OTTERBURN RESOURCES CORP.
Management Discussion and Analysis ("MD&A")
for the six months ended February 29, 2016

The following discussion and analysis of the operations, results, and financial position of Otterburn Resources Corp. ("the Company") for the six months ended February 29, 2016 should be read in conjunction with the Company's unaudited condensed interim financial statements and related notes for the six months ended February 29, 2016 and the audited financial statements for the year ended August 31, 2015, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The effective date of this report is April 29, 2016. All figures are presented in Canadian dollars, unless otherwise indicated.

COMPANY OVERVIEW

The Company was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) on March 22, 2010. On January 5, 2011, the Company completed an initial public offering ("IPO") on the TSX Venture Exchange ("TSX-V") and commenced trading under the symbol OBN. The Company is in the business of exploration, development and exploitation of mineral resources in Canada. The Company's primary objective is to explore mineral properties to a stage where they can be developed profitably or sold to a third party. The Company has an option to acquire a 100% interest in the Adams Plateau Property (hereinafter, the "Adams Plateau Property" or the "Property") located in south central British Columbia.

PROPOSED ACQUISITION

On August 25, 2014, the Company, K92 Holdings International Limited, a BVI company ("K92 Holdings") and the shareholders of K92 Holdings entered into a Share Exchange Agreement, pursuant to which the Company agreed to acquire all of the issued and outstanding shares of K92 Holdings, from the K92 Holdings shareholders, in consideration for issuing pro-rata to the K92 Holdings shareholders one (1) post-consolidated common share of the Company (each a "Payment Shares") for each K92 Holdings ordinary share ("K92 Ordinary Share") held. The completion of the acquisition would constitute a reverse takeover of the Company pursuant to TSX Venture Exchange policies.

After further consideration by the parties, it was determined that the acquisition of K92 Holdings was more appropriately structured as business combination through the amalgamation by merger of K92 Holdings and a newly formed BVI subsidiary of the Company. Accordingly, on April 15, 2016, the Company, Cada International Ltd. ("Subco") and and K92 Holdings, entered into a Merger Agreement pursuant to which it was agreed that K92 Holdings and Subco would merge with K92 Holdings being the surviving amalgamated entity (the "Amalgamation"), and whereby the Company will acquire all of the issued and outstanding K92 Ordinary Shares, in exchange for issuing pro-rata to the shareholders of the K92 Ordinary Shares, a total of 49,126,666 Payment Shares.

Under the terms of the Merger Agreement, at the effective time of the Amalgamation the following shall occur:

(a) the Company shall change its name to "K92 Mining Inc." or a similar name;

(b) each one (1) K92 Ordinary Share issued and outstanding immediately prior to the Amalgamation becoming effective shall be cancelled and the holders thereof shall receive one (1) fully paid and non-assessable Payment Share for each one (1) K92 Ordinary Share;

(c) each one (1) Class A preferred share of K92 Holdings issued and outstanding immediately prior to the Amalgamation becoming effective shall be cancelled and the holders thereof shall receive one (1) fully paid and non-assessable Class A preferred share in the capital of the Company for each one (1) Class A preferred share of K92 Holdings;

(d) each one (1) K92 ordinary share purchase warrant issued and outstanding immediately prior to the Amalgamation becoming effective shall be cancelled and the holders thereof shall receive one (1) common share purchase warrant of the Company (having the same terms) for each K92 ordinary share purchase warrant;

(e) Subco and K92 Holdings shall merge and K92 Holdings shall continue as the surviving company under the British Virgin Islands Business Corporations Act;

(f) each one (1) ordinary shares in capital of Subco issued and outstanding immediately prior to the Amalgamation becoming effective shall be exchanged for one (1) ordinary share in the company continuing following the merger of K92 Holdings and Subco which will be named K92 Holdings International Limited. ("Amalco");

(g) as consideration for the issuance of Payment Shares in connection with the Amalgamation, Amalco shall issue to the Company one (1) ordinary share in the capital of Amalco for each Payment Share issued;

(h) Amalco shall be a wholly-owned subsidiary of the Company; and the Company shall assume all rights, liabilities, obligations and benefits of K92 Holdings.

Satisfaction or waiver of the above conditions precedent and closing of the Amalgamation and all ancillary transaction (the "Proposed Transaction") must occur on before July 1, 2016, unless extended in writing by the Company and K92 Holdings.

