PELOTON MINERALS CORPORATION
Management's Discussion and Analysis
Year Ended December 31, 2016
Dated April 25, 2017
(Form 51-102F1)

This Management Discussion and Analysis ("MD&A") of *Peloton Minerals Corporation (the "Company") is provided for the purpose of reviewing the fiscal year ended December 31, 2016 and comparing results to the previous fiscal year. The MD&A was prepared as of April 25, 2017 and should be read in conjunction with the Company's audited consolidated financial statements and corresponding notes for the years ended December 31, 2016 and 2015. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards appropriate in the circumstances. All monetary amounts are expressed in United States dollars unless otherwise indicated.*

Additional information related to the Company is available for view on SEDAR at www.sedar.com and at the Company's website located at www.pelotonminerals.com.

DESCRIPTION OF THE BUSINESS

The Company is a mineral exploration company focused on the acquisition and exploration of mineral resource properties, primarily gold and silver prospects in the province of Ontario, Canada and in the states of Montana and Nevada, USA.

The Company is a reporting issuer in the Province of Ontario and its common shares trade on the Canadian Securities Exchange ("CSE") under the symbol PMC, and on the OTC QB Market in the United States under the trading symbol PMCCF.

CORPORATE ACTIVITIES

MINERAL PROJECTS

GOLDEN TRAIL PROJECT, NEVADA, USA

Permitting:

The Company received approval of a revised exploration permit notice (the "Permit") from the US Bureau of Land Management ("BLM") on the Company's Golden Trail Project located in Elko County, Nevada (the "Golden Trail").

The Permit includes 11 proposed drill sites that are situated along the largest identified vein, the Golden Trail Vein ("GTV"), which is over 1,200 meters long and has an associated alteration zone that averages 30 meters wide. Gold values above 20 ppb are common within the zone and several samples above 9 grams have been taken in the central GTV area including one rock chip sample of decalcified limestone that contained over 28 grams gold. Continuous 5 foot trench samples returned 13.7 grams gold with 36.2 grams silver in one 5 foot trench, and 3.49 grams gold with 105 grams silver in a second 5 foot trench. In weathered and oxidized outcrop samples, elevated Ag, As, Sb and Tl values accompany Au in iron-rich zones.

The Permit is valid until February 24, 2018 and may be renewed or amended at that time, subject to BLM approval. The Permit incorporates operational requirements, including management of local habitat, and reclamation requirements. The Company has posted US $13,033 with the BLM as a financial guarantee which is the estimated reclamation cost.

Airborne Hyperspectral Survey:

During 2016, an airborne Hyperspectral Imaging Survey was completed over the entire Golden Trial Project.

The Company also used hyperspectral imaging technology on 44 five-foot rock-chip line samples taken at Golden Trail which discovered a distinctive alteration mineral assemblage associated with higher gold values. The airborne hyperspectral imaging survey was intended to expand on the rock-chip line sample imaging results by imaging the entire property with this technology. Hyperspectral imaging will also be applied on all future drill holes in addition to traditional core logging and assaying. This approach is intended to aid in providing geologic control, enhance efficiency,and better enable three dimensional understanding.

The dominant alteration minerals detected and mapped by the airborne hyperspectral imaging survey are medium to high aluminum illite and ammonio illite. In northern Nevada gold belts, these ammoniated minerals are commonly associated with precious metal mineralization. The survey data also showed a northwest trend consistent with mineralized belts in northern Nevada such as those of the Carlin and Long Canyon Trends. The trend of the alteration is also coincident with the southwest flank of the underlying gravity anomaly which likely indicates a deep seated NW structure and an associated granitic pluton which intruded that structure.

A summary of results from the previous hyperspectral imaging of the 44 five-foot rock-chip line samples, as well as other data, was provided in a report published on the Golden Trail at the Geologic Society of Nevada's 2015 Symposium titled *"Gold Mineralization at the Golden Trail Project, Northeastern Elko County, Nevada, R. Capps, P. Noble and C. Jorgensen"*That report and an NI 43-101 report is available on the Company's website at www.pelotonminerals.com.

