RED PINE EXPLORATION INC.

Management's Discussion and Analysis
For The Six-Month Period Ended January 31, 2016

GENERAL

This Management's Discussion and Analysis ("MD&A") of Red Pine Exploration Inc. (the "Company" or "Red Pine") is intended to enable readers to view the company's performance, financial condition and future prospects through management's eyes and to provide material information to readers that may not be fully reflected in the financial statements.

This MD&A is intended to supplement and should be read in conjunction with the Audited Financial Statements and the notes thereto for the years ended July 31, 2015 and 2014, which were prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All amounts presented in this MD&A are in Canadian dollars unless otherwise indicated. Additional information relating to the Company is available on SEDAR at www.sedar.com and on the Company's website at www.redpineexp.com.

This MD&A is prepared as of March 27, 2016 and was approved by the Company's audit committee and by the Board of Directors on March 27, 2016.

CAUTIONARY STATEMENT ON FORWARD LOOKING STATEMENTS

Forward-looking information is broadly defined as disclosures regarding possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action and includes future-oriented financial information with respect to prospective financial performance, financial position or cash flows that is presented either as a forecast or a projection.

This MD&A contains forward looking statements, including statements relating to going concern and capital raising and capital requirements, that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated. Factors that could cause such differences include: changes in commodity prices, changes in equity markets, changes in costs and supply of materials relevant to the exploration and mine development, changes in governments, changes to government mining regulations as well as numerous other risk factors. See the ***Risks and Uncertainties*** section of this MD&A for additional disclosures.

Readers are cautioned not to place undue reliance on forward looking statements contained within this document, which speak only to the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, actual events may differ materially from stated expectations. Although the Company believes its expectations are reasonable, results may vary, and the Company cannot guarantee future results, levels of activity, performance or achievements.

QUALIFIED PERSON

Quentin Yarie, P.Geo, the Company's President and Chief Executive Officer is the Qualified Person, as defined by NI 43-101, who has reviewed and approved the technical information disclosed in this MD&A.

CORE BUSINESS AND OBJECTIVES

The Company is incorporated under the laws of Ontario and is involved primarily in the identification, acquisition and advancement of mineral exploration properties with a particular focus on gold exploration projects located in northern Ontario. The Company does not operate any mines. The long-term objectives of the Company are to:

1. advance the geological knowledge of its mineral exploration properties
2. develop exploration targets for sampling and drilling programs; and
3. target, review and, if the exploration risk is deemed acceptable, acquire and advance additional mineral properties it considers prospective in order to augment and strengthen its portfolio of mineral exploration properties.

The short-term priority is the advancement of the Wawa Gold property.

The Company accepts the risks inherent to mineral exploration programs, accepts exposure to the cyclical nature of base and precious metal prices, relies on the geological and industry expertise of its Toronto-based management team and engages sub-contractors to complete certain aspects of its sampling and drilling programs. Risk factors to be considered in connection with achieving the Company's objectives include the risk that exploration activities may not result in the discovery of minerals or definition of any mineral resources or reserves, that significant expenses could be incurred to define mineral reserves, and that environmental, land title and financial issues may prevent the eventual development of any mineral reserves.

See the ***Risks and Uncertainties*** section of this MD&A for additional disclosures.

RESULTS OF OPERATIONS

The following are explanations of the material changes for the six month and three month periods ended January 31, 2016 compared to the six month and three month periods ended January 31, 2015:

	Six months ended January 31, 2016	2015	Three months ended January 31, 2016	2015
Revenues				
Sale of Mineral Property	**$ 30,000**	**$ -**	**$ 30,000**	**$ -**
Expenses				
Exploration Expenditures	252,843	699,399	(157,053)	513,273
Payroll & Professional Fees	221,375	50,521	202,310	3,583
General and Administrative	179,273	131,954	130,219	81,447
Share-Based Compensation	98,910	-	-	-
Finance Expenses	13,333	-	-	-
Amortization	4,796	3,784	2,398	1,892
Total Expenses	770,529	885,658	177,874	600,195
Other Income				
Exploration Services	46,130	-	46,130	-
Project Management Services	4,154	-	4,154	-
Interest Income	63	4,545	17	4,545
Net Loss and Comprehensive Loss	(690,182)	(881,113)	(97,573)	(595,650)

- During the period, the Company incurred a comprehensive loss of $690,182 compared to a loss of $881,113 for the prior comparative period, this included exploration expenditures of $252,843 compared to $699,399 for the prior comparative period.
- The Company sold mineral claims related to the Costello property for $30,000.
- The Company provided exploration services to a corporation under common management control for $46,130.
- The Company is the manager of and has a 30% interest in the Wawa Gold joint-venture. The JV partners with the remaining 70% interest were invoiced a total of $347,820 for the reimbursement of exploration expenditures and for project management services.
- Exploration expenditures were primarily related to the Wawa Gold project and consisted primarily of drilling, surveys, and surface exploration activities.
- Payroll and Professional fees increased as a result of a reduction of additional headcount, audit and legal fees as compared to the previous period.

