and circumstances.

The assessment of the Company’s ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements.

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries, 84.9% owned CNRP Mining Inc. (“CNRP”), a Canadian based mineral exploration company, and its 100% owned CNRP Dallas Inc. (“CNRP Dallas”), a Dallas, Texas based management services company. Control is achieved when the Company has the power over the investees; exposure to variable returns from an investee; and the ability to use power to affect the reporting entity’s returns.

On consolidation, all intercompany transactions, balances, income and expenses are eliminated in full.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Investments in associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies and it is presumed to exist when the Company holds between 20 percent and 50 percent of the voting power of another entity.

An Investment in associates is accounted for using the equity method from the date on which the investee becomes an associate.

At July 31, 2015, the Company's investment in common shares of Zara Resources Inc. ("Zara") was 20.68%, the Company's investment in the common shares of Leo Resources Inc. ("Leo") was 16.76%, and the Company's investment in common shares of Hadley Mining Inc. ("Hadley") was 40.7%. Accordingly each investee is accounted for using the equity method.

Related Party Transactions and Disclosures

Parties are considered to be related if one party has the ability to directly or indirectly control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be Individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions are in the normal course of business and have commercial substance and are measured at the fair value.

Deferred income taxes

Deferred income taxes are provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

- Deferred income tax liabilities are recognized for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- Taxable temporary differences associated with investments in associates and interests in joint ventures, where the timing in the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is expected to be realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position. Deferred income taxes relating to items recognized directly in equity are recognized in equity and not in the statement of comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Impairment of non-financial assets

At each reporting date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that these assets suffer any impairment in value, except for E&E which is first assessed against the indicators of IFRS 6. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount with a corresponding impairment loss recognized in the statement of comprehensive income in the period of impairment.

If an impairment loss reverses in a subsequent period then the carrying amount of the asset is increased to its revised value to the extent that the increased carrying amount does not exceed its original carrying amount at the initial date of acquisition.

Functional currency

The Company's presentation and functional currency is the Canadian dollar.

Exploration and evaluations assets ("E&E")

E&E assets consist of exploration and mining concessions, options and contracts. Acquisition costs, lease costs and exploration costs are capitalized and deferred until such time as the asset is moved to a mining asset (if meets the economic and feasible stage) or the properties are disposed of either through sale or abandonment.

E&E costs consist of such items as:

- Acquisition of exploration properties;
- Gathering exploration data through topographical and geological studies;
- Exploratory drilling, trenching and sampling;
- Determining the volume and grade of the resource;
- Test work on geology, metallurgy, mining, geotechnical and environmental; and
- Conducting engineering, marketing and financial studies.

E&E shall be assessed for impairment when one or more of the following facts and circumstances indicate that a specific CGU should be tested for impairment:

1. The period for which the entity has the right to explore in the specific area has expired during the financial statement period or will expire in the near future and is not expected to be renewed.
2. Substantive expenditures on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned.
3. Exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
4. Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or sale.

The Company estimates the recoverable amount of each CGU, on the basis of areas of interest. Management groups mineral claims that are contiguous and specific to an area that encompasses the same prospective minerals, into one area of interest and assigns a name to this mineral property.

Recoverable amount is the higher of fair value less disposal costs and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. E&E are also tested for impairment before the assets are transferred to development properties.

Equity Settled Transactions

The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (“the vesting date”). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company’s best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge for a period represents the movement in cumulative expense recognized as at the beginning and end of that reporting period and the corresponding amount is represented in share based compensation reserve.