HIGHLIGHTS FOR THE YEAR ENDED AUGUST 31, 2015, SIX MONTHS ENDED FEBRUARY 29, 2016 AND SUBSEQUENT PERIOD UP TO EFFECTIVE DATE OF THIS MD&A

During the six months ended February 29, 2016, the Company received a total of $946,341 proceeds for subscription receipts for a fourth-tranche and a fifth-tranche both closing on March 11, 2016 and a sixth-tranche pending for closing (of which $701,931 was received by the Company, and $244,500 was paid by subscribers directly to K92 Holdings). As a result, total subscription receipts received as of February 29, 2016 were $2,426,361 (August 31, 2015 - $1,479,930).

The subscription receipts have been re-priced from $0.50 per subscription receipt to $0.35 per subscription receipt. As a result of re-pricing, the numbers of subscription receipts have increased from 2,959,860 to 4,228,371 for the first three tranches that were closed. Each subscription receipt will now entitle the holder to automatically receive, without payment of additional consideration and without further action from the holder;

(i) one unit of Otterburn following the closing of the Proposed Transaction, with each unit consisting of one common share of Otterburn and one common share purchase warrant exercisable at $0.50 for a period of 18 months from the date of issue; or

(ii) should the Proposed Transaction fail to close on or before December 31, 2015 (or such later date as the Company and each subscription receipt holder may agree), a pro-rata share of (A) the loans made to K92 Holdings, (B) the remaining balance of the gross proceeds of the Private Placement (if any) which has not then been loaned by the Company to K92 Holdings, and (C) interest accrued on the loans made to K92 Holdings will be returned to the subscription receipt holders and that the Company shall have no further liability to the subscription receipt holders.

The rights triggered by the subscription receipts are dependent on the closing of the Proposed Transaction. As of the date of the condensed interim financial statements for the period ended February 29, 2016, the Proposed Transaction has not closed.

On December 16, 2015, Adam Kniec resigned as Chief Financial Officer of the Company and Darryl Cardey was appointed as Chief Financial Officer of the Company.

Subsequent to February 29, 2016, the Company closed the interim financing through the sale of subscription receipts, raising $15,000 in a fourth-tranche on March 11, 2016, $4,572,207 in a fifth-tranche on March 11, 2016 and $923,756 in a sixth-tranche on April 15, 2016. As at the date of these condensed interim financial statements, the Company has received $151,387 for a seventh-tranche pending for closing.

During the six months ended February 29, 2016 and up until the date of these condensed interim financial statements, the Company received gross proceeds of $5,417,849 for subscription receipts received, of which $3,407,356 were loaned to K92 Holdings.

Subsequent to February 29, 2016, the Company repaid $47,525 loan payable comprising of $42,200 of principal and $5,325 accrued interest payable to a company partially owned and controlled by two directors of the Company.

MINERAL PROPERTY EXPLORATIONS

The Company is investigating, evaluating and conducting exploration activities in Canada. The Company has an option to acquire a 100% interest in several claim groups covering approximately 5,099 hectares called the Adams Plateau Property located approximately 75 kilometres northeast of Kamloops in south-central British Columbia.

In order to keep the Adams Plateau property option agreement in good standing, the Company needs to incur a minimum of $85,678 of additional exploration expenditures by March 31, 2016 (accumulated exploration costs of $195,305 are net of $19,017 of BC METC). The Company anticipates that it will let its option to acquire the Adams Plateau Property lapse after Closing of the Proposed Transactions.

a) **Adams Plateau Property, BC, Canada** – Operations update:

The Adams Plateau Property is an amalgamation of several historic claim groups located approximately 75 kilometres northeast of Kamloops that have been intermittently explored for both volcanogenic massive sulfide (VMS) and vein type base and precious metal deposits since the early 1900's. The Property consists of a staircase shaped block of ground (5,099 hectares / roughly 12 kilometres in length and four kilometres in width) covering parts of the east shore and most of the upland area to the east of Adams Lake that is accessible either by logging roads from the community of Scotch Creek or by boat from the community of Sqwaam Bay on the west side of Adams Lake. The Property covers strike extensions of the Eagle Bay Formation volcanic rocks which host several former producing, high precious metal content volcanogenic massive sulfide ("VMS") occurrences located west of Adams Lake. Preliminary exploration work completed during 2010 defined four main target areas referred to as the Beca / South West Extension area, the AXL-A2 area, the WAD Extension area and the Elsie – Lucky Coon area.

