WINSTON GOLD MINING CORP.

Management Discussion and Analysis

For the years ended December 31, 2015 and 2014
Dated April 28, 2016
(Form 51-102F1)

INTRODUCTION

The following Management Discussion and Analysis ("MD&A") of Winston Gold Mining Corp. (the "Company" or "Winston") has been prepared by management, in accordance with the requirements of National Instrument of 51-102 as of April 28, 2016 and should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2015 and 2014 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is a "Venture Issuer" as defined in NI 51-102. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

All financial information in this MD&A related to 2015 and 2014 has been prepared in accordance with IFRS. All monetary amounts are expressed in Canadian dollars, the presentation and functional currency of the Company, unless otherwise indicated.

FORWARD LOOKING STATEMENTS

Certain information in this MD&A, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information may include, but is not limited to, information which reflect management's expectations regarding the Company's future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Often, this information includes words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

In making and providing the forward-looking information included in this MD&A the Company's assumptions may include among other things: (i) assumptions about the price of base metals; (ii) that there are no material delays in the optimization of operations at the Winston and Holmes projects; (iii) assumptions about operating costs and expenditures; (iv) assumptions about future production and recovery; (v) that there is no unanticipated fluctuation in foreign exchange rates; and (vi) that there is no material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the following: (i) decreases in the price of base metals; (ii) the risk that the Company will continue to have negative operating cash flow; (iii) the risk that additional financing will not be obtained as and when required; (iv) material increases in operating costs; (v) adverse fluctuations in foreign exchange rates; and (vi) environmental risks and changes in environmental legislation.

This MD&A (See "Risks and Uncertainties") contains information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.

OVERVIEW

Description of the business

Winston Gold Mining Corp. (the "Company") was incorporated in the Province of Manitoba on January 31, 2013 under the name of 6649930 Manitoba Ltd. On September 19, 2014 the Company changed its name to Winston Gold Mining Corp. On September 25, 2014, Winston Gold Mining USA Corp. was incorporated in the State of Montana, USA. Winston Gold Mining USA Corp. is a wholly owned subsidiary of the Company. On March 23, 2016, the common shares of the Company were approved for listing on the Canadian Securities Exchange (CSE) under the symbol WGC. Trading commenced on March 29, 2016. The Company is in the process of exploring mining claims which are under lease and has not yet determined whether or not the leased properties will contain economically recoverable reserves.

At December 31, 2015, the Company reported a working capital deficiency of $306,425 (December 31, 2014 - $197,910) and will require financing from outside participation to continue exploration and subsequent development of its mining claims under lease agreements and to be able to make payments required under the mining lease agreements. At December 31, 2015 the Company had not yet achieved profitable operations, has accumulated losses of $1,099,298 (December 31, 2014 - $815,412) since its inception and 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. The Company's ability to continue as a going concern is dependent on continued financial support from its shareholders, the ability of the Company to raise equity financing, the attainment of profitable operations and external financings.

SIGNIFICANT EVENTS

On January 31, 2013, the Incorporation date of the Company, Max Polinsky was the sole Director. On September 29, 2014, Murray Nye and Ben Porterfield were elected as Directors of the Company, Max Polinsky was elected President and Chief Financial Officer, Murray Nye was elected as Chief Executive Officer, Megan Francis was elected as Corporate Secretary and Collins Barrow Toronto LLP, Licensed Public Accountants of Toronto, Ontario were appointed as Auditors of the Company. On September 29, 2014, Murray Nye, Max Polinsky and Ben Porterfield were appointed to the Audit Committee.

Effective September 29, 2015, the Company adopted a Stock Option Plan. The maximum number of shares that may be issued will be a rolling number not to exceed 10% of the issued and outstanding shares of the Company at the time of the option grant. The options granted shall be exercisable over a period not exceeding five years. Options granted to any one individual in any 12 month period shall not exceed 5% of the issued shares of the Company. Options granted to any one consultant or investor relations employee in any 12 month period shall not exceed 2% of the issued shares of the Company. The Board may amend or terminate the Stock Option Plan.