OUTLOOK

The Company is continuing to advance the Wawa Gold property with a winter 2016 exploration program that is focusing on increasing the grade of the pit-constrained resources by defining gold zones immediately to the east and west of the Surluga Deposit (see Wawa Gold Property below) by sampling 42,000 meters of historic drill core.

On December 17, 2015, the Company and Augustine Ventures Inc. ("Augustine") announced a non-binding letter of intent whereby the Company will acquire all of the outstanding securities of Augustine. Under the terms of the non-binding letter of intent, each Augustine shareholder will receive 0.8 common shares of Red Pine for each Augustine common share held.

In conjunction with the Augustine transaction, the Company announced its intention to complete a best efforts private placement unit financing for gross proceeds of up to $750,000 prior to completing the transaction.

MINERAL PROPERTIES

The Company expenses exploration and evaluation expenditures as incurred. Exploration expenditures include mineral property acquisition costs, property option payments and the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extraction are demonstrable. As Manager of the Wawa Gold joint-venture, any reimbursements of exploration costs from joint-venture partners are recorded as a reduction in exploration costs.

The following table summarizes the cumulative exploration and evaluation expenditures the Company has incurred on its various properties:

	Wawa Gold Property (i)	**Kipawa Property (ii)**	**Cayenne Property (iii)**	**Other Properties (iv)**	**All Exploration Properties**
Balance – July 31, 2014	$ -	$ -	$ 6,034,643	$ 8,100,313	$ 14,134,956
Acquisition Costs	-	240,000	-	-	$ 240,000
Exploration & Evaluation	1,757,367	-	93,089	29,068	$ 1,879,524
Balance – July 31, 2015	$ 1,757,367	$ 240,000	$ 6,127,732	$ 8,129,381	$ 16,254,480
Exploration & Evaluation	583,219	1,842	2,427	9,020	$ 596,508
Less: JV Reimbursements	(343,665)	-	-	-	(343,665)
Balance – January 31, 2016	**$ 1,996,921**	**$ 241,842**	**$ 6,130,159**	**$ 8,138,401**	**$ 16,507,323**

The Company has ownership interests in the following exploration projects:

(i) Wawa Gold Property

The Wawa Gold property consists of four contiguous mining claim groups totaling 5,338 hectares located approximately 2 kilometers southeast of the Town of Wawa in Northern Ontario.

On December 11, 2014, the Company entered into an assignment and assumption agreement with Augustine Ventures Inc. ("Augustine") and with Citabar Limited Partnership ("Citabar") pursuant to which the parties agreed to amend their Property Option Agreement dated April 16, 2009, to allow the Company to earn up to a 45% interest in the Wawa Gold JV under the following terms:

a) The Company was required to incur $2.1 million in eligible exploration expenditures by September 30, 2015 in order to earn an initial 30% interest.
b) Upon earning the 30% interest, the Company became manager of the joint-venture.
c) The Company and Augustine have the shared right to earn an additional 15% interest in the joint-venture, whereby the Company may earn its additional 7.5% interest by incurring $2 million provided a total of $4.0 million is incurred by June 30, 2016. The Company may earn a pro rata share of Augustine’s additional 7.5% interest by assuming a portion of Augustine’s expenditures.
d) The Company also has the right to earn a pro rata interest in any of Augustine's existing mineral properties, including any future acquisitions, within an area of influence defined as a 2 kilometre radius from the perimeter of the Wawa Gold Project by satisfying certain additional criteria.

On August 7, 2015, the Company met the conditions to earn its initial 30% interest in the underlying joint venture (the “Wawa Gold JV”), which is currently owned 30% by Augustine and 40% by Citabar, whereby the Company became the operating manager of the JV. As joint-venture manager:

a) The Company is entitled to receive project management fees from the JV partners, which are recognized as Other Income when invoiced.
b) The Company expects to be reimbursed periodically by the JV partners on a pro rata basis for all exploration expenditures incurred for the benefit of the joint-venture, which are recognized as a reduction to exploration expenditures when invoiced to the JV partners.

