

**RIFT VALLEY RESOURCES CORP.**  
**Management Discussion and Analysis**  
**For the year ended December 31, 2015**

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**DISCLAIMER FOR FORWARD-LOOKING INFORMATION**

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of December 31, 2015. These assumptions, which include, management's current expectations, estimates and assumptions about the global economic environment may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) inability to locate and identify potential business acquisitions, (3) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (4) other factors beyond our control. There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

***1.1 – Date and Basis of Discussion & Analysis***

This management discussion and analysis ("2015 YE MD&A") is dated as of April 29, 2016 and should be read in conjunction with the audited financial statements of Rift Valley Resources Corp. for the year ended December 31, 2015 ("December 31, 2015 Financial Statements"). The December 31, 2015 Financial Statements are prepared in compliance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), Unless expressly stated otherwise, all financial information is presented in Canadian dollars.

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**1.2 – Overall Performance**

**Nature of Business**

Rift Valley Resources Corp. was incorporated under the Laws of the Province of British Columbia on December 14, 2009. On March 20, 2013, Rift Valley amalgamated with Avatar Ocean Technology Inc. (“Avatar”), a reporting issuer and continues under the name Rift Valley Resources Corp. (the “Company” or “Rift Valley”). The address of the Company’s corporate office and its principal place of business is 6511 Housman Place, Richmond, British Columbia, Canada. The Company’s registered and records office address is 2800-666 Burrard Street, Vancouver, British Columbia, Canada. As of December 31, 2015 the Company was in the exploration stage.

At December 31, 2015, the Company had not yet achieved profitable operations, had accumulated a deficit of \$1,644,698 had working capital of \$1,684, which may not be sufficient to sustain operations over the next twelve months, and the Company expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company’s ability to continue as a going concern. However, it is expected that these funds are sufficient to complete its business as discussed in “Financing” below. The Company’s ability to continue as a going concern is dependent upon its ability to generate future profitable operations and to identify, evaluate and negotiate potential business acquisitions or participation agreements.

**Financing**

On April 30, 2015, the Company issued 3,900,000 units at \$0.03 per unit for total proceeds of \$117,000. Each unit consisted of one common share and one warrant. The warrants are exercisable at \$0.05 per common share until April 30, 2017. The Company is in the process of raising additional capital. Management expects to maintain operating expenses from working capital on hand and from the existing shareholders.

**Cat Mountain Property, British Columbia**

In September 2011, the Company entered into a memorandum of understanding with the Cat Mountain Syndicate to acquire an option to acquire an undivided 75% right, title and interest to twenty contiguous mineral claims (the “Cat Mountain Property”) located in west central British Columbia, except for a 2% net smelter royalty (the “NSR”), comprised of approximately 5,984 hectares. Due to the default of payment on October 31, 2015, it was mutually agreed that the Company would not keep the option nor pursue any further exploration on those properties.

The Company did not perform any significant exploration work during the year ended December 31, 2015.

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**1.3 – Selected Annual Information**

As at	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Current Assets	13,958	62,771	97,561	192,066	68,240
Mineral Assets	-	433,028	341,066	382,927	116,547
Other Assets	20,301	26,968	26,667	31,004	-
<b>Total Assets</b>	<b>34,259</b>	<b>522,767</b>	<b>465,294</b>	<b>605,997</b>	<b>184,787</b>
Current Liabilities	12,274	42,213	36,984	105,388	37,900
Share Capital and Contributed Surplus	1,646,382	1,528,882	1,527,882	953,155	290,000
Subscriptions Received	-	117,000	-	-	-
Deficit	(1,644,698)	(1,165,328)	(1,099,572)	(452,546)	(143,113)
<b>Total Liabilities and Shareholders' Equity</b>	<b>34,259</b>	<b>522,767</b>	<b>465,294</b>	<b>605,997</b>	<b>184,787</b>
<b>Years ended</b>	<b>31-Dec-15</b>	<b>31-Dec-14</b>	<b>31-Dec-13</b>	<b>31-Dec-12</b>	<b>31-Dec-11</b>
Revenue	-	-	-	-	-
Operating Expenses	43,469	65,756	647,026	309,343	30,613
Project Costs	435,901	-	-	-	-
Stock Based Compensation	-	-	-	-	112,500
Loss and Comprehensive Loss for Period	479,370	65,756	647,026	309,343	143,113
Basic and diluted loss per share	(0.020)	(0.003)	(0.033)	(0.024)	(0.055)
Weighted average number of common shares outstanding	23,424,985	20,554,940	19,833,025	13,052,177	2,588,085

**1.4 – Results of Operations**

Operations during the year ended December 31, 2015 were primarily related to obtaining the necessary financing, as well as continuing the identification and evaluation of mineral properties.