Drilling:

The Company began a core drilling program in late 2016 and plans to complete the program in 2017. The program is designed to establish structural and zonation controls on mineralization along generally northwest-striking trends of mineralization and alteration.

Early results from the drill core showed anomalous and coincident values in gold, silver, arsenic, antimony, and thallium in most of the 121 core samples. As a group, these five elements are considered indicators of Carlin-type mineralization. All rock types are strongly hydrothermally altered breccia, limestone, and calcareous siliciclastic sedimentary rocks. Surface outcrops are limited and more drilling is required to confirm structural and zonation controls on mineralization in three dimensions.

In order to guide exploration drilling, Peloton geologists are currently integrating the recent multi-element geochemistry and assays from drilling with hyperspectral mineralogy of the drill core and earlier hyperspectral analyses of outcrop samples, both by Terracore, Inc., and recent airborne hyperspectral mineralogical data by SpecTIR LLC. These combined technologies have been shown to improve exploration success in lithologically similar and structurally complex settings such as the Long Canyon gold deposit in the Pequop Mountains to the south of Golden Trail.

Mineralization at the Golden Trail Project is similar in geologic setting, host rock lithology, alteration and gangue mineralogy, and geochemistry to sedimentary rock-hosted gold deposits and especially gold mineralization typical of eastern Nevada, including the Carlin-type Long Canyon gold deposit in the Pequop Mountains.

Subsequent drill programs would seek to expand on this initial program along strike, at depth, and in other areas of the property. A large gravity anomaly underlies the Golden Trail claim block and the Company plans to test that in subsequent programs.

Independence Valley Project, Nevada, USA

The Company staked 38 mineral claims (named the "Independence Valley Project) covering approximately 785 acres located in Elko County, Nevada, about 77 miles south of the Company's Golden Trail Project and about 29 miles south of Newmont's Long Canyon Project.

The Independence Valley Project is centered on the largest untested rhyolite dome in the Spruce Mountain Mining District which is located in the southwestern Pequop Mountains. The Spruce Mountain Mining District contains many historic base and precious metals mines and has been mined since the 1840's. Rhyolite and granitic intrusive rocks are found in almost all of these mines and intrude the mineralized structures at the same time as the mineralization or just afterward. The rhyolites could be considered the smoking gun for mineralization within the Spruce Mountain mining district and the focus of planned IP geophysics will be to identify drill targets within and around the rhyolite dome.

Peloton previously held claims in this area during the mid-2000's and completed considerable surface exploration work before running into financial difficulty. Given recent exploration successes by various companies in north eastern Nevada, the Company recently reviewed data held on the area and decided to restake this project. The Company believes it holds sufficient data to commission a NI 43-101 report and this report has been initiated.

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The rhyolite dome on the Independence Valley Project was determined by geologic mapping by Peloton under predecessor management, with the USGS maps having previously shown the area as limestone. In addition to the NI 43-101 report commissioned, the Company plans a detailed geologic mapping program at Independence Valley. Ionic leach soil geochemistry and surface geophysics are also planned and will be announced as initiated. The purpose of these programs is to identify drill targets, with a focus along the same structure (fault) that contains the rhyolite feeder (intrusive).

RIVER STAGE PROPERTY, ONTARIO, CANADA

The Company entered into an option purchase agreement to acquire a 100% interest in a 2,480 acre mineral claim package located in the Dash Lake and Brooks Lake areas in the central part of the Rainy River Gold Camp, Ontario, approximately 90 kilometers southeast of the Town of Kenora, Ontario. This claim package is called the "River Stage Property".

The River Stage Property is surrounded by claims held by other exploration companies, and is immediately adjacent to claims held by Chalice Gold Mines Limited ("Chalice") which hosts the Cameron Lake Gold Deposit (the "Cameron Deposit"). The Cameron Deposit is an advanced stage exploration project and an NI 43-101 report filed by Chalice in 2015 on the Cameron Deposit stated a measured and indicated resource of 569,000 oz. Au @ 2.26 g/t with an inferred resource of 894,000 oz. Au @1.92 g/t. On May 9, 2016 Chalice announced the sale of these claims and the Cameron Deposit to First Mining Finance Corp. for a reported deemed value of $13 million in an all-stock transaction.

