

MIDNIGHT STAR VENTURES CORP.

Management's Discussion and Analysis

For the Three and Nine Month Periods Ended

January 31, 2017

MIDNIGHT STAR VENTURES CORP
Three and Nine Month Periods Ended January 31, 2017
Management's Discussion and Analysis

INTRODUCTION

The following discussion and analysis, prepared as of March 24, 2017 has been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company's comparatives amounts in this MD&A have been presented in accordance with IFRS. All amounts are stated in Canadian dollars unless otherwise indicated.

The following information should be read in conjunction with the condensed interim unaudited financial statements for the three and nine month periods ended January 31, 2017 and the audited financial statements for the year ended April 30, 2016, and the related notes to those financial statements, all of which are available on the SEDAR website at www.sedar.com.

Statements in this report that are not historical facts are forward looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward looking statements.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements". Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below and as detailed under **RISK AND UNCERTAINTIES** in this MD&A.

Risk factors that could affect the Company's future results include, but are not limited to, risks inherent in mineral exploration and development and mining activities in general, volatility and sensitivity to market prices for commodities, changes in government regulation and policies including environmental regulations and reclamation requirements, receipt of required permits and approvals from governmental authorities, competition from other companies, ability to attract and retain skilled employees and contractors, and changes in foreign currency exchange rates. Further information regarding these and other factors which may cause results to differ materially from those projected in forward-looking statements are included in the Company's filings with securities regulatory authorities. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

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NATURE OF BUSINESS AND OVERALL PERFORMANCE

Midnight Star Ventures Corp (the "Company") was originally incorporated under the Business Corporations Act of British Columbia on April 19, 2013. The principal business of the Company is the acquisition and exploration of resource properties in North America.

The address of the Company's corporate office and principal place of business is Suite 1085- 555 Burrard Street, Two Bentall Centre, P.O. Box 201, Vancouver BC, V7X 1M8.

On August 4, 2015, the Company listed on the Canadian Securities Exchange ("CSE"), and trades under the symbol "STV" after the closing of a prospectus offering on August 5, 2015.

As at January 31, 2017, the Company held cash of \$26,026 compared to \$26,518 at April 30, 2016.

Amounts capitalized into exploration and evaluation assets at January 31, 2017 totaled \$108,997 and at April 30, 2016 totaled \$84,126.

As of January 31, 2017, the Company is earning its interest in the Fish property; located in Esmeralda County, Nevada, USA. It lies on the eastern flank of Lone Mountain about 20 airline kilometres (12 airline miles) west of the historic mining town of Tonopah, Nevada. The property occupies all or part of sections 1, 2, 3, 10, 11, and 12 of Township 2 North, Range 40 E, and sections 34, 35, and 36, Township 3 North, Range 40 East., MDB&M, in the Lone Mountain Mining District, Esmeralda County, Nevada. The land holding is made up of 56 unpatented mining claims and covers approximately 1,120 acres (453 hectares).

SELECTED ANNUAL INFORMATION

The following financial data prepared in accordance with IFRS stated in Canadian dollars is presented as at April 30, 2016, April 30, 2015, and April 30, 2014

	Year Ended April 30 2016	Year Ended April 30 2015	Year Ended April 30 2014
Total revenue	\$ -	\$ -	\$ -
Net loss for the year	\$ (162,710)	\$ (241,702)	\$ (77,414)
Basic and diluted loss per share	\$	\$	\$
Total Assets	\$ 115,066	\$ 100,851	\$ 64,159
Total Liabilities	\$ 89,693	\$ 75,681	\$ 9,344
Cash Dividends per share	\$ -	\$ -	\$ -

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	NINE MONTHS ENDED JANUARY 31	
	2017	2016
Expenses		
Bank charges and interest	\$ 548	\$ 569
Communications	1,504	2,439
Consulting	900	-
Depreciation	495	495
Interest on notes payable	5,644	1,512
Management fees	27,000	36,000
Office and miscellaneous	1,952	3,665
Professional fees	28,907	38,230
Promotion	3,858	8,589
Regulatory and filing fees	10,318	20,314
Rent	9,000	9,000
Travel	594	1,158
	90,720	121,971
Net Loss and Comprehensive Loss for the Period	\$ (90,720)	\$ (121,971)
Loss Per Share, Basic and diluted	\$ (0.01)	\$ (0.01)
Weighted Average Number of Shares Outstanding	14,961,935	13,563,578

The Company incurred a net loss and comprehensive loss of \$90,720 during the nine month period ended January 31, 2017, compared to a net loss and comprehensive loss of \$121,971 for comparative period ended January 31, 2016.