There were no investor relations arrangements entered into during the year ended December 31, 2015. There were no legal proceedings, contingent liabilities, and defaults under debt or other contractual obligations, breach of any laws or special resolutions during the year ended December 31, 2015.

During the year ended December 31, 2015, the Company incurred \$3,500 in net mineral property exploration costs (2014 - \$90,440), wrote off the accumulated exploration and evaluation costs on the defaulted option of \$435,901 (2014 - \$nil) and incurred operating expenses of \$43,469 (2014 - \$65,756), consisting of professional fees of \$12,703 (2014 - \$20,474), rent and occupancy of \$17,462 (2014 - \$13,625), exchange fees of \$7,000 (2014 - \$9,268), Transfer agent of \$5,065 (2014 - \$9,079), travel and promotion of \$nil (2014 - \$4,626), office and miscellaneous fees of \$1,017 (2014 - \$3,614) and consulting of \$222 (2014 - \$5,070). The remaining costs were generally consistent with the prior period.

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**1.5 – Summary of Quarterly Results (Unaudited)**

<b>As at</b>	<b>31-Dec-15</b>	<b>30-Sep-15</b>	<b>30-Jun-15</b>	<b>31-Mar-15</b>	<b>31-Dec-14</b>	<b>30-Sep-14</b>	<b>30-Jun-14</b>	<b>31-Mar-14</b>
	\$	\$	\$		\$	\$	\$	\$
Current Assets	13,958	4,672	10,197	46,525	62,771	111,032	58,373	87,427
Other Assets	20,301	23,635	23,635	26,968	26,968	26,968	26,667	26,667
Mineral Assets	-	437,028	437,028	436,528	433,028	417,417	349,456	341,066
<b>Total Assets</b>	<b>34,259</b>	<b>465,335</b>	<b>470,860</b>	<b>510,021</b>	<b>522,767</b>	<b>555,417</b>	<b>434,496</b>	<b>455,160</b>
Current Liabilities	12,274	21,086	19,559	46,876	42,213	59,669	36,924	33,128
Shareholders' Equity	1,646,382	1,646,382	1,646,382	1,645,883	1,645,882	1,649,882	1,532,882	1,527,882
Deficit	(1,644,698)	(1,202,133)	(1,195,081)	(1,182,738)	(1,165,328)	(1,154,134)	(1,135,310)	(1,105,851)
Total Liabilities and Shareholders' Equity	34,259	465,335	470,860	510,021	522,767	555,417	434,496	455,160
<b>Quarters ended</b>	<b>31-Dec-15</b>	<b>30-Sep-15</b>	<b>30-Jun-15</b>	<b>31-Mar-15</b>	<b>31-Dec-14</b>	<b>30-Sep-14</b>	<b>30-Jun-14</b>	<b>31-Mar-14</b>
Revenue	-	-	-	-	-	-	-	-
Operating Expenses	6,664	7,052	12,343	17,410	11,195	18,823	29,459	6,279
Write off Project Costs	435,901	-	-	-	-	-	-	-
Loss and Comprehensive Loss for Period	442,565	7,052	12,343	17,410	11,195	18,823	29,459	6,279
Basic and diluted loss per share	(0.02)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of common shares outstanding	23,424,985	22,813,874	21,924,985	20,591,652	20,591,652	20,591,652	20,491,652	20,491,652

The operating expenses were generally consistent except for the listing expenses incurred related to the amalgamation and the travel to conferences related to capital raising activities described above.

In December, 2015, the Company allowed the CAT Mountain option to lapse and impaired all prior costs at 2015 year end.

**1.6 – Liquidity and Capital Resources**

The Company is in the exploration stage and therefore has incurred losses and negative cash flows from operations. The Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placement. The Company's ability to raise cash depends on capital market conditions, commodities price, and the results of ongoing exploration programs. There is no assurance that the Company will be able to obtain any additional financing on terms acceptable to the Company. The quantity of funds to be raised and the terms of any equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration and development activity.