On October 23, 2015, Al Fabbro was elected as a Director of the Company and Chairman of the Audit Committee. On October 23, 2015, Max Polinsky resigned from the Audit Committee.

OVERALL PERFORMANCE

In summary, the Company's financial performance decreased over the year ended December 31, 2015 compared to the year ended December 31, 2014. Working capital decreased by $108,515 from a working capital deficit of ($197,910) at December 31, 2014 to a working capital deficit of ($306,425) at December 31, 2015. The decrease over the period is mainly attributed to:

- Net proceeds from share issuances of $142,300 (2014 - $237,500).
- Net proceeds from director loans of $77,837 (2014 - $Nil)
- Net proceeds from share subscriptions due of $Nil (2014 - $80,000).
- Expending $44,766 on deferred share issuance costs (2014 - $Nil)
- Expending $78,727 on exploration and evaluation (2014 - $448,693).
- Expending $119,345 on legal, audit and accounting and professional fees (2014 - $45,006).
- Expending $62,654 on administrative, office and travel expenses (2014 - $15,954).

EXPLORATION ACTIVITIES

Area and Location

The five (5) unpatented (Holmes Property) and 16 patented (Winston Property) claims cover an area of 205 acres in the historic Winston Mining District and are located within Township 8 North and Ranges 1 West and 1 East of the United States Public Land Survey System. The center of the Winston Gold Project is approximately located at coordinates 446470 meters East, 5143825 meters North; NAD1983, UTM Zone 12N in the northeastern Elkhorn Mountains, Broadwater County, Montana, USA. The Winston area is about 18 straight-line miles (30 kilometers) southeast of Helena, the capital city of Montana and about 2 miles (3 kilometers) southwest of the small community of Winston, Montana.

Claims and Title

Winston Gold properties location monuments are located and properly marked for identification and all claim corners have been erected in accordance with applicable regulations. Certificates of Location are on file at the Broadwater County Recorder's Office in Townsend, Montana. Certificates of Location and claim maps are on file with the US Department of the Interior, Bureau of Land Management (BLM) Montana State Office (MSO) in Billings, Montana. The claim plat maps and Certificates of Location on file at the Townsend County Recorder's Office in Townsend Montana along with the Claim status with the BLM using the online LR2000 system were checked by Capps Geoscience, LLC. The claims are recorded properly.

Winston Property, Montana, USA

On July 15, 2014, the Company entered into a five-year Mining Lease Agreement ("W Lease") with Winston Realty L.L.C. ("Winston", a limited liability company), an arm's length party, whereby Winston leased sixteen (16) patented lode mining claims located in Broadwater County, Montana U.S.A. to the Company for exploration. Per the terms of the agreement, the Company will keep the minerals extracted except oil and gas. To explore the property the Company paid Winston an advance royalty payment of $10,729 ($10,000US) and issued 2,000,000 common shares in the Company valued at $200,000.

In addition to assuming all underlying payment obligations including governmental taxes, levies and fees, the Company will pay additional advance royalty payments of $1,000US monthly from August to October 2014 [Paid $3,300 ($3,000US)] and $2,500US monthly from November 2014 to July 2019 [Paid $37,100 ($30,000) and accrued $6,920 ($5,000US) to December 31, 2015] based on minimum quarterly expenditures on the property of $50,000US or $200,000US annually [Paid $426,596 ($368,035US)].

The W Lease is renewable for additional 5 year terms at $20,000US per renewal with an advanced royalty payment of $5,000US monthly.

The Company will pay Winston a production royalty of 3% NSR if the price of gold is $2,000US or less and 4% NSR if the price of gold exceeds $2,000US. Advance royalty payments are credited towards the 3% or 4% NSR payable on production.

The Company has the option to terminate the W Lease at any time by providing 30 days written notice to Winston.