When the share-based payment arrangement has been cancelled or the terms have expired the fair value assigned to the share-based payment arrangement is transferred to contributed surplus

Share Capital

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company’s common shares are classified as equity instruments

Incremental costs directly attributable to the issue of new shares are recognized in equity as a reduction from the gross proceeds received from the issued shares

Financial instruments

Fair value through profit or loss (FVTPL)

Financial assets that are held with the intention of generating profits in the near term are classified as held for trading within FVTPL. In addition, any other financial assets can be designated by the Company upon initial recognition as held for trading. These instruments are subsequently re-measured at fair value with the change in the fair value recognized as gain or loss in the statement of loss and comprehensive loss during the period.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such by management or not classified in any of the other categories. Available-for-sale financial assets are measured at fair value with changes recognized in other comprehensive income. Upon sale or impairment, the accumulated fair value adjustments recognized in other comprehensive income are recorded in the statements of loss and comprehensive loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method (“EIR”), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of comprehensive loss. The losses arising from impairment are recognized in the statement of loss and comprehensive loss. The Company has classified HST recoverable and due from related companies as loans and receivable.

Other financial liabilities:

Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost. The effective interest rate (or amortized cost method) is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition. Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels

- Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The company’s cash is considered Level 1 in the hierarchy.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

Loss Per Share

Loss per share is calculated based on the weighted average number of common shares issued and outstanding during the period. In the years when the Company reports a net loss, the effect of potential issuances of common shares are anti-dilutive, therefore, basic and fully diluted loss per common share is the same. The diluted loss per share reflects the potential dilution of common share equivalents, such as the conversion of outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The treasury stock method is used for the assumed proceeds upon exercise of the options and warrants.

Change in accounting policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after July 31, 2014. The following new standards have been adopted:

(i) IAS 32 – Financial Instruments Presentations (“IAS 32”) clarifies some of the requirements for offsetting financial assets and financial liabilities on the consolidated statement of financial position. The amendment to IAS 32 is effective for annual periods beginning on or after January 1, 2014. At August 1, 2014, the Company adopted this pronouncement and there was no material impact on the Company's financial statements.

(ii) IFRIC 21 – ‘Levies’ (“IFRIC 21”) is effective for the Company beginning on January 1, 2014. The interpretation addresses the accounting for a liability to pay a levy if that liability is within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as well as addressing what the obligation event is that gives rise to pay a levy and when should a liability be recognized. At August 1, 2014, the Company adopted this pronouncement and there was no material impact on the Company's financial statements.

(iii) IFRS 2 – Share-based payments (“IFRS 2”) the amendments to IFRS 2, issued in December 2013 clarify the definition of ‘vesting conditions’ and separately define a ‘performance condition’ and a ‘service condition’. A performance condition requires the counterparty to complete a specified period of service and to meet a specified performance target during the service period. A service condition solely requires the counterparty to complete a specified period of service. The amendments are effective for share-based payments transactions for which the grant for which the date is after July 1, 2014. The Company adopted the amendments and there was no material impact on the Company's financial statements

(iv) IAS 24 – Related Party Disclosures (“IAS 24”) The Amendments to IAS 24, issued in December 2013, 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 for other key management personnel compensation. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014. At August 1, 2014, the Company adopted this pronouncement and there was no material impact on the Company's financial statement.

(v) IAS 36 – Impairment of Assets (“IAS 36”) was amended to address the disclosure required for the recoverable amount of impaired assets or cash generating unit for periods in which an impairment loss has been recognized or reversed. At August 1, 2014, the Company adopted this pronouncement and there was no material impact on the Company's financial statements.

Future Accounting Policies

At the date of authorization of these Financial Statements, the IASB has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting period.

- IFRS 9 Financial Instruments (“IFRS 9”)

IFRS 9 was issued by the IASB in November 2009 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 replace the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortization costs and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. This standard also requires an expected loss impairment method to be used, replacing the incurred loss model.

In October 2010, the IASB added requirements for financial liabilities to IFRS 9. These requirements were largely carry forward from the existing requirements in IAS 39, however, fair value changes due to credit risk for financial liabilities designated at fair value through profit and loss are to be recorded in other comprehensive income.

In November 2013 the IASB amended IFRS 9 to include a new general hedge accounting model. The amendment also removed the January 1, 2015 effective date.