There was no exploration work done in the years ended August 31, 2015 and 2014.

There was no exploration work done in the six months ended February 29, 2016.

The Company anticipates that it will let its option to acquire the Adams Plateau Property lapse after Closing of the Proposed Transactions.

LOANS PAYABLE

During the year ended August 31, 2014, the Company entered into three loan agreements to borrow $14,500 from each lender. During the year ended August 31, 2015, the Company entered into loan agreements to borrow an additional $30,000 from one of the three lenders, a company partially owned by two directors of the Company. The loans are unsecured, bear interest of 8% per annum and are due and payable on December 31, 2015. The Company intends to negotiate an extension to the repayment dates of the loan payable.

In addition, the Company received a further $10,200 loan advance which is unsecured and non-interest bearing. During the six months ended February 29, 2016, the Company made a loan repayment of $12,500 to one of the three lenders, a company partially owned by two directors of the Company. Out of $71,200 of loan advances received as of February 29, 2016 (August 31, 2015 - $73,700), $42,200 was borrowed from a company partially owned and controlled by two directors of the Company, and the loan amount was fully paid subsequent to current reporting period (Note 12). As at February 29, 2016, the total accrued interest payable to the three lenders is $9,786 (August 31, 2015 – $6,987).

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's quarterly results for the last eight quarters:

	29 Feb 2016 (i)	**30 Nov 2015 (i)**	**31 Aug 2015 (i)(ii)(iv)**	**31 May 2015 (i)**	**28 Feb 2015 (i)(iii)**	**30 Nov 2014 (i)**	**31 Aug 2014 (i)(ii)**	**31 May 2014 (i)**
Expenses	$27,362	$28,968	$156,795	$30,356	$104,283	$29,034	$38,518	$18,863
Loss for the period	$27,362	$28,968	$156,795	$29,499	$102,608	$29,034	$38,518	$18,863
Weighted average shares outstanding in 000s	13,551	13,551	13,548	13,379	13,347	13,219	13,219	13,219
Loss per common share	$0.00	$0.00	$0.01	$0.00	$0.01	$0.00	$0.00	$0.00

(i) The Company's operating losses are due to mineral exploration activities and general and administrative costs, such as management, consulting, legal, accounting and audit incurred during the process of managing the Company's operations and to ensure regulatory compliance and can fluctuate from quarter to quarter based on such factors as recommended exploration costs and cash resource management.

(ii) Net loss for the quarters ended August 31, 2014 and August 31, 2015 are higher due to incurring professional fees in relation to the proposed transaction.

(iii) Net loss for the quarter ended February 28, 2015 is mainly due to incurring non-cash share-based payment to third party lender.

(iv) Net loss for quarter ended August 31, 2015 includes transaction costs related to April 2015 financing that did not complete.

DISCLOSURE OF OUTSTANDING SHARE DATA

The following table summarizes maximum number of common shares outstanding as at February 29, 2016 and as of the date of this MD&A if all outstanding warrants were converted to common shares:

	As of the date of this MD&A	February 29, 2016
Common shares	13,379,334	13,550,682
Warrants to purchase common shares	59,065	-
	13,438,339	13,550,682

SELECTED ANNUAL INFORMATION

	August 31, 2015	August 31, 2014	August 31, 2013
	$	$	$
Revenue	Nil	Nil	Nil
Net Loss for the year	317,936	100,022	137,240
Net Loss per common share, basic and diluted	0.02	0.01	0.01
Weighted Average number of common shares outstanding	13,374,104	13,219,334	13,119,476
Statement of Financial Position Data			
Working capital (deficit)	(332,131)	(94,195)	5,827
Total assets	1,545,554	37,918	57,640

RESULTS OF OPERATIONS

Six months ended February 29, 2016 ("2016") compared with six months ended February 28, 2015 ("2015")

The loss for the six months ended February 29, 2016 was $56,330, compared with $131,642 for the six months ended February 28, 2015. The $75,312 decrease in loss in 2016 is mainly due to a decrease in filing and transfer agent fees and share-based payment and an increase in rent expense. Detailed discussion of the major differences is as follows:

- Filing and transfer agent fees of $9,217 were incurred in 2016 as compared to $14,171 in 2015. The decrease of $4,954 was due to higher fees paid in 2015 for review of additional materials submitted to TSX-V and news release announcements in relation to the proposed acquisition of K92 Holdings; and

- Rent expenses of $9,750 were incurred in 2016 as compared to $4,000 in 2015. The increase of $5,750 was mainly due to the additional rent for the director of K92 Holdings in 2016; and

- Share-based payment of $Nil was incurred in 2016 as compared to $80,000 was in 2015. The share-based payment incurred in 2015 was in relation to the bonus shares issued to a third party lender who loaned $400,000 to K92 Holdings. No similar costs were incurred in 2016.