The most significant differences in expenses incurred during the nine month periods ended January 31, 2017 and 2016 are discussed below:

Consulting fees increased to \$900 (2016 - \$Nil), a result of a month to month agreement with a relative of the President for administrative work undertaken, which commenced after July 31, 2015.

Interest on notes payable increased to \$5,644 (2016 - \$1,512) a direct result of the Company having issued \$120,000 more notes payable than in the prior period.

Management fees decreased to \$27,000 (2016 - \$36,000). The Company in December 2014 commenced paying a \$1,000 per month director's fee to Bernie Hoing in addition to the \$3,000 per month paid to the Company President. The arrangement with Bernie Hoing ceased in January 2016.

Professional fees decreased to \$28,907 (2016 - \$38,230). Additional legal fees were incurred in the prior period relating to the initial public offering in the prior period, however ongoing legal and accounting fees decreased subsequent to the IPO.

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Promotional costs decreased to \$3,858 (2016 - \$8,589), a result of the Company incurring fewer promotional costs subsequent to the IPO.

Regulatory and filing fees decreased to \$10,318 (2016 - \$20,314), a direct result of the Company acquiring its listing on the CSE in August 2015.

All other expenses were generally consistent with the amounts incurred in the comparative period.

During the nine months ended January 31, 2017, the Company incurred \$13,283 (US\$10,000) in advance royalty payments and \$11,588 (US\$8,835) of claim maintenance fees on the Fish Property. The Company also made exploration advances of \$874 (US\$672).

The Fish Property

The Fish Project is owned by Claremont Nevada Mines LLC. Midnight Star entered into a new option agreement dated August 28, 2016 (the "New Agreement") with Claremont Nevada Mines LLC under the terms of which Midnight Star has an option to acquire up to a 100% interest in the Fish Project. This agreement replaces the original earn-in agreement between Midnight Star and Pengram Corporation, under the terms of which Midnight Star had the option to acquire up to an 80% interest in the Fish Project.

The New Agreement provides that the Company can acquire a 100% interest in the claims by making staged advance royalty payments as follows:

- i) Cdn\$2,860 (US\$2,500) on or before February 28, 2014 (paid);
- ii) Cdn\$2,756 (US\$2,500) on or before August 28, 2014 (paid);
- iii) Cdn\$9,866 (US\$7,500) on or before August 28, 2015 (paid)
- iv) Cdn \$2,623 (US\$2,000) on or before August 28, 2016 (paid)
- iv) Cdn\$10,660 (US\$8,000) on or before October 12, 2016 (paid)
- v) Cdn\$16,250 (US\$12,500) on or before August 28, 2017;
- iv) Cdn\$19,500 (US\$15,000) on or before August 28, 2018.

If the underlying option is extended, the Company will make an advance royalty payment of \$19,500 (US\$15,000) on August 28, of each year of the extended term.

In addition to the above, the Company has the obligation to maintain the mineral lode claims in good standing by payment of all Bureau of Land Management Fees, Claim Fees, Taxes and Rentals, and the performance of all other actions which may be necessary in that regard in order to keep the mineral claims free and clear of all liens and other charges arising from the Company's activities except those at the time contested in good faith by the Company.

The agreement is subject to a 3% Net Smelter Returns Royalty upon commencement of commercial production.

As noted above, during the nine months ended January 31, 2017, the Company incurred \$13,283 (US\$10,000) in advance royalty payments and \$11,588 (US\$8,835) of claim maintenance fees on the Fish Property. The Company also made exploration advances of \$874 (US\$672).

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During the year ended April 30, 2016, the Company paid the advance royalty payment of \$9,866 (US\$7,500) and incurred additional sustaining costs for the property aggregating additional sustaining costs aggregating \$32,748 (US\$24,772).

Discussion of the Fish Property

Complete details of prior exploration and the geological features of the Fish Property have been presented in the Company's long form prospectus which was filed on SEDAR of May 8, 2015.