The principal target is the Surluga gold deposit, a Precambrian-age structurally complex gold deposit hosted in the Michipicoten greenstone belt. The Surluga gold mineralization occurs in quartz veins and silica-altered fractures associated with shear zones, which is hosted within the Jubilee shear zone. From the early 1900s until 1991, numerous small underground mines have extracted approximately 500,000 tonnes of gold mineralization at an average grade of 8.9 grams of gold per tonne (g/t gold).

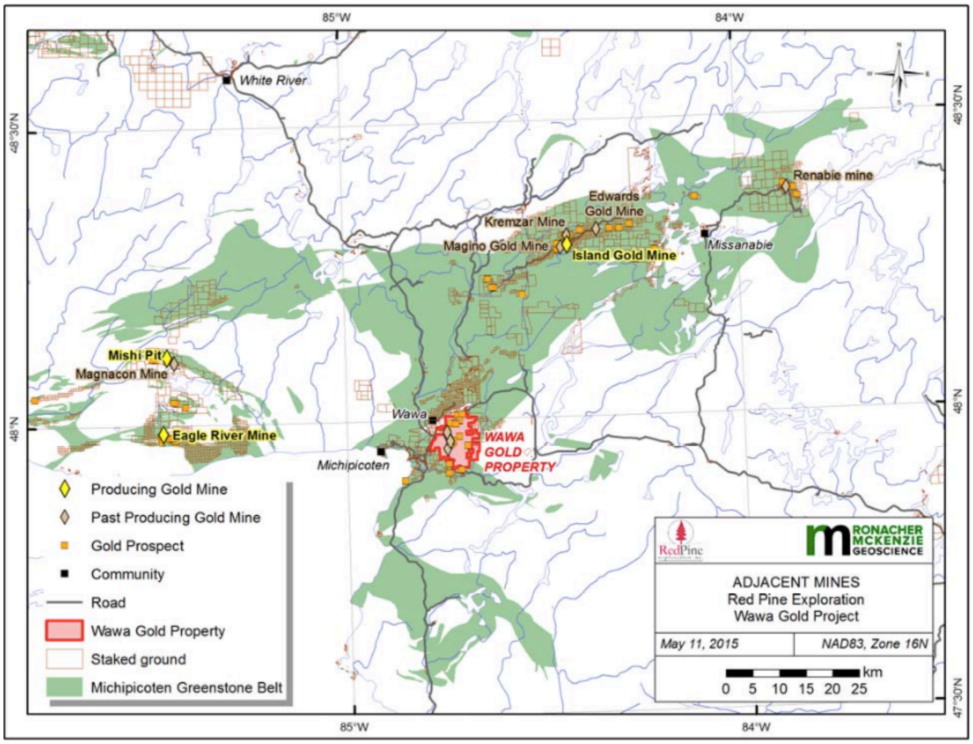

Figure 1 – Wawa Gold Property and adjacent producing mines and exploration projects

An updated NI 43-101 Technical Report was received on June 5, 2015 that defined an inferred resource estimate for the Surluga deposit of 1.088 million oz Au at grade of 1.71 grams per tonne within 19.824 million tonnes and using an average 0.5 g/t gold cut off grade (see Table 1).

Table 1. Mineral Resource Statement* for the Surluga-Jubilee Gold Deposit, Wawa Gold Project, Ontario

Inferred Resource**	Cut-Off Grade (g/t)	Quantity (t)	Gold Grade (g/t)	Contained Gold (oz)
Pit Constrained	0.40	10,239,000	2.05	676,000
Outside Pit Constrained	0.40	8,630,000	1.07	298,000
Underground	2.50	955,000	3.73	114,000
Total	0.50	19,824,000	1.71	1,088,000

* Mineral resources are not mineral reserves and have not demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate. Composites have been capped where appropriate.

** Open pit mineral resources are reported at a cut-off grade of 0.40 g/t gold in relation with a conceptual pit shell constructed by SRK. Underground mineral resources include classified modelled blocks below the conceptual pit shell and above a cut-off grade of 2.50 g/t gold. Cut-off grades are based on a gold price of US$1,250 per once and a gold recovery of 95 percent.

*** The Technical Report was prepared by Ronacher McKenzie Geoscience in collaboration with SRK Consulting (Canada) Inc. The mineral resource estimate has an effective date of May 26, 2015 and is based on the exploration database up to January 19, 2015 consisting of 2,007 historical boreholes totalling 126,067 meters and 26 boreholes drilled by the Company during 2014 and 2015 totalling 5,594 meters that were designed to verify and validate parts of the historical data and the position of underground excavations. The complete Technical Report is available on SEDAR and on the Company website.

