

BRIGADE RESOURCE CORP.

FORM 51-102F1 MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED MARCH 31, 2016

Introduction

This management's discussion and analysis (MD&A) of Brigade Resource Corp. is the responsibility of management and covers the year ended March 31, 2016. The MD&A takes into account information available up to and including July 29, 2016 and should be read together with the consolidated audited financial statements and accompanying notes for the year ended March 31, 2016.

Throughout this document the terms *we*, *us*, *our*, *the Company* and *Brigade* refer to Brigade Resource Corp. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of July 29 2016, the date the Board of Directors approved the consolidated financial statements. All amounts are expressed in Canadian dollars unless otherwise noted. Readers are encouraged to read the Company's public information filings on SEDAR at www.sedar.com

Effectively on June 21, 2016, the Company consolidated its common share capital, whereby each five old shares are equal to one new share without par value. On the effective date, the Company's 21,660,000 issued and outstanding common shares were consolidated on a new-for-five-old basis, yielding 4,332,000 post-consolidation common shares issued and outstanding. The number of issued and outstanding shares, options, warrants and per share amounts has been retrospectively restated for all periods presented unless otherwise stated.

Forward-Looking Statements

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.

Forward-looking information includes disclosure regarding possible or anticipated events, conditions or results of operations which are based on assumptions about future economic conditions and courses of action, and includes future oriented financial information with respect to prospective results of operations or financial position or cash flow that is presented either as a forecast or a projection. Forward-looking information is often, but not always, identified by the use of words such as seek, anticipate, believe, plan, estimate, expect and intend; statements that an event or result is due on or may, will, should, could, or might occur or be achieved; and other similar expressions.

Reserves and Resources

National Instrument 43-101 ("43-101") of the Canadian Securities Administrators – Standards of Disclosure for Mineral Projects – requires that each category of mineral reserves and mineral resources be reported separately.

Description of Business

The Company is a natural resource company engaged in the acquisition and exploration of resource properties. The Company is actively searching for new projects.

Performance Summary

On October 21, 2015, the Company appointed Brian Thurston to the board of directors and appointed Glenn Little as the Chief Executive Officer ~~to replace~~ replace Karl Antonius who resigned as director and Chief Executive Officer. The Company also announced a private placement of up to 666,667 units ("Units") at a price of \$0.75 per Unit for aggregate gross proceeds of up to \$500,000. Each Unit will consist of one common share (the "Shares") and one share purchase warrant exercisable to purchase one Share at a price of \$2.00 per Share for the first 12 months from the date of issue, followed by \$2.50 per Share for the subsequent 12 months, with an expiry date of 24 months from the date of issue.

On October 21, 2015, the Company entered into a First Right of Refusal Agreement ("Agreement") with West Port Energy, LLC ("WPE"). The Agreement gives the Company the right to acquire up to 70% interest in a gold property located in the southern La Paz County, Arizona (the "Property") owned by WPE. In consideration, the Company paid US\$75,000 (the "Payment") to WPE included in prepaids and deposits as at March 31, 2016. The Company has until October 20, 2016 ("Closing Date") to complete Company's due diligence investigations on WPE and the Property. If the Company proceeds with the Agreement, WPE and the Company will work to complete a definitive agreement and the Payment will be applied towards the final agreed consideration. If the Company decides not to proceed with the Agreement, WPE will refund the Company US\$50,000 and retain the balance of US\$25,000.

On November 20, 2014, the Company entered into an Arrangement Agreement (the "Arrangement") with Voltaire Services Corp. ("Voltaire"), the shareholders of the Company and Brigadier Exploration Corp. ("Brigadier"). Voltaire is a reporting issuer in the provinces of Alberta and British Columbia.

On July 6, 2015, the shareholders of the Company, Brigade and Voltaire executed the Arrangement whereby the Company acquired all of the issued and outstanding capital stock of Brigadier from Voltaire in consideration for securities of the Company on a one-for-one basis.