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***1.6 – Liquidity and Capital Resources (continued)***

The mining industry is capital intensive and there can be no certainty that the Company's existing cash balances or that the proceeds from the issuance of its common shares will provide sufficient funds for all of the Company's cash requirements. Should the need arise, the Company may pursue other financing options or rely on joint venture partners to supply some of funds required to explore and develop any acquisitions. There is no assurance that the Company will be successful in obtaining the funds it may require for its program or that the terms of any financing obtained will be acceptable.

On October 1, 2015, the Company was unable to maintain the office premises in Vancouver and moved premises. The Company is currently 6511 Housman Place, Richmond. Phone, and equipment usage is provided at no cost by a company controlled by a former officer of the Company. Accordingly, the Company has no commitments for operations or capital expenditures as at December 31, 2015. As at December 31, 2015, the Company had cash and cash equivalents on hand of \$13,442 (2014 - \$61,268). The decrease of cash and cash on hand was primarily due to operating activities.

During the year ended December 31, 2015, cash used in operating activities was \$65,754 (2014 - \$58,302), cash provided by (used) in investing activities was \$17,928 (2014 – used \$90,962), cash increased by financing activities was \$nil (2014 - \$117,000).

Shareholder's equity as at December 31, 2015 was \$1,684 (2014 - \$480,554). The Company will need to raise additional sources of funding to maintain operations at the currently level. Although the Company has been successful in the past in rising the necessary funding to continue operations, there can be no certainty it will be able to do so in the future.

***1.7 – Capital Resources***

The capital resources of the Company as at December 31, 2015 are primarily its cash and cash equivalents of \$13,442. The Company will require additional financing to fund any anticipated exploration expenditures, operating expenses or future acquisitions. The Company anticipates funding future expenditures through additional equity subscriptions, such as private placements or through the exercise of warrants and options. In light of the continually changing financial markets, there is no assurance that funding by equity subscriptions will be possible at the times required or for the amounts desired or that it can be obtained on terms acceptable to the Company and its shareholders. Accordingly, the Company is investigating various business opportunities that ideally will increase the Company's positive cash flow.

If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced and such equity securities may have rights, preferences, or privileges senior to those of the holders of the Company's common stock.

***1.8 – Off Balance Sheet Arrangements***

As at December 31, 2015, there was no off-balance sheet arrangements to which the Company is committed.

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**1.9 – Transactions with Related Parties**

The Company had the following balances and transactions with executive officers or companies controlled by these officers for the year ended December 31, 2015:

	December 31, 2015	December 31, 2014
Transactions:		
Rent and occupancy costs paid to a company by controlled by executive officers	\$ Nil	\$ 13,625
Fees paid to Vice President	\$ Nil	\$ 4,000
Exploration costs paid to Vice President	\$ Nil	\$ 2,500
Balances:		
Accounts Payable:		
Vice President - Exploration	\$ 2,625	\$ Nil

There were no other transactions with related parties except as noted in 1.2 above and 1.15 below.

**1.10 – Fourth Quarter**

Operations during the three month period ended December 31, 2015 were primarily related to obtaining the necessary financing, as well as continuing the identification and evaluation of mineral properties.

There were no investor relations arrangements entered into during the three month period ended December 31, 2015. There were no legal proceedings, contingent liabilities, and defaults under debt or other contractual obligations, breach of any laws or special resolutions during the three month period ended December 31, 2015.

During the three month period ended December 31, 2015, the Company incurred \$nil in net mineral property exploration costs (2014 - \$15,611), wrote off the accumulated exploration and evaluation costs on the defaulted option of \$435,901 (2014 - \$nil) and incurred operating expenses of \$6,664 (2014 - \$11,195), consisting of professional fees of \$96 (2014 - \$1,834), rent and occupancy of \$6,349 (2014 - \$3,975), Transfer agent and exchange fees of \$199 (2014 - \$2,893), , travel and promotion of \$nil (2014 \$3,558), office and miscellaneous fees of \$20 (2014 - \$2,534) and consulting of \$nil (2014 - \$70). All costs were generally consistent with the prior period with the exception of the write off of accumulated exploration and evaluation costs.

**1.11 – Proposed Transactions**

The Company has no pending or proposed transactions at December 31, 2015.

**1.12 – Critical Accounting Estimates**

The Company has outlined the basis of its critical accounting estimates in Note 3 of the December 31, 2015 Financial Statements.