Holmes Property, Montana, USA

On May 14, 2014, the Company entered into a five-year Mining Lease Agreement ("H Lease") with Marcus P. Holmes ("Holmes"), an arm's length party, whereby Holmes leased five (5) unpatented mining claims located in Broadwater County, Montana, USA to the Company for exploration. Per the terms of the agreement, the Company will keep the minerals extracted except oil and gas. To explore the property, the Company paid Holmes an advance royalty payment of $11,191 ($10,000US) and issued 1,000,000 common shares valued at $100,000.

In addition to assuming all underlying payment obligations including governmental taxes, levies and fees, the Company will pay additional advance royalty payments of $1,000US monthly from June 2014 to May 2019 [Paid - $22,937 (19,000US) to December 31, 2015]. The H Lease is renewable for additional 5 year terms at $20,000US per renewal with an advanced royalty payment of $2,000US monthly.

The Company will pay Holmes a production royalty of 2% of Net Smelter Returns (NSR). Advance royalty payments are credited towards the 2% NSR payable on production. The Company has the option to purchase the 2% NSR from Holmes for a payment of $2,500,000US.

The Company has the option to terminate the H Lease at any time by providing 30 days written notice to Holmes.

The following are the Winston 2014 Drill Intercepts:

Drill #	From	To	Feet	Gold opt
W-1402	175	178.5	3.5	0.17
	212	213	1	0.852
	219.5	221.5	2	0.257
W 1403	112	117.5	5.5	0.163
	318	320	2	0.79
W 1404	119	119.5	0.5	2.53
	238	240	2	3.14
W 1405	226.2	227.5	1.3	0.207
W 1406	172	173.9	1.9	0.176
W 1407	71	76	5	0.105
	83	85.2	2.3	0.305
W 1408	85	89	4	0.336
	253	255	2	0.486
W 1409	168.2	170	1.8	0.44
	290	293	2	0.173
W 1410	168	175	7	0.193

On April 27, 2015 an NI43-101 Technical Report was completed by Capps Geoscience, LLC, signed by Richard C. Capps, Ph.D., a Qualified Person, on the Winston and Holmes properties under the title of “NI43-101 Technical Report on Exploration at the Winston District Gold Project, Broadwater County, Montana, USA.

The following chart details exploration and evaluation expenses for the year ended December 31, 2015 compared to the year ended December 31, 2014:

Categories	2015 $	2014 $	Change $
Holmes, Montana, USA			
Shares issued	-	100,000	(100,000)
Geological	-	7,195	(7,195)
Camp and field costs	-	3,553	(3,553)
Advance Royalties	14,067	20,061	(5,994)
Totals Holmes	14,067	130,809	(116,742)
Winston, Montana, USA			

Shares issued	-	200,000	(200,000)
Mapping	3,628	4,182	(554)
Engineering	-	758	(758)
Geological	7,467	65,959	(58,492)
Excavation	2,504	14,319	(11,815)
Assays & Sampling	1,429	21,810	(20,381)
Camp and field costs	6,756	22,248	(15,492)
Drilling	-	265,846	(265,846)
Legal	-	181	(181)
Advance Royalties	35,468	22,581	12,887
Consulting	7,408	-	7,408
Totals Winston	64,660	617,884	(553,224)
Total Expenditures	78,727	748,693	(669,967)

The following chart details exploration and evaluation activities for the three months ended December 31, 2015 compared to the three months ended December 31, 2014:

Categories	2015 $	2014 $	Change $
Holmes, Montana, USA			
Acquisition costs	-	100,000	(100,000)
Camp and field costs	-	3,553	(3,553)
Advance Royalties	3,963	3,421	542
Totals Holmes	3,963	106,974	(103,011)
Winston, Montana, USA			
Acquisition costs	-	200,000	(200,000)
Mapping	-	2,261	(2,261)
Geological	7,467	19,805	(12,338)
Excavation	-	14,319	(14,319)
Assays & Sampling	1,429	21,810	(20,381)
Camp and field costs	1,361	10,131	(8,770)
Drilling	-	265,846	(265,846)
Legal	-	181	(181)
Advance Royalties	10,211	8,552	1,659
Totals Winston	20,468	542,905	(522,437)
Total Expenditures	24,431	649,879	(625,448)

