SPARX ENERGY CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016

This management's discussion and analysis ("**MD&A**") presents an analysis of the financial position of Sparx Energy Corp. ("**Sparx**" or the "**Corporation**") for the three and nine months ended September 30, 2016. The following information should be read in conjunction with the December 31, 2015 audited financial statements of the Corporation, including the accompanying notes, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Date of Report

This MD&A is dated November 25, 2016 and presents material information up to this date.

Forward-Looking Statements

This MD&A may contain forward-looking statements relating to future events. In some cases, forward-looking statements can be identified by words such as "anticipate", "continue", "estimate", "expect", "forecast", "may", "will", "project", "should", "believe", or similar expressions. These forward-looking statements by their nature involve risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements, including the "Risks and Uncertainties" discussed in this MD&A. The Corporation considers the assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared, but cautions the reader that these assumptions regarding future events, many of which are beyond the control of management, may ultimately prove to be incorrect.

Description of Business

Sparx is classified as a reporting issuer for purposes of the British Columbia Securities Commission. As a reporting issuer the Corporation's current business is to comply with all reporting requirements while endeavouring to find, acquire and finance a suitable business or project. The Corporation has not conducted commercial operations other than to meet filing requirements.

Although the Corporation believes it will have enough capital resources to meet filing requirements until a suitable opportunity is identified and financing arranged, there is no guarantee that the Corporation will be able to do so, or to secure additional financing in the future on terms that are acceptable to it or at all.

Strategy

During October, 2012, Aldever Resources Inc.'s (formerly Glenmark Capital Corp.) ("Aldever") board of directors approved a plan of arrangement ("the Arrangement") between Aldever and its four wholly-owned subsidiaries: Anacott Resources Corp. ("Anacott"), Linqster Technologies Inc. (formerly Brunello Resources Corp.) ("Linqster"), Sparx Energy Corp. ("Sparx") and Teldar Resources Corp. ("Teldar"). The Arrangement was approved by shareholders of Aldever on November 30, 2012, by the Supreme Court of British Columbia on December 5, 2012 and by the TSX Venture Exchange on January 14, 2013.

On the closing of the Arrangement on May 31, 2013, Aldever transferred the following to Sparx: $17,500 in cash and the Doran Mineral Interest in exchange for the same number of Sparx shares as the number of Aldever shares that are issued on the distribution record date multiplied by the conversion factor.

The Doran Mineral Interest was subsequently allowed to lapse by the Corporation.

History of the Corporation and Overall Performance

Sparx was incorporated October 5, 2012 in the Province of British Columbia and December 31 is the date of its fiscal year end.

The Corporation does not currently have operations or assets capable of generating ongoing revenue or cash flows and there is no certainty that it will be successful in acquiring a suitable opportunity. Although these financial statements have been prepared and presented on a going concern basis there is significant risk that the Corporation will not become a going concern, in which case this basis of presentation will not be appropriate.

Selected Annual Information

The following financial data are selected for the Corporation for the three most recently completed financial years:

	31-Dec-15	31-Dec-14	31-Dec-13
	$	$	$
Total revenue	Nil	Nil	Nil
Net loss	34,030	23,695	100,319
Net loss per share, basic and diluted	0.00	0.00	0.01
Total assets	349	2,356	1,273
Non-current financial liabilities	Nil	Nil	Nil

Sparx was incorporated in 2012 and had no operations during that year. During 2013, 2014 and 2015 the Corporation received loans and share capital while it investigated potential business opportunities for acquisition. This activity has lead to consulting and professional costs as well as the costs of maintaining the Corporation as a reporting issuer. The Corporation has reported no discontinued operations and has paid no dividends and is unlikely to pay dividends for the foreseeable future.

Selected Quarterly Financial Information

The following selected financial data is derived from the financial statements of the Corporation prepared within acceptable limits of materiality and is in accordance with International Financial Reporting Standards.

	3 Months ended Sept 30, 2016 $	3 Months ended June 30, 2016 $	3 Months ended Mar 31, 2016 $	3 Months ended Dec 31, 2015 $	3 Months ended Sept 30, 2015 $	3 Months ended June 30, 2015 $	3 Months ended Mar 31, 2015 $	3 Months ended Dec 31, 2014 $
Total revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss	6,934	9,537	7,913	9,287	6,356	8,567	9,820	4,860
Net loss per share, basic and diluted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total assets	245	599	4,000	349	1,526	531	386	2,356
Total liabilities	235,172	228,592	222,456	210,892	202,782	195,432	186,719	178,869
Total shareholders' deficiency	(234,927)	(227,953)	(218,456)	(210,543)	(201,256)	(194,901)	(186,333)	(176,513)

Operating Results for the Three Months Ended September 30, 2016

During the three month period ended September 30, 2016, the Corporation incurred bank charges of $34 (2015 - $33), consulting fees of $2,100 (2015 - $2,100) and interest expense of $3,480 (2015 - $3,038). Professional fees (legal and accounting costs) were $495 in the 2016 quarter versus $360 in the 2015 period. Lastly, regulatory and transfer agent fees were $825 in the third quarters of both 2016 and 2015. As a result the Corporation incurred a loss of $6,934 ($0.00 per share) in the three months ended September 30, 2016 versus a loss of $6,356 ($0.00 per share) in the third quarter of 2015.