The River Stage Property covers the junction of the Cameron Lake and Burdet Lake Faults. The Ontario Geologic Survey ("OGS") recently released a new airborne geophysical survey over the Rainy River Gold Camp, including the River Stage Property, and the Company's understanding is that the OGS will be conducting further field work in the Rainy River Gold Camp during 2016.

To the south-east of the River Stage Property, New Gold Inc. (“New Gold”) is constructing a new gold mine (the Rainy River Project) which, according to the New Gold website, contemplates a 21,000 tonne per day processing rate. This new mine is about 30 miles south-east of the River Stage Property, also in the Rainy River Gold Camp, with the New Gold claim boundary commencing about 15 miles south-east.

The Company commissioned a review of available assessment file records and Ontario Geologic Survey data. A first stage exploration proposal has been requested which the company expects to include some combination of surface prospecting, geologic mapping, soil geochemistry and geophysics. The Company plans to complete some or all of the recommended program during 2017.

The Company paid $8,000 and issued 100,000 common shares of the Company upon signing of the agreement on May 23, 2016. In order to earn its 100% interest in the River Stage Property, the Company must pay $8,000 on the first anniversary; $12,000 on the second anniversary; and $25,000 on the third anniversary. In addition, a 1.5% net smelter royalty will be retained by the vendor which the Company may reduce by 50% by paying $250,000.

FINANCINGS

During the year, the Company closed four private placements.

1) On April 22, 2016, the Company issued 1,450,000 units at $0.05 CDN per unit for proceeds of $72,500 CDN ($54,551 USD). Each unit consists of one common share and one share purchase warrant exercisable for 3 years. Each warrant entitles the holder to purchase one share at a price of $0.10 CDN up to April 22, 2019.

2) On June 10, 2016, the Company issued 1,200,000 units at $0.05 CDN per unit for proceeds of $60,000 CDN ($46,433 USD). Each unit consists of one common share and one share purchase warrant exercisable for 3 years. Each warrant entitles the holder to purchase one share at a price of $0.10 CDN up to June 10, 2019.

3) On August 5, 2016, the Company issued 5,986,821 units at $0.055 CDN per unit for proceeds of $319,275 CDN ($255,015 USD). Each unit consists of one common share and one share purchase warrant exercisable for 3 years. Each warrant entitles the holder to purchase one share at a price of $0.10 CDN up to August 5, 2019

4) On December 29, 2016, the Company issued 886,667 units at $0.075 CDN per unit for proceeds of $66,500 CDN ($49,102 USD). Each unit consists of one common share and one share purchase warrant exercisable for 3 years. Each warrant entitles the holder to purchase one share at a price of $0.125 CDN up to December 29, 2019

During 2016, the Company issued a convertible debenture in the amount of $200,000 CDN ($156,840 USD). The $200,000 loan amount (the “Loan Amount”) may be converted by the lender at any time up to November 1, 2016 into units priced at $0.055 per unit. Each unit consists of one common share and one common share purchase warrant exercisable at $0.10 per share for up to three years “Units”). Prior to conversion the Company may repay all or any portion of the Loan Amount with interest shall be payable at the rate of 1% per month. On November 1, 2016 it automatically converted into Units. The lender received a transaction fee consisting of 2,850,000 share purchase warrants exercisable at $0.07 for three years.

CORPORATE

Name Change

The Company changes its name to Peloton Minerals Corporation and began trading under the new name on Monday, July 18, 2016. The Company now trades on the Canadian Securities Exchange under the symbol.

There was no change in the share capital structure, just the change of name which was overwhelmingly approved by the shareholders at the 2016 annual meeting of shareholders.

The purpose of the name change was to adopt a name that is not tied to a specific geographic area, and one that better lends itself to branding as the company enters this improving junior exploration market and a next phase of growth. The name “Peloton” comes from the Tour de France and is the main group of riders or pack in a bicycle road race. By riding as a group the peloton saves energy and a fluid situation develops where the center of the peloton appears to be pushing through its own leading edge

Investor Relations

In July 2016, the Company entered into an agreement to retain Paradox Public Relations Inc. (“Paradox”) of Montreal, Quebec to provide investor awareness and relations services to the Company over the next 24 months (the “Agreement”).