Three months ended February 29, 2016 ("Q2 2016") compared with three months ended February 28, 2015 ("Q2 2015")

The loss for the three months ended February 29, 2016 was $27,362, compared with $102,608 for the three months ended February 28, 2015. The $75,246 decrease in loss in the current quarter is mainly due to a decrease in audit and accounting fees and share-based payment and an increase in rent expenses. Detailed discussion of the major difference is as follows:

- Audit and accounting fees of $5,500 were incurred in Q2 2016 as compared to $10,425 in Q2 2015. The decrease is mainly due to incurring review fees for the three months ended February 28, 2015. No similar costs were incurred in 2016; and

- Rent expenses of $6,750 were incurred in Q2 2016 as compared to $1,000 in Q2 2015. The increase was mainly due to the additional rent for the director of K92 Holdings in Q2 2016; and

- Share-based payment of $80,000 was incurred in Q2 2015 in relation to the bonus shares issued to a third party lender who loaned $400,000 to K92 Holdings. No similar costs were incurred in Q2 2016.

LIQUIDITY AND CAPITAL RESOURCES

The Company's ability to meet its obligations and its ability to finance exploration and development activities depends on its ability to generate cash flow through the issuance of common shares pursuant to private placements or the exercise of warrants and stock options or through debt. Capital markets may not always be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings. This may be further complicated by the limited liquidity for the Company's common shares, restricting access to some institutional investors. The Company's growth and success is dependent on additional external sources of financing which may not be available on acceptable terms.

Working Capital

As of February 29, 2016, the Company's working capital deficit was $388,461, compared with a $332,131 working capital deficit as of August 31, 2015. The decrease in working capital is due to spending $56,330 on operating expenses. The receipt of $503,606 in gross proceeds from a subscription receipt financing was loaned to K92 Holdings, while $244,500 of share subscription was sent to K92 Holdings directly by the subscribers.

Cash

On February 29, 2016, the Company had $159,980 of cash, compared with $3,035 of cash on August 31, 2015. The $156,945 increase in cash position is due to receipt of net proceeds of $701,931 from a subscription financing, offset by lending $503,606 to K92 Holdings, making a net payment of $2,500 for loan repayment and spending $38,880 to pay for general and administrative costs and maintenance of current non-cash working capital.

Cash Used in Operating Activities

Cash used in the operating activities during the period ended February 29, 2016 was $38,880. Cash was used mostly on audit and accounting, filing and transfer agent fees, office and administration and rent, as well as on paying off accounts payable. Cash used in operating activities during the period ended February 28, 2015 was $44,995. Cash was used mostly on audit and accounting, filing and transfer agent fees, office and administration and rent, as well as on paying off accounts payable.

Cash Used in Investing Activities

During the period ended February 29, 2016, the Company loaned $503,606 gross proceeds of the share subscriptions to K92 Holdings.

There were no investing activities during the period ended February 28, 2015.

Cash Generated by Financing Activities

During the period ended February 29, 2015, the Company received $701,931 of gross proceeds of subscription receipts and made $2,500 net payment for loans payable. During the period ended February 28, 2015, the Company received $25,000 of loan advances.