SELECTED ANNUAL INFORMATION

The following table represents selected financial information of the Company for the period from the date of incorporation (January 31, 2013) to December 31, 2013, the year ended December 31, 2014 and the year ended December 31, 2015 and should be read in conjunction with the Company's financial statements:

	December 31, 2015	**December 31, 2014**	**December 31, 2013**
	$	$	$
Revenue	Nil	Nil	Nil
Income (loss) for the year	(283,886)	(809,653)	(5,759)
Net income (loss) for the year	(283,886)	(809,653)	(5,759)
Net income (loss) per share	$(0.01)	$(0.20)	$(57.60)
Total assets	88,525	124,421	2
Long-term debt	Nil	Nil	Nil
Dividends per share	Nil	Nil	Nil

RESULTS OF OPERATIONS

For the year ended December 31, 2015 and 2014:

Revenues

Due to the Company's status as an exploration stage mineral resource company and a lack of commercial production from its properties, the Company currently does not have any revenues from its operations.

General and administrative expenses

During the year ended December 31, 2015 the Company recorded a loss of $283,886 ($0.01 per share) compared with a loss of $809,653 ($0.20 per share) for the year ended December 31, 2014.

Operating expenses were $289,116 (including $78,727 in exploration and evaluation expenses) for the year ended December 31, 2015 compared to $809,653 (Including $748,693 in exploration and evaluation expense) for the year ended December 31, 2014.

The following chart details the operating expenses comparatives for the year ended December 31, 2015 and 2014:

	2015	2014	Change
Expenses	$	$	$
Accounting and audit	68,909	40,642	28,267
Legal	34,723	4,364	30,359
Travel	2,930	2,719	211
Office and general	25,328	9,227	16,101
Filing and transfer fees	20,614	-	20,614
Investor relations	13,244	-	13,244
Postage and delivery	494	296	198
Rent	10,800	1,800	9,000
Bank service charges	4,395	2,529	1,866
Insurance	562	-	562
FX translation	28,390	(617)	29,007
Total operating expenses	210,389	60,960	149,429

Exploration and evaluation	78,727	748,693	(669,966)
Total expenses	289,116	809,653	(520,537)
Gain on debt settlement	(5,230)	-	(5,230)
Total Loss	283,886	809,653	(525,767)

- The decrease in expenses is the result of the decrease in exploration activity in the Company during the current year. During the previous year, the Company was very active in exploration. During the current year, the Company was active in IPO activities. The Company incurred accounting and audit expenditures in the amount of $68,909 in the current year compared to $40,642 in the previous year. The Company incurred legal expenditures in the amount of $34,723 in the current year compared to $4,364 in the previous year. The Company incurred office and general expenditures in the amount of $25,328 in the current year compared to $9,227 in the previous year. The Company incurred filing and transfer fees in the amount of $20,614 and investor relations expenditures in the amount of $13,244 in the current year compared to Nil for both categories in the previous year due to IPO activities.

RESULTS OF OPERATIONS

For the three months ended December 31, 2015 and 2014

Revenues

The Company did not earn revenues during the three months ended December 31, 2015 (Oct-Dec, 2014 $Nil).

General and administrative expenses

During the three months ended December 31, 2015 the Company recorded a loss of $55,050 ($0.003 per share) compared to a loss of $705,242 ($0.04 per share) for the three months ended December 31, 2014.

Operating expenses were $60,280 (including $24,431 in exploration and evaluation expenses) for the three months ended December 31, 2015 compared to $705,242 (including $649,879 in exploration and evaluation expenses) for the three months ended December 31, 2014.