Listing on OTCQB

The Company’s shares have commenced trading on the U.S. OTC QB Market under the trading symbol PMCCF.

The OTC QB Market is referred to as “America’s Venture Market” in the OTC Markets literature with 960 U.S. and international companies listed having U.S. $74.2 billion in total market cap and a median market cap of U.S. $12.8 million. The objective in seeking this dual U.S. listing is to increase exposure, liquidity and market cap.

CSE Composite Index

The Company has been added to the Canadian Securities Exchange (“CSE”) Composite Index during the quarterly rebalancing of the CSE Composite Index in September 2016.

Warrants and Options

In January, 2016 the Company modified the expiry times of certain outstanding warrants of the Company as follows:

a. 2,800,000 warrants exercisable at a price of CDN$0.20 until 5:00 pm on January 24, 2016 were made exercisable until 5:00 pm on September 12, 2016. These warrants expired unexercised;

b. 1,400,000 warrants exercisable at a price of CDN$0.20 until 5:00 pm on February 8, 2016 were made exercisable until 5:00 pm on February 8, 2017. These warrants expired unexercised;

c. 2,000,000 warrants exercisable at a price of CDN$0.20 until 5:00 pm on February 20, 2016 are now exercisable until 5:00 pm on February 20, 2018.

In April, 2016 the Company modified the expiry times of certain outstanding warrants of the Company as follows:

a. 2,000,000 warrants exercisable at a price of CDN$0.20 until 5:00 pm on April 24, 2016 were made exercisable until 5:00 pm on April 24, 2017. These warrants expired unexercised;

b. 3,250,000 warrants exercisable at a price of CDN$0.20 until 5:00 pm on June 19, 2016 are now exercisable until 5:00 pm on June 19, 2017;

c. 1,000,000 warrants exercisable at a price of CDN$0.20 until 5:00 pm on May 14, 2016 are now exercisable until 5:00 pm on May 14, 2018.

In November, 2016 the Company modified the expiry times of certain outstanding warrants of the Company as follows:

a. 3,650,000 warrants exercisable at a price of CDN$0.10 until 5:00 pm on December 3, 2016 are now exercisable until 5:00 pm on December, 2018.

The Company has recently granted a total of 200,000 incentive stock options to a consultant of the Company. These options are exercisable over 5 years at an exercise price of $0.10.

Corporate Activity Subsequent to the Year End

In February, 2017 the Company modified the expiry times of certain outstanding warrants of the Company as follows:

a. 2,000,000 warrants exercisable at a price of CDN$0.10 until 5:00 pm on March 3, 2017 are now exercisable until 5:00 pm on March 3, 2019;

b. 2,300,505 warrants exercisable at a price of CDN$0.10 until 5:00 pm on June 4, 2017 are now exercisable until 5:00 pm on June 4, 2019;

c. 1,310,260 warrants exercisable at a price of CDN$0.10 until 5:00 pm on June 28, 2017 are now exercisable until 5:00 pm on June 28, 2019.

OVERALL PERFORMANCE

In summary the Company's financial condition has weakened over the twelve months ended December 31, 2016. Working capital deficiency increased by $111,391 from ($148,353) at December 31, 2015 to ($259,744) at December 31, 2016. The difference is mainly attributable to the increased financing activity being offset by:

a. Increased administrative costs:;
b. increased exploration and evaluation expenses on the Company's mineral projects;
c. Loss on revaluation of foreign currency warrants;
d. accretion expenseon convertible debentures;
e. Loss on revaluation of derivative liability

SELECTED ANNUAL INFORMATION

The following table provides selected financial information and should be read in conjunction with the Company's Consolidated Financial Statements for each respective year.