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**1.13 – Changes in Accounting Policies – International Financial Reporting Standards (“IFRS”)**

The Company adopted the following accounting policies effective January 1, 2015:

*IFRIC 21 Levies* - In May 2013, the IASB issued IFRIC 21, an interpretation of IAS 37 - *Provisions, Contingent Liabilities and Contingent Assets* (“IAS 37”), on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past activity or event (“obligating event”) described in the relevant legislation that triggers the payment of the levy.

*IAS 32 - Financial Instruments: Presentation* - In December 2011, the IASB issued an amendment to clarify the meaning of the offsetting criterion and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement. Earlier application is permitted when applied with corresponding amendment to IFRS 7.

*IAS 36 Impairment of Assets* - In May 2013, the IASB issued amendments to IAS 36 which restricts the requirement to disclose the recoverable amount of an asset or CGU to periods in which an impairment loss has been recognized or reversed. The amendments also expand and clarify the disclosure requirements applicable when an asset or CGU’s recoverable amount has been determined on the basis of fair value less cost of disposal.

**Future Changes in Accounting Policies**

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

New accounting standards effective for annual periods on or after January 1, 2017:

*IAS 1 – Presentation of Financial Statements*

In December 2014, the IASB issued an amendment to address perceived impediments to preparers exercising their judgment in presenting their financial reports. The changes clarify that materiality considerations apply to all parts of the financial statements and the aggregation and disaggregation of line items within the financial statements.

*IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets*

In May 2014, the IASB issued amendments to IAS 16 and IAS 38. The amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

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**1.13 – Changes in Accounting Policies – International Financial Reporting Standards (“IFRS”)  
(continued)**

The following standard will be effective for annual periods beginning on or after January 1, 2018:

IFRS 9 *Financial Instruments* - In November 2009, as part of the IASB project to replace IAS 39 *Financial Instruments: Recognition and Measurement*, the IASB issued the first phase of IFRS 9 *Financial Instruments*, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities.

The extent of the impact of adoption of these standards and interpretations on the financial statements of the Company has not been determined.

**1.14 – Financial Instruments and Other Instruments**

The Company’s financial instruments consist of cash and cash equivalents and accounts payable and accrued liabilities. The Company’s financial instruments are exposed to the following risks:

**Credit Risk**

The Company’s primary exposure to credit risk is the risk of illiquidity of cash and cash equivalents amounting to \$13,442 at December 31, 2015. As the Company’s policy is to limit cash holdings to instruments issued by major Canadian banks, or investments of equivalent or better quality, the credit risk is considered by management to be negligible. Amounts recoverable as at December 31, 2015 include GST receivable of \$516 due from the Canadian government.

**Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company’s only liquidity risk from financial instruments is its need to meet operating accounts payable requirements. The Company has maintained sufficient cash balances to meet these needs at December 31, 2015.

**Foreign Exchange Risk**

The Company has virtually no foreign exchange risk as all its activities are carried out in Canada and all its financial assets and liabilities are denominated in Canadian dollars.

**Price Risk**

The Company is not exposed to price risk. The carrying value of cash and cash equivalents and accounts payable and accrued liabilities approximate their fair values due to the short maturity of those instruments. There are no incomes, expenses, gains or losses associated with the financial instruments.



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**1.14 – Financial Instruments and Other Instruments (continued)**

**Interest Rate Risk**

The Company has been exposed to interest rate risk on its cash and cash equivalents. The majority of these deposits have been in discounted instruments with pre-determined fixed yields. Interest rate movements will affect the fair value of these instruments so the Company manages maturity dates of these instruments to match cash flow needs, enabling realization at no loss in almost all cases. Unrealized gains and losses are reported in other comprehensive income. At December 31, 2015, the Company maintained all of its cash balance either on deposit in a chequing account or in a GIC permitting early redemption with a major Canadian bank.

**1.15 – Other MD&A Requirements**

**Share Capital**

The total number of common shares issued and outstanding as at December 31, 2015 was 24,591,652.