Continued Exploration and Development

The Company commissioned its NI43-101 compliant technical report by David R Shaddrick, M.Sc., CPG, P.Geo. dated October 29, 2014, which was filed on SEDAR on February 25, 2015. This report recommended a two-phase exploration program.

The Company commenced the first phase during the current period as recommended by the author of the Technical Report. The first phase consists of detailed geological mapping and soil/rock chip sampling on three currently identified, broadly defined, target areas.

The land holding should be expanded on the west side of the property to cover any possible extensions of into the gap in claims. This will require the acquisition of one additional claim. Phase 1 to date has cost \$32,748 (US\$24,772) against a budgeted cost of approximately US\$20,600. The Company has completed Phase 1 of its work program on the Fish Project as outlined in Midnight Star's 43-101 Technical Report on the Fish Project. Phase 1 consisted of detailed geological mapping and soil/rock chip sampling and the staking an additional claim. Management is currently evaluating the results of the exploration program and determining the best course of action for Midnight Star going forward.

A second phase exploration program will only be undertaken if, after data has been compiled, management including the Company's qualified person, determine that the results obtained from Phase I work are sufficiently positive in demonstrating the possible presence of a mineral deposit to warrant additional expenditures. Phase 2 exploration would include the collection of drill samples and should it go ahead is expected to cost approximately \$107,000.

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Summary of Quarterly Results

The following is a summary of the Company's quarterly results for the period from February 1, 2015, to January 31, 2017, reported in Canadian currency.

	QUARTER ENDED			
	JANUARY 31, 2017	OCTOBER 31, 2016	JULY 31 2016	APRIL 30, 2016
Total revenue	\$ -	\$ -	\$ -	\$ -
Net loss before income taxes	\$ (24,004)	(36,427)	\$ (30,289)	\$ (40,739)
Net income (loss) for the period	\$ (24,004)	(36,427)	\$ (30,289)	\$ (40,739)
Basic income (loss) per share	\$ (0.00)	(0.00)	\$ (0.00)	\$ (0.00)

	QUARTER ENDED			
	JANUARY 31, 2016	OCTOBER 31, 2015	JULY 31 2015	APRIL 30, 2015
Total revenue	\$ -	\$ -	\$ -	\$ -
Net loss before income taxes	\$ (27,487)	(57,812)	(36,672)	\$ (52,448)
Net income (loss) for the period	\$ (27,487)	(57,812)	(36,672)	\$ (52,448)
Basic income (loss) per share	\$ (0.00)	(0.00)	(0.00)	\$ (0.00)

The Company reported a net loss of \$24,004 for the three month period ended January 31, 2017, compared to \$27,487 for the comparable three month period ended January 31, 2016. The basic loss per share for the three-month period ended January 31, 2017, was (\$0.00) versus (\$0.00) for the comparable period of 2016.

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RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JANUARY 31, 2017

	THREE MONTHS ENDED	
	JANUARY 31	
	2017	2016
Expenses		
Bank charges and interest	\$ 208	\$ 218
Communications	355	857
Depreciation	165	165
Interest on notes payable	2,468	504
Management fees	9,000	12,000
Office and miscellaneous	28	1,068
Professional fees	7,060	5,229
Promotion	-	1,399
Regulatory and filing fees	1,720	2,921
Rent	3,000	3,000
Travel	-	126
	<u>24,004</u>	<u>27,487</u>
		\$
Net Loss and Comprehensive Loss for the Period	\$ (24,004)	(27,487)
Loss Per Share, Basic and diluted	\$ (0.00)	(0.00)
Weighted Average Number of Shares Outstanding	14,961,935	14,321,935

The Company incurred a net loss and comprehensive loss of \$24,004 during the three month period ended January 31, 2017, compared to a net loss and comprehensive loss of \$27,487 for comparative period ended January 31, 2016.

The most significant differences in expenses incurred during the three month periods ended January 31, 2017 and 2016 are discussed below:

Interest on notes payable increased to \$2,468 (2016 - \$504) a direct result of the Company having issued \$120,000 more notes payable than in the prior period.

Management fees decreased to \$9,000 (2016 - \$12,000). The Company in December 2014 commenced paying a \$1,000 per month director's fee to Bernie Hoing in addition to the \$3,000 per month paid to the Company President. The arrangement with Bernie Hoing ceased in January 2016.