	Year Ended Dec. 31, 2016	Year Ended Dec.31, 2015	Year Ended Dec 31, 2014
	$	$	$
Revenue	Nil	Nil	Nil
Income (loss) for the year	(1,346,519)	418,463	(368,911) (2)
Net income (loss) per share (1)	(.026)	.009	(0.009) (2)
Total assets	161,114	123,777	87,581 (2)
Long-term debt -convertible debenture	35,097	27,197	Nil
Long-term debt -derivative conversion liability	218,978	86,608	Nil
Dividends per share	Nil	Nil	Nil

Notes:

(1) basic and diluted
(2) Restated – refer to Note 4 of the 2015 Financial Statements.

SUBSEQUENT EVENTS

Refer to the Corporate Activities section above.

RESULTS OF OPERATIONS

For the year ended December 31, 2016 and December 31, 2015, the Company had no revenue. Exploration and claim acquisition and maintenance expenses for the year were $226,330 compared to $10,678 during the previous year.

Year ended December 31, 2016 Compared to Year ended December 31, 2015

Operating Revenues: The Company is a mineral exploration company and has no operating revenues.

The Company incurred a net loss of $1,346,519 for the year ended December 31, 2016, compared to the year ended December 31, 2015 earnings of $418,463. $1,003,296 of the 2016 loss is from the fluctuations in value of the foreign currency warrants, the accretion expense or the revaluation of the derivative liability and has no effect on the company’s cash position.

Expenses for the year ended December 31, 2016 were $755,699 an increase of $451,014 over the amount of $304,685 for the year ended December 31, 2015.

Expenses incurred during the year were:

i. Office and administrative costs of $438,814. (2015-$313,674);
ii. Professional Fees of $60,550. Includes legal and audit fees. (2015-$44,642);
iii. Exploration and evaluation expenditures were $226,330 (2015 - $10,678);
iv. $12,854 of stock based compensation expense was recognized during the year. No stock based compensation expense was recognized during 2015;
v. Depreciation of $4,540 (2015 – Nil);

vi. Foreign exchange loss of ($12,574); (2015 – income of $64,309);
vii. Loss on revaluation of foreign currency warrants of $237,349 (2015- gain $245,224);
viii. There was no reversal of management and director fees payable compared to a 2015 gain of $491,729 from the reversal of management and director fees payable;
ix. Accretion expense of $127,251 (2015 - $4,083);
x. Loss on revaluation of derivative liability $226,220 (2015 - $9,722).

Total assets as at the end of December 31, 2015 were $161,114 (2015 - $123,777) and consisted of cash $37,737 (2015 - $363), HST receivable of $16,162 (2015 - $8,775) prepaid expenses of $7,913 (2015 - $1,258), equipment $86,259 (2015 - $87,225) and reclamation bonds $13,043 (2015-$26,156).

Total current liabilities as at December 31, 2016 were $321,556 (2015 - $145,939) consisting primarily of trade payables and amounts due to directors and officers.

The Company's long term financial liabilities are warrants denominated in a foreign currency of $749,221 (2015 - $37,526), $35,097 convertible debentures (2015 – $27,197), and a Derivative Liability of $218,978 (201 – $86,608).

There were considerable changes in some line items between the years ended December 31, 2015 and December 31, 2016.The grant of stock options caused stock based compensation of $12,864 to be recognized during 2016 The exploration and evaluation work on the Company's mineral projects, as described above, increased by $215,652 over the $10,678 spent in 2015. . Another change is the gain from revaluation of foreign currency warrants which changes based on inputs in the Black-Scholes option pricing model (ie. stock price volatility) and can swing considerably from quarter to quarter. There is no effect on the company's cash position from the fluctuations in value of the foreign currency warrants, the accretion expense or the revaluation of the derivative liability. During 2015, management agreed to the reversal of $491,729 of accrued management and director fees.

The Company has no sales and has never earned revenues with the exception of non-material interest revenue. Raising capital through sales of its common shares funds the Company's exploration operations. The company has also issued convertible debentures.

SUMMARY OF QUARTERLY RESULTS

Three months Ended December 31, 2016 Compared to Three months Ended December 31, 2015

Operating Revenues: The Company is a mineral exploration company and has no operating revenues.