The estimated fair value of 6,132,000 common shares issued by the Company to Brigadier shareholders for the acquisition was \$6,132,000. The transaction was accounted for as an asset acquisition of exploration and evaluation assets and related assets and liabilities using the purchase method, rather than as a business combination, as the net assets acquired did not represent a separate business. The total purchase price of \$6,132,000 was allocated to the fair value of the net assets of Brigadier as follows:

Cash	334,155
Receivables	3,000
Due from related parties	12,500
Exploration and evaluation assets	60,000
Accounts payable and accrued liabilities	(17,850)
Merger expense	5,740,185
Return of capital	10
Common shares issued – fair value	6,132,000

Exploration Summary

During the year, the Company entered into option agreements to acquire the Brooks Lake, Surprise Lake and Boyer Lake properties located in Kenora, Ontario, and the Joyce Lake property located in Red Lake, Ontario. The Company has not yet commenced exploration activities on these properties.

During the year ended March 31, 2016, the Company wrote down exploration and evaluation asset of \$30,000 relating to the impairment in the Boyer Lake Property.

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The Company previously entered into a purchase option agreement with Voltaire to acquire the Paterson Property located in the District of Kenora, Ontario, for a total consideration of \$150,000 and the issuance of 460,000 common shares payable in five installment payments. The purchase option agreement was terminated by mutual agreement of the parties. The Company had paid 12,500 and issued 340,000 common shares upon the execution of the option agreement. On March 14, 2016, Voltaire returned the 400,000 common shares to the Company with 60,000 common shares as settlement for the cash of \$12,500 paid. The Company cancelled and returned the common shares to treasury.

Selected Annual Financial Information

The financial information as at and for the year ended March 31, 2016 has been prepared in accordance with IFRS.

	Year ended March 31, 2016	From incorporation on October 9, 2014 to March 31, 2015
Total income	\$ -	\$ -
Comprehensive loss for the year	6,284,364 6,314,361	4,625
Basic and diluted loss per share	1.3940	2.31
Total assets	246,664 186,664	10
Working capital (deficiency)	20,581	(4,615)

Results of operations for the year ended March 31, 2016 compared to 2015

The net loss for the year ended March 31, 2016 is ~~\$6,284,364~~ 6,314,361 (2015 - \$4,625). Significant individual items contributing to the comprehensive loss are as follows:

- Exploration and evaluation expenditures of \$7,353 (2015 - \$Nil) relating to consulting fees on mineral properties.
- Professional fees of \$70,604 (2015 - \$4,625) relating to preparation of prospectus for listing on the Canadian Securities Exchange and review of financial statements.
- Management fees of \$145,050 (2015 - \$Nil) relates to fees for the CEO, CFO, former CEO and directors.
- Share-based payments of \$281,805 (2015 - \$Nil) corresponding to the Black-Scholes valuation of 380,000 stock options issued to Directors, Officers and consultants.
- Office and administrative fees of \$17,092 (2015 - \$Nil) relating to general office costs.
- Merger expense of \$5,740,185 relating to the acquisition of Brigadier Exploration Corp.
- Write down of exploration and evaluation asset of \$30,000 relating to the impairment in the Boyer Lake Property.

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Liquidity and Capital Resources

Brigade's exploration and evaluation asset activities do not provide a source of income and the Company therefore has a history of losses and an accumulated deficit. However, given the nature of our business, the results of operations as reflected in the net losses and losses per share do not provide meaningful interpretation of our valuation.

The Company has financed its operations to date primarily through the issuance of common shares. The Company will continue to seek capital through the issuance of common shares.

Operating activities: The Company does not generate any revenues and generally does not receive any cash from operating activities. Net cash used in operating activities during the year ended March 31, 2016 was \$328,923 (2015 - \$Nil).

Investing activities: Net cash provided by investing activities during the year ended March 31, 2016 was \$294,155 (2015 - \$10) primarily due to the cash available in Brigadier upon acquisition.

Financing activities: Net cash provided by financing activities during the year ended March 31, 2016 was \$49,500 (2015 - \$Nil) which were loans received.