In July 2014, the IASB issued the final version of IFRS 9 that supersedes the requirements of earlier versions of the standard. The new standard will replace both IAS 39 and IFRIC 9 - . Reassessment of Embedded Derivatives. The standard will retain the classification and measurements requirements and new hedge accounting model introduced by the previous versions while introducing a new single forward-looking expected credit loss impairment model. The final version of this new standard is effective for annual periods beginning on or after January 1, 2018. However, an entity may elect to adopt the earlier version of this new standard to annual periods beginning before January 1, 2018 if, and only if, its initial application date is before February 1, 2015. The Company is still in the process of assessing the impact of this pronouncement.

- IAS 11 Joint Arrangements (“IAS 1”)

Joint Arrangements was amended in May 2014 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016. Early adoption is permitted. The Company is still in the process of assessing the impact of this pronouncement.

- IAS 1 Presentation of Financial Statements (“IAS 1”)

IAS 1 was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure. Materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted. The Company is still in the process of assessing the impact of this pronouncement.

Various other accounting pronouncements (such as IFRS 14, IFRS 15, and the various annual improvements) that have no material impact to the Company are not included above. The Company has not early adopted these standards.

Financial Risk Management Objectives and Policies

The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management, with the Board of Directors oversight, manages financial risks. Where material, these risks will be reviewed and monitored by the Board of Directors. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

Financial Risks

The Company's main financial risk exposure and its financial risk management policies are as follows:

Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is limited to the carrying value amount carried on the statement of financial position. The Company's assets most susceptible to credit risk is its cash, which is held at a Canadian chartered bank in a non-interest bearing account, HST recoverable, which is due from the Canadian government, as well as the related party receivables which are described in Note 10 to the financial statements and is expected to be recoverable. As such, the risk of loss on these assets is minimal.

Market Risk

Market risk is the risk of uncertainty arising primarily from possible commodity market price movements and their impact on the future economic viability of the Company's projects and ability of the Company to raise capital. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operating and exploration budgets accordingly.

Liquidity Risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, including 30-day, 180-day and 360-day lookout periods. As at July 31, 2015, the Company had \$3,501 in cash. Currently, the Company does not have sufficient funds and will require financing to carry out an exploration and acquisition program, fund the property purchase obligations, and meet general and administration expenses for the next twelve months.

Foreign currency risk

The Company is exposed to currency risks on its United States dollar denominated working capital balances due to changes in the US dollar/Canadian dollar exchange rate.

Commodity Risk

The value of the Company's exploration and evaluation assets are related to the price of gold and other mineral commodities, and the outlook for this mineral. Adverse changes in the price of gold can also significantly impair the economic viability of the Company's projects, along with the ability to obtain future financing.

The Company has designated its cash at FVTPL. The government HST recoverable and due from related companies are classified as loans and receivables whereby they are initially recognized at fair value and then subsequently carried at amortized cost. Accounts payables and accrued liabilities, due to related company and due to officer are classified as other financial liabilities whereby they are initially recognized at fair value and then measured at amortized cost.

The carrying values, which approximate fair values, of the Company's financial instruments are as follows:

WINSTON RESOURCES INC. MD&A for the year ended July 31, 2015

	2015	2014
<u>Financial Assets</u>		
<i>Fair value through profit and loss</i>		
Cash	\$ 3,501	\$ 1,535
<i>Loans and receivables</i>		
Government HST Recoverable	6,303	28,019
Due from related companies	5,375	25,956
<u>Financial Liabilities</u>		
<i>Other financial liabilities</i>		
Accounts payables and accrued liabilities	95,102	181,437
Due to related parties	108,579	147,449
Mineral property purchase price payable	700,000	700,000

Capital Management

The Company's objective in managing capital is to ensure continuity as a going-concern and to safeguard its ability to continue its acquisition and exploration programs. The Company manages its capital structure and makes adjustment to it in 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 new shares and acquire or sell mining properties to improve its financial performance and flexibility.

The Company defines its capital as its shareholder's equity. As at July 31, 2015, the Company's capital resources amounted to a deficiency of \$875,576 (2014 - equity of \$4,494,042).

The Company defines its capital as its shareholder's equity. To effectively manage the Company's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has appropriate liquidity to meet its operating and growth objectives. As needed, the Company raises funds through private placements or other equity financings. The Company does not utilize long term debt as the Company does not currently generate operating revenues. There is no dividend policy.