The Company's net loss for the three months ended December 31, 2016 shrank by $19,142 to ($1,346,519). The Company's gain for the three months ended December 31, 2015 shrank by $25,543 to ($418,463).

Expenses: Expenses for the three months ended December 31, 2016 were $315,297, an increase of $226,518 over the amount of $88,779 for the three months ended December 31, 2015.

Expenses incurred during the three months ended December 31, 2016 were:
i. Office and administrative costs of $146,924. (2015-$79,176);
ii. Professional Fees of $19,171. Includes legal and audit fees. (2015-$15,787);
iii. Exploration and evaluation expenditures were $137,630 (2015 - $1,660);
iv. The value of stock based compensation increased by $3,647(2015 – NIL);
v. Depreciation of $4,540 (2015 – Nil);
vi. Foreign exchange loss of ($3,285); (2015 – income of $3,285);
vii. Loss on revaluation of foreign currency warrants decreased by $223,740 (2015 – gain $186,988);
viii. Accretion expense of $45,748 (2015 - $3,256);
ix. Loss on revaluation of derivative liability decreased by $156,347 during quarter (decreased by $30,632 during 2015).

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Summary of Quarterly Results

Description	Dec 31/16	Sep 30/16	June 30/16	Mar 31/16	Dec 31/15	Sep 30/15	June 30/15	Mar 31/15
	$	$	$	$	$	$	$	$
Sales/Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Income/Loss	19,142	(884,986)	(204,034)	(276,641)	(34,561)	346,373	74,363	32,288
Net Income/Loss Per share – Basic & Diluted	.0004	(.016)	(.004)	(.006)	(.001)	.007	.002	.001

LIQUIDITY

As at December 31, 2016, the Company had cash in the amount of $37,737 (2015-$363) and current liabilities of $321,556 (2015-$158,749). As at December 31, 2016, the Company has a working capital deficiency of $259,744 (2014 - $148,353). As a result, the Company has liquidity risk and is dependent on raising capital.

CAPITAL RESOURCES

For its long term business objectives, the Company will require funds for ongoing exploration work on its Silver Bell – St. Lawrence Property in Montana, its Golden Trail Property and Independence Valley Property in Nevada and its River Stage Property in Ontario, to work on any other mineral projects that it acquires, as well as to meet its ongoing day-to-day operating requirements and will have to continue to rely on equity and debt financing during such period. There can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company. The Company does not have any other commitments for material capital expenditures over either the near or long term, and none are presently contemplated other than as disclosed above and/or over normal operating requirements.

The Company is not in default of its obligations on any of its mineral properties at this time.

OFF BALANCE SHEET ARRANGEMENTS

At April 25, 2017, the Company had no off-balance sheet 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.

TRANSACTIONS WITH RELATED PARTIES

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

Remuneration of Directors and key management of the Company was as follows:

	2016	2015
Management and director fees (i)	**$266,860 (ii)**	$269,554

(i) Included in office and administrative costs in the consolidated statements of loss and comprehensive loss.

(ii) In 2016, $80,820 in director fees and $104,800 in management fees were accrued.

Other related party balances are listed below:

(a) Included in accounts payable and accrued liabilities is $235,245 (2015 - $63,363) of amounts owing to directors of the Company for management and director fees.

(b) During the year ended December 31, 2015, the Company issued 2,307,690 common shares to officers and directors to settle management fees owing of $150,000 CDN ($137,145 USD).

(c) During the year ended December 31, 2015, a director of the Company provided a loan to the Company in the amount of $17,730 CDN ($12,810 USD). The loan is non-interest bearing, unsecured and due on demand. The loan was repaid during the year ended December 31, 2016.

PROPOSED TRANSACTIONS

There are no transactions proposed at this time other than as disclosed herein.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

Accounting Policies

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Committee.

The significant accounting policies of the Company are summarized in Note 2 to the Company's financial statements.

Critical Accounting Estimates

The Critical Accounting Estimates of the Company are discussed in Note 2 to the Company's financial statements.