The following chart details the operating expenses comparatives for the three months ended December 31, 2015 and December 31, 2014:

Expenses	2015 $	2014 $	Change $
Accounting and audit	44,483	39,142	5,341
Legal	(32,456)	671	(33,127)
Travel	667	2,719	(2,052)
Office and general	11,557	9,227	2,330
Filing and transfer fees	5,433	-	5,433
Investor relations	15	-	15
Postage and delivery	81	296	(215)
Rent	1,800	1,800	-
Bank service charges	391	2,077	(1,686)
Insurance	-	-	-
FX translation	3,878	(569)	4,446
Total operating expenses	35,849	55,363	(19,515)

Exploration and evaluation	24,431	649,879	(625,448)
Total expenses	60,280	705,242	(644,963)
Gain on debt settlement	(5,230)	-	(5,230)
Total Loss	55,050	705,242	(650,192)

- The decrease in expenses is the result of the decrease in exploration activity in the Company during the current three month period. During the previous three month period, the Company was very active in exploration activities. The Company incurred accounting and audit expenditures in the amount of $44,483 in the current period compared to $39,142 in the previous period. The Company recognized a reduction in legal expenses in the amount of $32,456 in the current period due to the reclassification of IPO legal costs. During the previous period, the Company incurred legal expenses in the amount of $671. The Company incurred office and general expenditures in the amount of $11,557 in the current period compared to $9,227 in the previous period.

SUMMARY OF QUARTERLY RESULTS

	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
Revenue	$ Nil	$ Nil	$ Nil	$ Nil
Earnings (loss) for the period	(55,050)	(89,881)	(54,710)	(84,245)
EPS (Basic & Diluted)	(0.003)	(0.011)	(0.003)	(0.004)
Fixed assets	-	-	-	-
Total assets	88,525	119,811	120,132	136,153

	December 31, 2014	September 30, 2014	June 30, 2014	March 31, 2014
Revenue	$ Nil	$ Nil	$ Nil	$ Nil
Earnings (loss) for the period	(705,242)	(92,974)	(11,387)	(50)
EPS (Basic & Diluted)	(0.04)	(0.21)	(113.87)	(0.50)
Fixed assets	-	-	-	-
Total assets	124,421	100,253	10,866	2

As at December 31, 2015 the Company had 20,747,100 shares ($759,802) issued and outstanding.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2015, the Company had a working capital deficit of $306,425 (2014 - $197,910) and an accumulated deficit of $1,099,268 (2014 - $815,412). The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on an ongoing basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The continuation of the Company is dependent upon the financial support of creditors and stockholders, refinancing debts payable, obtaining additional long term debt or equity financing, as well as achieving and maintaining a profitable level of operations. The Company believes it will require additional working capital to meet operating and exploration costs for the upcoming year.

Subsequent to the year ended December 31, 2015, the Company completed the following transactions:

a) On January 8, 2016, the Company received loans totalling $38,863 (27,500US) from directors of the Company used to reduce accounts payable. The loans are unsecured, non-interest bearing and with no specific terms of repayment.

b) On January 12, 2016, the Company received loans totalling $1,000 from directors or companies controlled by directors of the Company. These loans are unsecured, non-interest bearing and with no specific terms of repayment.

c) On January 14, 2016, the Company received a loan totalling $200 from a director of the Company. This loan is unsecured, non-interest bearing and with no specific terms of repayment.

d) On February 2, 2016, the Company received loans totalling $2,050 from directors of the Company. These loans are unsecured, non-interest bearing and with no specific terms of repayment.

e) On February 4, 2016, the Company received loans totalling $1,450 from directors of the Company. These loans are unsecured, non-interest bearing and with no specific terms of repayment.

f) On February 18, 2016, the Company received a loan totalling $1,000 from a director of the Company used to reduce accounts payable. This loan is unsecured, non-interest bearing and with no specific terms of repayment.