Professional fees increased to \$7,060 (2016 - \$5,229). Additional legal fees were incurred in the current quarter due to costs associated with the preparation and documentation of the notes payable issued in the period.

Regulatory and filing fees decreased to \$1,720 (2016 - \$2,921), a direct result of the Company acquiring its listing on the CSE in August 2015.

As a result of lessened activity in the Company cost savings were also attained in respect of communications, promotional activities, office expenses, and travel.

The other expenses were generally consistent with the amounts incurred in the comparative period.

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During the three months ended January 31, 2017 the Company incurred no exploration expenditures on the Fish Property.

LIQUIDITY

The Company is engaged in mineral exploration and has no cash flow from operations.

The Company must rely on equity financing, notes payable, loans and/or advances to meet its administrative and overhead expenses and to pursue its objectives. At January 31, 2017 the Company held cash of \$26,026, (April 30, 2016 - \$25,518), had amounts recoverable, consisting of Goods and services tax recoverable of \$3,653 (April 30, 2016 - \$1,752) and had prepaid expenses of \$Nil (2016 - \$1,689). The Company had current liabilities of \$205,383 (April 30, 2016 - \$89,693). At January 31, 2017, the Company's working capital deficiency was \$175,704 (April 30, 2016 - working capital deficiency of \$59,734).

On January 16, 2017, the Company issued a promissory note in the amount of \$30,000. The note is unsecured and bears interest at 5% per annum which is to be paid annually on January 16, of each year. The note is repayable upon demand.

On October 10, 2016, the Company issued a promissory note in the amount of \$30,000. The note is unsecured and bears interest at 5% per annum which is to be paid annually on October 10, of each year. The note is repayable upon demand

On August 23, 2016, the Company issued a promissory note in the amount of \$20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on August 23 of each year. The note is repayable upon demand.

On June 22, 2016, the Company issued a promissory note in the amount of \$20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on June 22 of each year. The note is repayable upon demand.

On April 25, 2016, the Company issued a promissory note in the amount of \$20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on April 25 of each year. The note has is repayable upon demand.

On March 24, 2015, the Company issued a promissory note in the amount of \$20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on March 15, of each year. The note has a repayment date of June 30, 2017.

During February 2016, the Company received a short term unsecured, non-interest bearing advance from the President of \$12,000, which on April 25, 2016, was applied as the subscription proceeds upon the exercise of share purchase warrants resulting in the issuance of 240,000 common shares during the 2015 fiscal year.

On August 5, 2015, the Company completed its Initial Public Offering ("IPO") by issuing 2,057,800 common shares at \$0.10 for aggregate proceeds of \$205,780. Wolverton Securities Ltd. ("The Agent") acted as Agent under the Offering. The Agent received a total commission equal to \$20,578, being 10% of the gross proceeds; 100,000 common shares; and 205,780 Agents Options.

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Each Agents Option is exercisable at \$0.10 into one Common share of the Company until August 4, 2018. Shares issuance costs aggregating \$54,867 were incurred. These costs included a corporate finance fee of \$15,000 paid to the agent and other expenses aggregating \$39,867.

As at April 30, 2015, the Company had advanced the agent \$12,000 towards expenses and paid the corporate finance fee of \$15,000. These two amounts aggregating \$27,000 were recorded as deferred financing costs at April 30, 2015.

The Company believes that the current capital resources are not sufficient to pay for continued mineral exploration and overhead expenses for the next twelve months and will need to seek additional funding or seek joint venture partners on its project. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company will not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the issuance of shares or the exercise of options, warrants and loans to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

As at January 31, 2017, the primary assets of the Company comprise cash of \$26,026, other receivable comprising GST recoverable of \$3,653, an exploration deposit of \$874 and its mineral property holding which is valued at \$108,997. As of January 31, 2017, the Company had a working capital deficit of \$175,704.