Financial Instruments

The Financial Instruments of the Company are discussed in Note 2 to the Company's financial statements.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's: (a) capitalized or expensed exploration and development costs; (b) expensed research and development costs; (c) deferred development costs; (d) general and administrative expenses; and (e) any material costs, deferred or expenses, not already referred to in this MD&A is provided in the Company's Condensed Interim Consolidated Financial Statements and its Audited Consolidated Financial Statements for the year ended December 31, 2016, which can be accessed on SEDAR under the Company's profile page at www.sedar.com.

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company's authorized share capital consists of unlimited common shares without par value.9
Issued and outstanding: December 31, 2016 –61,474,617;
Issued and outstanding: April 25, 2017 (date of this report) – 61,474,617

Warrants outstanding: December 31, 2016 – 37,658,997
Warrants outstanding: April 25, 2017 – 34,258,997
The warrants expire between June 2017 and December 2019 and have a weighted average exercise price of CDN $0.123354 per share.

Options outstanding: December 31, 2016 – 4,750,000
Options outstanding: April 25, 2017 – 4,750,000
The options expire between May 2017 and February 2022 and have a weighted average exercise price of CDN $0.086 per share.

Dividend Policy

No dividends have been paid on any shares of the Company since the date of its incorporation, and it is not contemplated that any dividends will be paid in the immediate or foreseeable future.

Controls and Procedures

Management is responsible for the design of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards. Based on a review of its internal control procedures at the end of the period covered by this MD&A, management believes its internal controls and procedures, for the nature and size of the entity, are effective in providing reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

Management is also responsible for the design and effectiveness of disclosure controls and procedures to provide reasonable assurance that material information related to the Company, is made known to the Company's certifying officers. Management has evaluated the effectiveness of the Company's disclosure controls and procedures and has concluded that these controls and procedures are effective, for the nature and size of the entity, in providing reasonable assurance that material information relating to the Company is made known to them by others within the Company.

Litigation

The Company is not a party to any litigation.

Risks Associated with Exploration and Mining Operations

The exploration of mineral properties involves a high degree of risk which cannot be avoided despite the experience, knowledge and careful evaluation of prospective properties by management. There can be no assurance commercial quantities of ore will be discovered on the Company's mineral properties. Even if such commercial quantities are subsequently discovered by the Company's exploration efforts, there can be no assurance such properties can be brought in to commercial production. Operations may be subject to disruption due to weather conditions, labour unrest or other causes beyond the control of the Company. Hazards such as unexpected formations, pressures, flooding, or other conditions over which the Company does not have control may be encountered and may adversely affect the Company's operations and financial results.

Environmental Risks

Environmental legislation is continuing to evolve such as will require strict standards and enforcement, increased fines and penalties for non-compliance, more stringent assessment of proposed projects and a greater degree of corporate responsibility. There can be no assurance that current requirements and future changes to environmental legislation may not adversely affect the Company's operations.

Mineral Market

The market for minerals is subject to factors beyond the Company's control, such as market price fluctuation, currency fluctuation and government regulation. The effect of such factors cannot be accurately calculated. The existence of any or all such factors may restrict the access to a market, if same exists, for the sale of commercial ore which may be discovered.

Funding Requirements

In order to move forward with its exploration activities, the Company will require additional funding. There can be no guarantee that such funds will be available as and when required or, if available, be accessible on reasonable commercial terms.

Reliance on Management

The Company anticipates that it will be heavily reliant upon the experience and expertise of management with respect to the further development of the mineral properties. The loss of any one of their services or their inability to devote the time required to effectively manage the affairs of the Company could materially adversely affect the Company.

Auditors, Transfer Agent and Registrar

The auditors of the Company are Collins Barrow LLP, Licensed Public Accountants of Toronto, Ontario. The Transfer Agent and Registrar for the Common Shares of the Company is TMX Equity Transfer Services in Toronto, Ontario.

Forward Looking Statements

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions used by any of the Company's management, are intended to identify forward-looking statements. Such statements reflect the Company's internal projections, expectations, future growth, performance and business prospects and opportunities and are based on information currently available to the Company. Since they relate to the Company's current views with respect to future events, they are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments except as required by law or by CSE policies.