The consolidated financial statements do not reflect adjustments, which could be material, to the carrying value of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

Summary of Quarterly Results

	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015	From incorporation on October 9, 2014 to March 31, 2015
Total assets	\$246,664,186.66	\$ 257,477	\$ 334,167	\$ 610	\$ 10
Working capital (deficiency)	(20,581)	149,185	218,080	(11,990)	(4,615)
Shareholder's equity	479,419	249,185	318,080	(11,990)	(4,615)
Comprehensive loss	1,309,366	157,540	6,010,080	7,375	4,625
Loss per share	0.0203	0.03	1.05	3.69	0.46

The increase in comprehensive loss in the quarter ended September 30, 2015 is primarily due to the merger expense with Brigadier Exploration Corp.

Results of operations for the three month period ended March 31, 2016 compared to 2015

The net loss for the three month period ended March 31, 2016 is \$1,309,366 (2015 - \$4,625). Significant individual items contributing to the comprehensive loss are as follows:

- Professional fees of \$18,926 (2015 - \$4,625) relating to preparation of prospectus for listing on the Canadian Securities Exchange and review of financial statements.
- Management fees of \$57,050 (2015 - \$Nil) relates to fees for the CEO, CFO and directors.
- Office and administrative fees of \$27,066 (2015 - \$Nil) relating to general office costs.
- Write down of exploration and evaluation asset of \$30,000 relating to the impairment in the Boyer Lake Property.

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Contractual Obligations

On February 1, 2016, the Company entered into a lease agreement with Brian Boyle for a monthly rent of \$4,500. The term of the lease is 12 months.

Subsequent Events

On May 2, 2016 the Company signed a promissory note agreement for the principal amount of \$5,000. The loan bears interest at 12% per annum. Interest and principal are payable on May 2, 2018.

Off Statement of Financial Position Arrangements

At March 31, 2016, the Company had no material off statement of financial position arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

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Capital Resources

The Company will continue to seek capital through public markets by issuing common shares pursuant to private placements. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

Outstanding Share Data

As at the date of the report the Company had 4,332,000 common shares issued and outstanding.

The following incentive stock options were outstanding at the date of this report:

Number Of shares	Exercise Price	Weighted Average remaining contractual life (years)	Expiry Date
160,000	\$1.00	4.14	May 31, 2020
100,000	\$1.00	4.58	October 28, 2020
260,000			

Related Party Transactions

These consolidated financial statements include the financial statements of the Company and its 100% owned subsidiary Brigadier Exploration Corp.

During the year ended March 31, 2016, the Company entered into transactions with related parties comprised of directors, officers and companies with common directors as follows:

Related party	Nature of transaction
Brandenburg Financial Corp. ("BFC")	Management fees for services provided by the former CEO and new CEO.
Red Fern Consulting Ltd. ("RFC")	Management fees for services provided by the CFO and supporting staff.

Due to related parties at March 31, 2016 is \$60,901 (2015 - \$Nil) owing to directors of the Company or companies controlled by related parties.

- For the year ended March 31, 2016, the Company paid or accrued \$80,000 (2015 - \$Nil) to BFC, a company controlled by the former CEO, for management fees.
- For the year ended March 31, 2016, the Company paid or accrued \$30,000 (2015 - \$Nil) to the CEO and Director of the Company for marketing consulting fees.
- For the year ended March 31, 2016, the Company paid or accrued \$14,550 (2015 - \$Nil) to RFC, a company controlled by the CFO, for management fees.
- For the year ended March 31, 2016, the Company paid or accrued \$17,500 (2015 - \$Nil) to the Corporate Secretary of the Company for management fees.

- e) For the year ended March 31, 2016, the Company paid or accrued \$3,000 (2015 - \$Nil) to a director of the Company for consulting fees.

The Company has identified certain directors and certain senior officers as its key management personnel. The compensation costs for key management personal for the years ended March 31, 2016 and 2015 are as follows:

	March 31	
	2016	2015
Share-based compensation	\$ 222,749	\$ nil

Proposed Transactions

The Company has no planned or proposed transactions as of the date of this report.

Financial Risk Factors

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

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2016, the Company had a cash balance of \$14,742 to settle current liabilities of \$137,245.