g) On March 9, 2016, the Company received a loan totalling $200 from a director of the Company. This loan is unsecured, non-interest bearing and with no specific terms of repayment.

h) On March 15, 2016, the Company received loans totalling $20,410 (15,000US) from directors of the Company. These loans are unsecured, non-interest bearing and with no specific terms of repayment.

i) On March 17, 2016 the Company received a loan totalling $300 from a director of the Company. This loan is unsecured, non-interest bearing and with no specific terms of repayment.

j) On March 23, 2016, the Company completed its initial public offering ("IPO") of Class A Common shares. The Company issued 5,697,500 Class A common shares at a price of $0.10 for each common share for gross proceeds of $569,750. The Company paid a 10% cash commission to the agent in the amount of $56,975. The Company issued 569,750 compensation warrants at a price of $0.10 per warrant for a period of 5 years from closing of the IPO.

RELATED PARTY TRANSACTIONS

Transactions with related parties are incurred in the normal course of business. Related party transactions have been listed below, unless they have been disclosed elsewhere in the consolidated financial statements. During the year ended December 31, 2015, the Company incurred the following charges with related parties that include officers, directors or companies with common directors of the Company:

Included in exploration and evaluation expenses is $7,467 [$5,395 US] (2014 - $41,499 [$36,474 US]) of amounts paid or payable to directors of the Company (B. Porterfield).

Included in accounts payable and accrued liabilities is $10,373 [$7,495 US] (December 31, 2014 - 33,357 [$28,753 US]) due to a director of the Company (B. Porterfield- $7,467 [$5,395 US]; CEO - $692 [$500 US]; CFO - $2,214 [$1,600 US]).

Included in accounts payable and accrued liabilities is $74,988 (December 31, 2014 - $Nil) due to directors of the Company (CEO - $29,477; CFO - $45,511).

DUE TO DIRECTORS

Amounts due to directors are non-interest bearing, unsecured and the directors do not intend to require repayment within the next 12 months.

During the year ended December 31, 2015, the Company received $77,837 [B. Porterfield - $39,795 {$28,753 US}; CEO - $17,500; CFO - $20,542] (December 31, 2014 - $Nil) in director loans. The directors do not intend to require repayment within the next 12 months.

FINANCIAL INSTRUMENTS AND RISKS

Capital risk management

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes shareholders' equity, comprised of issued share capital and deficit, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to further exploration on its properties. To secure the additional capital necessary to pursue these plans, the Company will attempt to raise additional funds through the issuance of equity, debt or by securing strategic partners.

The Company is not subject to externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the year ended December 31, 2015.

The Company's financial instruments and risk exposures are summarized below.

Currency risk

Foreign exchange risk arises from purchase transactions as well as recognized financial assets and liabilities denominated in foreign currencies. The Company's functional and presentation currency is the Canadian dollar.

As at December 31, 2015 the Company is exposed to currency risk through the following financial assets and liabilities denoted in United States dollars:

		December 31, 2015		December 31, 2014
Cash	**$**	**102**	$	20,062
Prepaid expenses and deposits	**$**	**10,000**	$	60,915
Accounts payable and accrued liabilities	**$**	**77,537**	$	224,899
Due to directors	**$**	**28,753**	$	-

The above balances were translated into US dollars at the year-end rate of $1.3840 (December 31, 2014 - $1.1601) Canadian dollars to every US dollar.

Based on the above net exposures as at December 31, 2015, assuming that all other variables remain constant, a +/- 5% change in the Canadian dollar against the United States dollar would result in an increase/decrease in net loss of approximately $6,650 (2014 - $8,300).

Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk with respect to its cash and reclamation bonds. The Company reduces its credit risk by maintaining its primary bank accounts at large financial institutions and its reclamation bonds with government agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. Senior management is also actively involved in the review and approval of planned expenditures.