Requirement of Additional Equity Financing

The Company relies primarily on equity financings for all funds raised to date for its operations. The Company needs more funds to finance its exploration and development programs and ongoing operating costs. As at February 29, 2016, the Company had a working deficit of $388,461. During the six months ended February 29, 2016, $503,606 gross proceeds received from share subscriptions were loaned to K92 Holdings. Given that the Company has insufficient working capital to fund its explorations and operations, the Company therefore has made efforts to conserve cash by deferring payments on the Adams Plateau option agreement and certain operating expenses. The Company has re-negotiated the terms of the Adams Plateau option agreement to defer all payments and exploration expenditures as follows:

		Option Payments	Share Issuances		Exploration Expenditures
On execution of the option agreement (paid)	$	15,000	-	$	-
On or before December 31, 2010 (achieved)		-	-		100,000
On or before March 31, 2016		-	-		200,000
On or before December 31, 2016		85,000	100,000		250,000
On or before December 31, 2017		100,000	150,000		350,000
Total	$	200,000	250,000	$	900,000

In order to keep the Adams Plateau property option agreement in good standing, the Company needs to incur a minimum of $85,678 of additional exploration expenditures by March 31, 2016 (accumulated exploration costs of $195,305 are net of $19,017 of BC METC). The Company anticipates that it will let its option to acquire the Adams Plateau Property lapse after closing of the Proposed Transaction.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

The Company's related parties consist of the Company's directors and officers, company owned by the directors and key management personnel of this company, which are as follows:

	Relationship	Nature of Transactions
CDM Capital Partners Inc.	Owned and controlled by two directors of the Company	Accounting, Office and Administration, Rent and Loans Payable

Total compensation paid and accrued to CDM Capital Partners Inc. during the six months ended February 29, 2016 was $24,750 (2015 - $14,000). Details of related party transactions and compensation of key management personnel are as follows:

(a) During the six months ended February 29, 2016, the Company paid or accrued $9,000 (2015 - $6,000) for accounting fees, $6,000 (2015 - $4,000) for office and administrative fees, $9,750 (2015 - $4,000) for rent to CDM Capital Partners Inc.

(b) During the six months ended February 29, 2016, the Company received $10,000 non-interest bearing loan (2015 - $25,000 8% per annum interest bearing loan) from CDM Capital Partners Inc. During the six months ended February 29, 2016, the Company made a loan repayment of $12,500 (2015 - $Nil) to CDM Capital Partners Inc. As at February 29, 2016, a total of $5,325 of interest is owing to CDM Capital Partners Inc.

As at February 29, 2016, there are $42,034 (August 31, 2015 - $29,919) of fees owing to the CDM Capital Partners Inc., which are included in accounts payable and accrued liabilities. The amount owing is interest free, unsecured, current, and without fixed terms of repayment.

FINANCIAL INSTRUMENTS

The Company accounts for its financial instruments as follows:

Cash, restricted cash and accounts receivable	Loans and receivables
Accounts payable and accrued liabilities and share subscriptions received	Financial liabilities measured at amortized cost

The classification of the financial instruments as well as their carrying values is shown in the table below:

Loans and receivables	$	2,402,179
Other financial liabilities	$	2,791,180

The fair value of cash, accounts receivable, loan receivable, accounts payables and accrued liabilities, loans payable and share subscriptions received may be less than the carrying value for some of these instruments, given going concern uncertainties described earlier in “Going concern” section of this MD&A.

The Company is exposed to various types of market risks including credit risk and liquidity risk. This is not an exhaustive list of all risks, nor will the mitigation strategies eliminate all risks listed.

(i) **Credit Risk** – Credit risk is the risk that one party to a financial instrument will fail to fulfill an obligation and cause the other party to incur a financial loss. The Company’s credit risk consists primarily of cash, accounts receivable and loans receivable. To mitigate credit risk, the holders of the subscription receipts agreed that should the Proposed Transaction fail to close on or before December 31, 2015 (or such later date as the Company and each subscription receipt holder may agree), a pro-rata share of (A) the loans made to K92 Holdings, (B) the remaining balance of the gross proceeds of the Private Placement (if any) which has not then been loaned by the Company to K92 Holdings, and (C) interest accrued on the loans made to K92 Holdings will be returned to the subscription receipt held, and that the Company shall have no further liability to the subscription receipt holders. The credit risk is also minimized by placing cash with major Canadian financial institutions.

(ii) **Liquidity Risk** – Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. In the past sufficient funds have been raised to meet its operating requirements, after taking into account existing cash and expected exercise of share purchase warrants. The Company’s cash is held in business accounts which are available on demand for the Company’s programs and are not invested in any asset-backed deposits or investments. Please refer also to Note 1 of the Company’s condensed interim financial statements – Nature of operations and going concern.