Operating Results for the Nine Months Ended September 30, 2016

During the nine months ended September 30, 2016 Sparx incurred a loss of $24,384 ($0.00 per share) compared with a loss of $24,743 ($0.00 per share) in the first nine months of 2015. Bank charges were nominal in both nine month periods: $154 in the 2016 period and $127 in the 2015 period. Consulting fees were $6,300 in the first nine months of both 2016 and 2015. Interest expense was $9,683 in the first nine months of 2016 compared with $8,786 in the 2015 period as additional interest-bearing loans were received to fund continued operations. Office costs were $102 in the 2016 period versus $10 in the 2015 first nine months. Professional fees were $3,469 in the first nine months of 2016 versus $2,947 in the first nine months of 2015. Lastly, Regulatory and transfer agent fees were $4,676 in the first nine months of 2016, substantially lower than the $6,573 incurred in the first nine months of 2015.

Loans Payable

Loans payable in the amount of $134,811 (December 31, 2015 - $123,205) are unsecured, bear interest at 10% per annum and will be repaid once the Corporation's business plan is implemented. The lender has the option to be repaid in cash or shares of the Corporation. These loans represent funds advanced by an investor who is assisting the Corporation in implementing its business plan. It is not presently known what business, organizational or management changes may be necessary to complete its efforts.

Receipt of these loans is providing the working capital for the Corporation to prepare and file financial statements, pay regulatory and transfer agent fees, for corporate registrations and to redeem the two shares held by previous directors. As a result, the Corporation has gained further time in which to implement its intended business plan. In the nine months ended September 30, 2016, $11,606 in loans were advanced to the Corporation.

Liquidity, Capital Resources and Outlook

As at September 30, 2016, the Corporation had cash of $74, amounts receivable of $171 and current liabilities of $235,172. As at September 30, 2016 the Corporation has a working capital deficiency of

$234,927. Additional equity or debt financing will be required to implement its business plan. There can be no assurance that the Corporation will be able to obtain adequate financing to achieve its objectives.

During the nine months ended September 30, 2016 Sparx used $11,572 of cash in operating activities (2015 - $11,079) and raised $11,606 in financing activities (2015 - $12,125). The Corporation invested no cash in the first nine months of either 2016 or 2015.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as at September 30, 2016.

Financial Instruments and Other Instruments

The Corporation's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities and loans payable. It is management's opinion that the Corporation is not exposed to significant interest (the interest on the Loans payable is at a fixed 10% per annum), currency or credit risks arising from these financial instruments and that the fair value of these financial instruments approximates their carrying values, as applicable.

Transactions with Related Parties

During the nine months ended September 30, 2016 the Corporation incurred $5,500 plus GST (2015 - $5,400 plus GST) in Consulting fees paid to an existing director, Richard Grayston, and a company in which a director is a principal. At September 30, 2016 the Corporation owed the existing director $21,000 (2015 - $14,770) in respect of these fees.

Significant Accounting Judgments and Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

The Corporation's significant judgments and estimates are disclosed in the audited financial statements as at and for the year ended December 31, 2015.

Disclosure of Outstanding Share Data

The Corporation is authorized to issue an unlimited number of common shares of which 13,111,431 common shares are issued and outstanding as at the date of this MD&A.

As at the date of this MD&A, the following is a description of the outstanding equity securities previously issued by the Corporation:

	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited Common Shares	13,111,431 Common Shares

On April 24, 2013, the Corporation issued 2 common shares at a price of $0.05 per share to two officers of the Corporation for gross proceeds of $0.10. On May 7, 2013, these shares were redeemed and cancelled for $95,000 in cash.

On May 31, 2013, the Corporation cancelled its 1 incorporating share and issued 13,111,431 common shares for $17,500 in cash and an assignment of the Doran Mineral Interest (which then was valued at $35,000) under the Arrangement.

Warrants

As of the date of this MD&A 12,000,000 warrants were outstanding. Each warrant is exercisable to acquire a common share of the Corporation for $0.10 per share until April 8, 2018. The warrants were issued pursuant to the amended Arrangement previously discussed.

100,000 warrants were cancelled in the three months ended March 31, 2016.

Changes in Internal Controls over Financial Reporting

There have been no changes in the Corporation's internal control over financial reporting during the nine months ended September 30, 2016, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

Risks and Uncertainties

The Corporation has a limited history of existence. There can be no assurance that it will be successful in acquiring a suitable business or project. Equity or debt financing may be required to complete the implementation of its business plan. There can be no assurance that the Corporation will be able to obtain adequate financing to continue. The securities of the Corporation should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Corporation's securities:

a) the Corporation has had no business activity and has not acquired any material assets since its incorporation other than cash;

b) the Corporation does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends in the foreseeable future;

c) the Corporation has only limited funds with which to identify and evaluate potential opportunities and there can be no assurance that the Corporation will be able to identify a suitable business or project;

d) the business or project may be financed in all or part by the issuance of additional securities by the Corporation and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Corporation;

e) there can be no assurance that an active and liquid market for the common shares will develop and an investor may find it difficult to resell its common shares; and

f) if the Corporation fails to complete the acquisition of a suitable business or project, an interim cease trade order may be issued against the Corporation’s securities by an applicable securities commission.

Events After the Reporting Period

There have been no material events from September 30, 2016 to the date hereof.

Approval

The board of directors of the Corporation has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.