There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company anticipated it will need additional capital in the future to finance on-going exploration of its properties, such capital to be derived from the exercise of outstanding warrants and the completion of other equity financings.

The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for future exploration and development of its projects, although the Company has been successful in the past in financing its activities through the previously mentioned financing activities. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration success. In recent years, the securities markets have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

- a) Interest rate risk

The Company's financial assets exposed to interest rate risk consist of cash and restricted cash. The Company's current policy will be to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors

the investments it makes and is satisfied with the credit ratings of its banks. As at March 31, 2016, the Company did not have any investments in investment-grade short-term deposit certificates.

b) Price risk

The resource industry is heavily dependent upon the market price of the resources being extracted. There is no assurance that, even if commercial quantities of resources are discovered, a profitable market will exist for their sale. There can be no assurance that mineral prices will be such that the Company's properties can be extracted at a profit. Factors beyond control of the Company may affect the marketability of any resources discovered. The price of oil has experienced volatile and significant price movements over short periods of time, and is affected by numerous factors beyond the Company's control. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Risk Factors

Companies in the exploration stage face a variety of risks and, while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible. The Company faces a variety of risk factors such as project feasibility and practically, risks related to determining the validity of mineral property title claims, commodities prices and environmental laws and regulations. Management monitors its activities and those factors that could impact them in order to manage risk and make timely decisions.

Resource exploration is a speculative business and involves a high degree of risk. There is a probability that the expenditures made by the Company in exploring its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis to further the development of a property. Capital expenditures to support the commercial production stage are also very substantial.

The following sets out the principal risks (non-inclusive) faced by the Company.

Exploration risk. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

Market risks. The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change, both in short term time horizons and longer term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

Commodity price risks. The Company's exploration projects seek gold and precious metals. While gold has recently been the subject of significant price increases from levels prevalent earlier in the decade, there can be no assurance that such price levels will continue, or that investors' evaluations, perceptions, beliefs and sentiments will continue to favour these target commodities. An adverse change in these commodities' prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities.

Financing risks. Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Company and its securities.

Competition. Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

Environmental and Other Regulatory Requirements. The current or future operations of the Company, including development activities and the commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or abandonment or delays in development of new mineral exploration properties.

To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

Uninsurable risks. The Company and its subsidiaries may become subject to liability for pollution, fire, explosion, against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

New standards, interpretations and amendments adopted

The Company has not early adopted the following revised standards and is currently assessing the impact that these standards will have on its future financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

New standard not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not ~~yet~~ been adopted ~~yet~~ by the Company and are being evaluated to determine their impact.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.
- IAS 27: Amended to restore option to use equity method to account for investments in subsidiaries, joint ventures and associates for annual period beginning on or after January 1, 2016.
- IFRS 15: In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which covers principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard must be applied retrospectively with certain disclosure

exemptions, with earlier application permitted. The effective date for IFRS 15 is for annual periods beginning on or after January 1, 2018.

- Partial replacement of IAS 39 Financial Instruments: Recognition and Measurement. This standard is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of this standard.

• ~~The Company is currently evaluating the impact of this standard.~~

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Critical Accounting Policies and Estimates

The Company's accounting policies are described in Notes 2 of its consolidated financial statements for the year ended March 31, 2016. Management considers the following policies to be the most critical in understanding the judgments that are involved in the preparation of our consolidated financial statements and the uncertainties that could impact its results of operations, financial condition and cash flows:

Use of estimates and significant judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Critical accounting estimates

Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected share price volatility. Because the Company's warrants have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

The valuation of shares issued in non-cash transactions are generally based on the value of goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

Critical Accounting Judgments

The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resources prices and the long-term forecasts, and the overall economic viability of the project.

From time to time, certain claims, suits, and complaints may arise in the ordinary course of operations against the Company which require management to make certain estimates, judgments, and assumptions about the suit. In the opinion of management, any provisions related to such claims, if any, will be accrued when the claims meet the recognition criteria for contingent liabilities. Management is not aware of any material contingent liabilities which require recording in the consolidated financial statements.

The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year.

Further Information

Additional information about the Company is at the Canadian disclosure website www.sedar.ca