Financings and share issuances which occurred prior to the IPO noted above were as follows:

- a) On December 22, 2014, the Company received notice of the exercise of all the convertible promissory notes issued in September 2014 and on November 22, 2014. The carrying amount of the promissory notes, including accrued interest, of \$86,707 was exchanged at an issue price of \$0.05 per share for 1,734,134 common shares of the Company, and the common shares were issued to the convertible promissory note holders.
- b) On January 16, 2015, pursuant to a non-brokered private placement, the Company issued 600,000 common shares at \$0.05 per share for aggregate proceeds of \$30,000.
- c) On January 16, 2015, the President exercised 1,250,000 warrants for aggregate proceeds of \$6,250 and the Company issued 1,250,000 common shares.
- d) During the year ended April 30, 2014, the Company issued 6,580,000 common shares at \$0.02 per share on April 30, 2014 for aggregate proceeds of \$131,600 pursuant to a non-brokered private placement.

CAPITAL RESOURCES

The Company's capital resources consist of its interest in the Fish property, which has been valued at \$108,997 at January 31, 2017. This amount is the equivalent of the amounts recorded as exploration and evaluation assets at January 31, 2017.

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OFF BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements to which the Company is committed.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions are in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

As of January 31, 2017, accounts payable and accrued liabilities includes \$nil (April 30, 2016 - \$618) for expenses incurred by the President on behalf of the Company, \$9,450 (April 30, 2016 - \$3,000) for management fees charged by a director, and \$29,905 (April 30, 2015 - \$18,175) for services rendered to the Company a company controlled by an officer of the Company.

During the nine-month periods ended January 31, 2017 and January 31, 2016, the Company also incurred the following expenses charged by key management personnel and companies directly controlled by key management personnel.

- a) Paid or accrued management fees of \$27,000 (2016 - \$27,000) to the Company President, David Ryan.
- b) Paid or accrued management fees of \$Nil (2016 - \$9,000) to Bernie Hoing, a Director.
- c) Paid or accrued consulting fees of \$900 (2016 - \$Nil) to Stephen Ryan, a relative of the Company President, David Ryan.
- d) Paid or accrued professional fees of \$15,700 (2016 - \$15,400) to a company controlled by Matthew Wright, the Company CFO.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at January 31, 2017, the Company's financial instruments consist of cash, exploration deposit, accounts payable and accrued liabilities, interest payable and notes payable.

The fair value of these financial instruments approximate carrying value since they are short-term in nature and are receivable or payable on demand.

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

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a) Credit Risk

The Company's credit risk is primarily attributable to its holdings of cash. Cash, is held with one reputable Canadian chartered bank which is closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash, short-term investments and amounts receivable is minimal.

b) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at January 31, 2017, the Company held cash of \$26,026 (April 30, 2016 - \$26,518) and had current liabilities of \$205,383 (April 30, 2016 - \$89,693). All of the Company's current liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

c) Market Risk

i) Interest Rate Risk

The Company has cash balances, and six notes payable. Two notes payable have a face value of \$30,000 and there are four with a face value of \$20,000 each. One note for \$20,000 had a repayment date of June 30, 2016, which has been renegotiated to June 30, 2017. The remaining three notes are repayable upon demand. As at January 31, 2017, accrued interest on the notes outstanding totaled \$7,891

ii) Foreign Currency Risk

The Company's functional currency and the reporting currency is the Canadian dollar. The option agreement to acquire the Fish property is denominated in US dollars. Accordingly, the Company incurs charges on its operations for settlement in currencies other than its functional currency and any gain or loss arising on such transactions is recorded in operations for the year.

The Company does not participate in any hedging activities to mitigate any gains or losses which may arise as a result of exchange rate changes.

As at January 31, 2017, the Company held no significant financial assets or liabilities which were denominated in currencies other than the Canadian dollar.

iii) Commodity Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

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To mitigate price risk, the Company closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amounts capitalized are written off to net income in the period the new information becomes available.

ii) Impairment

At each reporting period, assets, specifically exploration and evaluation assets, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

iii) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield, and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 7 to the quarterly financial statements.

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iv) Title to Mineral Property Interest

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.

v) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

vi) Rehabilitation Provision

The application of the Company's accounting policy for rehabilitation is based on internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability.

These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management.

Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market conditions at the time when the rehabilitation costs are actually incurred.

vii) Determination of Going Concern Assumption

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as previously discussed.

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SUBSEQUENT EVENTS

None

OTHER INFORMATION

Outstanding Share Data

A breakdown of the Company's issued common share position is as follows:

The following details the common shares, share purchase warrants, and stock options outstanding as of the date of this MD&A.