As at December 31, 2015, the Company had a working capital deficiency of $306,425 (December 31, 2014 - $197,910). As at December 31, 2015, the Company has cash of $1,909 (December 31, 2014 - $26,368) to settle current liabilities of $336,199 (December 31, 2014 - $308,346) that are considered short term and are expected to be settled within 30 to 90 days.

As a result, the Company has liquidity risk and is dependent on raising additional capital to fund exploration and operations.

Fair Value risk

Fair value represents the amounts at which a financial instrument could be exchanged between willing parties, based on current markets for instruments with the same risk, principal and remaining maturity. Fair value estimates are based on quoted market values and other valuation methods.

The carrying values of cash, reclamation bonds, bank overdraft and accounts payable and accrued liabilities approximate fair values due to the relatively short term maturities of these instruments.

Fair value hierarchy

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair values of cash are measured based on level 1 inputs of the fair value hierarchy.

RISKS AND UNCERTAINTIES

The Company is engaged in the acquisition and exploration of mining claims. These activities involve significant risks which careful evaluation, experience and knowledge may not, in some cases eliminate the risk involved. The commercial viability of any material deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure. Government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit.

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Annual losses are expected to continue until the Company has an interest in a mineral property that produces revenues. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The Company's accompanying financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the consolidated financial statements.

Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Company and other factors.

OUTSTANDING SHARES, STOCK OPTIONS, AND WARRANTS

Common Shares:		
Issued and outstanding:	December 31, 2015	20,747,100
Issued and outstanding:	April 28, 2016	26,444,600
Warrants:		
Issued and outstanding:	December 31, 2015	Nil
Issued and outstanding:	April 28, 2016	569,570
Stock Options:		
Outstanding:	December 31, 2015	Nil
Outstanding:	April 28, 2016	Nil

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company has no proposed transactions.

SIGNIFICANT ACCOUNTING POLICIES

Deferred Share Issuance Costs

Deferred share issuance costs relate directly to the issuance of shares by the Company. Upon successful completion of the initial public offering, the costs will be charged against capital stock.

Restoration liabilities

The Company recognizes a provision for restoration liabilities related to statutory, contractual or legal obligations associated with the retirement of mining claims in the year in which it is incurred. Initially, the restoration liability is recognized at the present value of management's best estimate of expenditures required to settle the obligation. The carrying amount of the related mining claim is increased by the same amount as the net present value of the restoration liability. Discount rates use a pre-tax rate that reflects the time value of money to calculate the net present value. The Company's estimates of such costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures and changes in the net present value.

Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Income/Loss per share

The Company presents basic and diluted income/loss per share data for its common shares, calculated by dividing the income/loss attributed to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted income/loss per share does not adjust the income/loss attributed to the common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Provisions

A provision is recognized in the statements of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The Company has recorded no provisions at December 31, 2015 and 2014 other than restoration liabilities.

Acquisition, exploration and evaluation expenditures

The Company is in the exploration stage with respect to its investment in exploration properties and follows the practice of capitalizing all costs relating to the acquisition of its interest in properties excluding mining lease agreements. All exploration and evaluation expenditures are expensed in the period incurred. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. The aggregate acquisition costs related to abandoned mineral properties are charged to income at the time of any abandonment or when it has been determined that there is evidence of permanent impairment.

An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farmout of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for interest in exploration properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company recognizes in income costs recovered on exploration properties when amounts received or receivable are in excess of the carrying amount.

All capitalized acquisition costs of interests in properties are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that the capitalized acquisition cost is not expected to be recovered, it is charged to the results of operations. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

Share-based payments

Pursuant to the Stock Option Plan effective September 29, 2015, the Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. At each reporting date, the Company revises its estimates of the number of options that are expected to vest, based on the non-market vesting conditions. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees, the fair value of the stock options is measured at the fair value of the goods or services received. If some or all of the goods or services received by the entity as consideration cannot be reliably measured, they are measured at the fair value of the equity instrument granted.