**Disclosure of Outstanding Share Data**

- i) Authorized: Unlimited common shares without par value
- ii) Common Shares Issued:

	Issue Price	Number of Shares	Proceeds
Founders' Shares	\$0.005	7,500,000	\$ 37,500
Stock Based Compensation	-	-	\$ 112,500
Founders' Shares	\$0.020	625,000	\$ 12,500
Private Placement	\$0.050	1,000,000	\$ 50,000
Property Acquisition	\$0.050	500,000	\$ 25,000
Private Placement	\$0.075	6,396,667	\$ 479,750
Private Placement	\$0.150	1,603,333	\$ 240,500
Private Placement	\$0.150	666,667	\$ 100,000
Private Placement	\$0.200	100,000	\$ 20,000
Shares cancelled on amalgamation	-	( 18,391,667)	\$ -
New shares issued on amalgamation	-	18,391,667	\$ -
Issued for Avatar shares	\$0.200	1,999,985	\$ 399,997
Property Acquisition	\$0.200	100,000	\$ 20,000
Property Acquisition	\$0.010	100,000	\$ 1,000
Private Placement	\$0.030	3,900,000	\$ 117,000
Property Acquisition	\$0.005	100,000	\$ 500
<b>Total</b>		<b>24,591,652</b>	<b>\$1,616,247</b>

As at the date of this report there were no stock options or warrants outstanding.

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**RISK FACTORS AND UNCERTAINTIES**

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties, currently in British Columbia, Canada. Due to the nature of the Company's business and the present stage of exploration of its mineral properties (which are primarily early stage exploration properties with no known resources or reserves), many risk factors will apply. The risks described below are not the only ones facing the Company. Additional risks not presently known to the Company may also impair the business operations.

**Going Concern and Financing Risks**

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

**Insufficient Financial Resources**

The Company does not presently have sufficient financial resources to meet obligations when they become due, undertake by itself the acquisition, exploration and development of all of its planned acquisition, exploration and development programs. Future property acquisitions and the development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing, short or long term borrowings or other means. There is no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its properties.

**General Economic Conditions**

The recent events in global financial markets have had a profound impact on the global economy. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's growth and profitability. These factors could have a material adverse effect on the Company's financial condition and results of operations.

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**RISK FACTORS AND UNCERTAINTIES (continued)**

**Dependence on Others and Key Personnel**

The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability to design and carry out appropriate exploration programs on its mineral properties; (ii) the ability to produce minerals from any mineral deposits that may be located; (iii) the ability to attract and retain additional key personnel in exploration, marketing, mine development and finance; and (iv) the ability and the operating resources to develop and maintain the properties held by the Company. There can be no assurance of success with any or all of these factors on which the Company's operations will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities.

**Government Regulation**

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to prospecting, development, production, environmental protection, mining taxes, labor standards, property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

**Competition**

The Company's business of the acquisition, exploration and development of mineral properties is intensely competitive. The Company may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than the Company. Increased competition could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

**Fluctuation of Metal Prices**

Even if commercial quantities of mineral deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the metals produced. There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has, or has the right to acquire, an interest may be mined at a profit.

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**RISK FACTORS AND UNCERTAINTIES (continued)**

**Share Price Volatility**

There can be no assurance that an active trading market in our securities will be established and sustained. The market price for our securities could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of our peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of our Company. The stock market has from time to time experienced extreme price and volume fluctuations, particularly in the mining sector, which have often been unrelated to the operating performance of particular companies.

**Permits and Licenses**

The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects, on reasonable terms or at all. Delays, or a failure to obtain such licenses and permits, or a failure to comply with the terms of any such licenses and permits that the Company does obtain, could have a material adverse effect on the Company.

**Mineral Interests**

In December, 2015, the Company allowed the CAT Mountain option to lapse and impaired all prior costs at 2015 year end. The Company has certain decommissioning responsibilities, the amount of which is not determined. The Company estimates that the reclamation bond of \$20,301 is sufficient to perform the reclamation work requested by the Ministry of Energy and Mines, however, these amounts are not determined and the completion of the work is subject to Ministry of Energy and Mines inspection.

**Title Matters**

Although the Company has taken steps to verify the title to the mineral properties in which it has or has a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples. Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties for which titles have been issued are in good standing.

**Uncertainty of Resource Estimates/Reserve**

Unless otherwise indicated, mineralization figures presented in the Company's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time are based upon estimates made by Company personnel and independent geologists. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable.

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**RISK FACTORS AND UNCERTAINTIES (continued)**

**Limited Experience**

The Company has very limited experience in placing mineral resource properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when and if it places its resource properties into production.

**Dilution to the Company's Existing Shareholders**

The Company will require additional equity financing to be raised in the future. The Company may issue securities at less than favorable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

**Speculative Business**

Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. There is no known resource, and there are no known reserves, on any of the Company's properties.

**APPROVAL**

The Board of Directors of the Company has approved the disclosure contained in this MD&A on April 29, 2016.