Common Shares

	Number of Shares
Authorized Unlimited common shares, without par value	
Issued Balance at January 31, 2017 and March 24, 2017	14,561,935

Agents Options

Number of Shares	Exercise Price	Expiry Date
205,780	\$0.10	August 4, 2018

Stock Options

No Stock Options have been granted under the Company's current stock option plan which has been approved by shareholders.

On December 22, 2014, the Company adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the requirements of the Canadian Securities Exchange, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company.

Shares held in Escrow

Upon the completion of the IPO 3,550,001 common shares and 750,000 share purchase warrants are held pursuant to an escrow arrangement.

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As the Company anticipates being an "Emerging Issuer," the following automatic timed releases will apply to the Common Shares held by its principals who are subject to escrow:

On the Listing Date	1/10 of the escrow securities
6 months after the Listing Date	1/6 of the remaining escrow securities
12 months after the Listing Date	1/5 of the remaining escrow securities
18 months after the Listing Date	1/4 of the remaining escrow securities
24 months after the Listing Date	1/3 of the remaining escrow securities
30 months after the Listing Date	1/2 of the remaining escrow securities
36 months after the Listing Date	the remaining escrow securities

This schedule of releases will result in a 10% release on the listing date with the remaining escrow securities being released in 15% tranches every six months thereafter.

In April 2016, 240,000 of the 750,000 share purchase warrants that were subject to the original escrow arrangement, were exercised by the President of the Company. As such 187,500 were released immediately and 52,500 common shares became subject to the Escrow arrangement. The balance of the share purchase warrants that were subject to the Escrow arrangement have expired.

As at March 24, 2017, 2,130,001 common shares and no share purchase warrants were held pursuant to the escrow arrangement.

There are no other potential share issuance obligations outstanding as of March 24, 2017

INVESTOR RELATIONS CONTRACT

None

CONTRACTUAL OBLIGATIONS

None

RISKS AND UNCERTAINTIES

Limited Operating History

The Company is in the early stages of mineral property exploration and development. As a result, it is difficult to evaluate the Company's prospects, and its future success is more uncertain than if it had a longer or more proven history of operations.

History of Losses

The Company has incurred net losses every period since inception and as of January 31, 2017, had an accumulated deficit of \$513,330.

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No History of Dividends

Since incorporation, the Company has not paid any cash or other dividends on its common stock and does not expect to pay such dividends in the foreseeable future, as all available funds will be invested primarily to finance its mineral exploration programs. The Company will need to achieve profitability prior to any dividends being declared.

Dilution

The Company does not generate any revenues from operating and does not have sufficient financial resources to undertake by itself all of its planned activities. The Company has limited financial resources and has financed its operations primarily through the sale of securities such as common shares.

The Company will need to continue its reliance on the sale of such securities for future financing, resulting in dilution to the Company's existing shareholders.

Capital and Liquidity Risk

The amount of financial resources available to invest for the enhancement of shareholder value is dependent upon the size of the treasury, profitable operations, and a willingness to utilize debt and issue equity.

Due to the size of the Company, financial resources are limited and if the Company exceeds growth expectations or finds investment opportunities it may require debt or equity financing. There is no assurance that the Company will be able to obtain additional financial resources that may be required to successfully finance transactions or compete in its markets on favourable commercial terms.

Acquisition and Expansion Risk

The Company intends to expand its operations through organic growth and depending on certain conditions, by identifying a proposed qualifying transaction. There can be no assurance that the Company will be able to identify, acquire or profitably manage additional properties or businesses.

Dependence on Key Personnel

Loss of certain members of the executive team or key operational leaders of the company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and the competition for professionals is intense.

The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

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MD&A PREPARATION

This MD&A was prepared as of March 24, 2017. This MD&A should be read in conjunction with the condensed interim unaudited financial statements for the three and nine month periods ended January 31, 2017 and the audited financial statements for the year ended April 30, 2016. This MD&A is intended to assist the reader's understanding of Midnight Star Ventures Corp. and its' operations, business, strategies, performance and future outlook from the perspective of management. The documents mentioned above, as well as news releases and other important information may be viewed through the SEDAR website at www.sedar.com.