Income Taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Financial instruments

Financial assets:

All financial assets are recognized when it becomes a party to the contractual provisions of the instrument, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following categories: financial assets ‘at fair value through profit or loss’ (“FVTPL”), ‘held-to-maturity investments‘, ‘available-for-sale‘ financial assets and ‘loans and receivables‘. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets classified as FVTPL are measured at fair value with any resultant gain or loss recognized in profit or loss. Financial assets classified as available-for-sale are measured at fair value with any resultant gain or loss being recognized directly under other comprehensive income.

Investments in equity instruments classified as available-for-sale that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. When available-for-sale financial assets are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in profit or loss. Financial assets classified as loans and receivables and held to maturity, are measured at amortized cost using the effective interest rate method.

Financial liabilities

All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs. Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

De-recognition of financial liabilities:

The Company derecognizes financial liabilities when the obligations are discharged, cancelled or expire.

The Company’s financial instruments are classified as follows:

Financial assets:		Classification:
Cash	-	FVTPL
Reclamation bond	-	Loans and receivables
Financial liabilities:		Classification:
Accounts payable and accrued liabilities	-	Other financial liabilities
Due to directors	-	Other financial liabilities

Impairment of financial assets:

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; or default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization.

With the exception of Available-For-Sale ("AFS") financial assets, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of AFS financial assets, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instrument measured at fair value on the statement of financial position consists of cash, which is measured at level 1 of the fair value hierarchy.

Foreign currency translation

Foreign currency transactions are initially recorded in the functional currency at the transaction date exchange rate. At closing date, monetary assets and monetary liabilities denominated in a foreign currency are translated into the functional currency at the closing date exchange rate.

Non-monetary items measured at historical cost are translated using the historical exchange rate. Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

Related Party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

RECENT ACCOUNTING PRONOUNCEMENTS

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its consolidated financial statements.

Accounting Standards Effective for annual periods beginning on or after January 1, 2016

<u>IAS 1 – Presentation of Financial Statements ("IAS 1")</u>

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

Accounting Standards Effective for annual periods beginning on or after January 1, 2018

- New standard IFRS 9, Financial Instruments

  IFRS 9 is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement. This standard simplifies the current measurement model for financial instruments under IFRS and establishes two measurement categories for financial assets: amortized cost and fair value. The existing IAS 39 categories of loans and receivables, held to maturity investments, and available for sale financial assets will be eliminated.

- Amendments to IFRS 7, Financial Instruments: Disclosure

  Amendment to require additional disclosures on transition from IAS 39 to IFRS 9.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual reports could differ from management's estimates.

Information regarding significant areas of estimation, uncertainty and critical judgements made in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are the following:

<u>Share-based payments</u>

Judgment is applied in determining the share price to be assigned to shares issued to enter into mining lease agreements.

<u>Recovery of deferred tax assets</u>
Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the probability that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

<u>Determination of functional currency</u>
In accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*, management determined that the functional currency of the Company and its subsidiary is the Canadian dollar.

Other significant accounting estimates include the amounts accrued for restoration liabilities.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

<u>Changes in Internal Control over Financial Reporting ("ICFR")</u>

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the consolidated financial statements, is the responsibility of management. In the preparation of consolidated financial statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the consolidated financial statements.

OTHER MD&A REQUIREMENTS

Additional disclosure of the Company's technical reports, material change reports, news releases and other information can be obtained on SEDAR at www.sedar.com.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are Collins Barrow Toronto, LLP Licensed Public Accountants of Toronto, Ontario. The Transfer Agent and Registrar for the Common Shares of the Company is Computershare Trust Company of Canada of Vancouver, British Columbia.

DIRECTORS AND OFFICERS

Max Polinsky, *President, Chief Financial Officer and Director*
Murray Nye, *Chief Executive Officer and Director*
Ben Porterfield, *Director*
Al Fabbro, *Director*
Megan Francis, *Corporate Secretary*