The following table summarizes the Company’s non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

As at February 29, 2016	Less than 1 year
Accounts payable and accrued liabilities	200,337
Loans payable	80,986
Share subscription received (Note 6a))	2,509,857
	2,791,180

OTHER RISK AND UNCERTAINTIES

In additional to the risks related to the Company's financial instruments, the Company is exposed to potential loss from various other risks including exploration and development risk and environmental risk.

The exploration and development of mineral properties are highly speculative activities and are subject to significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The Company's ability to realize on its investments in exploration projects is dependent upon a number of factors including management's ability to continue to raise the financing necessary to complete the exploration and development of those projects and the existence of economically recoverable reserves within the projects.

At the present time the Company does not hold any interest in a mining property in commercial production. The Company has incurred net losses since inception, and has limited financial resources and no positive mineral operating cash flow. No assurance can be given that additional funding will be available for further exploration and development of the Company's projects or to fulfil the Company's obligations under any applicable agreements. Other risks and uncertainties include:

Competitive industry

Mining industry is intensely competitive and the company will compete with other companies that have far greater resources.

Exploration risks

Mineral exploration is highly speculative in nature. The Company's exploration project involves many risks, and success in exploration is dependent upon a number of factors including, but not limited to, quality of management, quality and availability of geological expertise and availability of exploration capital. The Company cannot give any assurance that its future exploration efforts will result in the discovery of mineral resources or mineral reserves.

Fluctuating metal and share prices

Factors beyond the control of the Company may affect the marketability of precious any other metals or minerals discovered. Commodity prices fluctuate widely and are affected by numerous factors beyond the Company's control whose effect cannot accurately be predicted.

In recent years, the securities markets in the United States and Canada have experience a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploratory and development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying assets values or prospects of such companies. There can be no assurance that continual and extreme fluctuations in price will not occur.

CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, and to bring its resource properties to commercial production.

The Company depends on external financing to fund its activities. The capital structure of the Company currently consists of common shares and share purchase warrants. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets, being resource properties. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, or sell assets to fund operations. Management reviews its capital management approach on regular basis. The Company is not subject to externally imposed capital requirements.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly-rated financial instruments, such as cash and other short-term guaranteed deposits, all held with major financial institutions.

RECENT ACCOUNTING PRONOUNCEMENTS

Recent Accounting Pronouncements not yet applied:

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for future accounting periods. 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 financial statements.

IFRS 9 – *Financial Instruments: Classification and Measurement* - IFRS 9 addresses classification and measurement of financial assets and liabilities, recognizing impairment of financial assets, and hedge accounting. Under this standard, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The accounting model for financial liabilities is largely unchanged from IAS 39 except for the presentation of the impact of own credit risk on financial liabilities designated at fair value through profit or loss. The new general hedge accounting principles under IFRS 9 are aimed to align hedge accounting more closely with risk management. This new standard does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness; however it is expected to provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship. IFRS 9 is mandatorily effective for annual periods beginning on or after January 1, 2018. The Company is in process of evaluating the impact of IFRS 9 on the Company's financial statements.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", “propose”, "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this MD&A contains forward-looking statements, pertaining to the following: capital expenditure programs, development of resources, treatment under governmental regulatory and taxation regimes, expectations regarding the Company's ability to raise capital, expenditures to be made by the Company to meet certain work commitments, and work plans to be conducted by the Company.

With respect to forward-looking statements listed above and contained in this MD&A, the Company has made assumptions regarding, among other things: the legislative and regulatory environment, the impact of increasing competition, unpredictable changes to the market prices for minerals, that costs related to development of mineral properties will remain consistent with historical experiences, anticipated results of exploration activities, and the Company's ability to obtain additional financing on satisfactory terms.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth in this MD&A: volatility in the market prices of minerals, uncertainties associated with estimating resources, geological problems, technical problems, exploration problems, processing problems, liabilities and risks including environmental liabilities and risks inherent in the exploration and mining, fluctuations in currency and interest rates, incorrect assessments of the value of acquisitions, unanticipated results of exploration activities, competition for capital, competition for acquisitions of reserves, competition for undeveloped lands, competition for skilled personnel, political risks and unpredictable weather conditions.

ADDITIONAL INFORMATION

For further detail, see the Company's interim financial statements for the period ended February 29, 2016 and the audited financial statements for the year ended August 31, 2015. Additional information about the Company can also be found on www.sedar.com.

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Exchange - TSX-V

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