Risks and Uncertainties

The Company's principal activity is mineral exploration and evaluation, and investment in securities. Companies in this industry are subject to many and varied kinds of risk, including but not limited to, environmental, metal prices, political and economical. The mineral exploration business is risky and most exploration projects will not become mines. The Company and its subsidiary and affiliates CNRP, Zara, Hadley and Leo may offer an opportunity to a mining company to acquire an interest in a property in return for funding all or part of the exploration and evaluation of the property. For the funding of property acquisitions and exploration the Company and its subsidiary and affiliates CNRP, Zara, Hadley and Leo depends on the issue of shares from the treasury to investors. These stock issues depend on numerous factors including a positive mineral exploration environment, positive stock market conditions, a company's track record and the experience of management. The Company has no significant source of operating cash flow and no revenues from operations. The Company and its subsidiary and affiliates CNRP, Zara, Hadley and Leo have not yet determined whether any mineral contains mineral reserves are economically recoverable. The Company has

limited financial resources. Substantial expenditures are required to be made by the Company and its subsidiary and affiliates CNRP, Zara, Hadley and Leo to establish reserves. There is no guarantee that the Company or its subsidiary and affiliates CNRP, Zara, Hadley and Leo will be able to contribute or obtain all necessary resources and funds for the exploration and exploitation of any required permits, and may fail to meet exploration commitments. Mineral exploration involves a high degree of risk and few properties, that are explored, are ultimately developed into producing mines. Exploration of mineral properties by the Company's subsidiary and affiliates CNRP, Zara, Hadley and Leo may not result in any discoveries of commercial bodies of mineralization. If the Company's subsidiary and affiliates CNRP, Zara, Hadley and Leo efforts do not result in any discovery of commercial mineralization, the Company may cease operations. The Company and its subsidiary and affiliates CNRP, Zara, Hadley and Leo are subject to the laws and regulations relating to environmental matters in all jurisdictions in which they operate, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company has limited financial resources.

Conflicts of Interest

Certain of the directors and officers of the Company may also serve as directors and officers of other companies involved in gold and precious metal or other natural resource exploration and development and consequently the possibility of conflict exists. Any decisions made by such directors or officers involving the Company will be made in accordance with the duties and obligations of directors and officers to deal fairly and in good faith with the Company and such other companies. In addition, such directors declare their interest and refrain from voting on any matters in which such directors may have a conflict of interest.

Management's Responsibility for Financial Statements

The information provided in this report 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 judgments and have been properly reflected in the financial statements.

Trends

Trends in the industry can materially affect how well any junior minerals company is performing. The price of precious metals has undergone a recent retracement, although worldwide exploration is being maintained. Company management believes that the retracement is a short-term anomaly and that the general trend will show precious metals prices to be higher over time. However, the Company's investments are in the mineral exploration sector and the presently depressed market for mining companies and their valuations can adversely affect the Company's ability to successfully complete transactions.

Outlook

The outlook for precious metals is uncertain and has seen a recent decline on prices.

Cautionary Statement

This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding the Company's expectation of future trends in the mineral exploration sector, its subsidiary and affiliates

development plans and the Company's future plans and objectives are forward-looking statements that involve various risks and uncertainties. The material factors and assumptions that management has used to determine such forward-looking statements include, without limitation, (1) estimates of stock-based compensation expense (2) expectations of industry trends (3) expectations of future funding (4) expectation of exploration activities and (5) expectation of successful negotiation by its affiliates with First Nations. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statement. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies the Company is bound. Forward-looking statements are based on the estimates and opinions of management on the date of statements are made, and the Company endeavours to update corporate information and material facts on a timely basis. Forward-looking statements are subject to risks, uncertainties and other actors, including risks associated with corporate finance and mergers and acquisitions activities, investment portfolio risk, and operational and political risks.

Other

Additional information relating to the Company's operations and activities can be found by visiting the Company's website at www.WinstonResources.com , CNRP's website at www.CNRPMining.com, and Winston's profile at www.sedar.com.