Recent results include the discovery of new gold mineralization zones within the Jubilee sheer zone and the hornblende shear zone (see press release dated December 18, 2015) and the discovery of a new gold-bearing shear zone on surface (see press release dated January 12, 2016). The winter 2016 exploration program is focusing on increasing the grade of the pit-constrained resources by defining gold zones immediately to the east and west of the Surluga Deposit (see press release dated January 21, 2016). This will be achieved by the following:

- Extending the gold-bearing structures of the Hornblende Shear Zone, William Gold Zone and Jubilee Shear Zone with drilling and ground geophysics;
- Improve the grade of the Surluga Deposit inferred resource by sampling 42,000 meters of historic drill core in the Jubilee Shear Zone that were not entirely sampled in the past; and,
- Improving the near surface gold resource of the Surluga Deposit by re-sampling historic core in the hanging wall of the inferred resources (area immediately to the east) to better characterize the identified gold zones sparsely sampled by previous operators.

(ii) Kipawa Property

The Kipawa property consists of 68 claims totaling 4.012 hectares in the Gendreau, Campeau and Reclus townships of Quebec located approximately 15 kilometers east of Temiscaming.

On October 22, 2014, the Company signed a Property Purchase Agreement (the "PPA") with Fiducie Ananke (the "Vendor") to acquire 100% of its Kipawa Silica Property (the "Kipawa Property"). The PPA was subsequently amended on April 8, 2015 whereby the Company issued 1,600,000 common shares valued at $240,000 and granted a 1% Net Smelter Return ("NSR") that can be fully repurchased by the Company for $500,000. The vendor was entitled to receive the following additional common shares if the Company completed certain financings by October 31, 2015:

a) 400,000 shares would be issued if $5,000,000 (including a minimum of $300,000 non-flow-through dollars) was raised by October 31, 2015.

During the period, the Company completed a financing that did not satisfy the conditions for the issuance of these additional shares to the vendor.

(iii) Cayenne Property

The Cayenne property consists of 21 Claims and 4 patented mining units covering 41.5 square kilometers in the Marion and Genoa Townships located approximately 110 kilometers southwest of Timmins, Ontario. The Company owns 100% of the property.

Glencore Xstrata plc ("Glencore"), the previous owner of the property, holds a 1.5% net smelter return royalty ("NSR") after recovery of all exploration costs incurred on the property by the Company, as well as a onetime buy back right (the "Buy Back Right") to reacquire up to a 50% interest, on a portion of the property that was originally optioned from Falconbridge Limited in 2005 (the "Falconbridge Claims") plus a one-kilometer area of influence around the Falconbridge claims.

On December 1, 2013, the Company signed an exploration agreement with the Flying Post First Nation ("FPFN"). The agreement permits the Company to undertake exploration activities within the respective band's traditional and customary lands in return for the following:

a) If the Company proceeds with a Preliminary Exploration Program Phase 1:
    a. The Company will issue on a one-time basis 10,000 common shares and 20,000 common share purchase warrants within 15 days of, and subject to approval of the TSX Venture Exchange ("TSXV") exchange, the execution of this agreement (issued). Each share purchase warrant will entitle the holder to purchase one non flow through share of the Company at an exercise price of the greater of $0.25 per share or the closing stock price on the day of approval by the TSXV exchange. The term of the share purchase warrants is five years from the date of issue.
    b. The Company will also contribute a one-time lump sum payment of $5,000 to the Community Fund of FPFN (paid).
b) If the Company proceeds with a Preliminary Exploration Program Phase 2:
    a. The Company will issue on a one-time basis 10,000 common shares and 20,000 common share purchase warrants within 15 days of, and subject to approval of the TSXV, the execution of this agreement. Each share purchase warrant will entitle the holder to purchase one non flow through share of the Company at an exercise price of the greater of $0.25 per share or the closing stock price on the

day of approval by the TSXV. The term of the share purchase warrants is five years from issue.

  b. The Company will also contribute a one-time lump sum payment of $5,000 to the Community Fund of FPFN.

c) If the Company proceeds with Exploration Programs After Phase 1 and 2:
  a. The Company will issue on a one-time basis 50,000 common shares and 100,000 common share purchase warrants within 15 days of, and subject to approval of the TSXV, the execution of this agreement. Each share purchase warrant will entitle the holder to purchase one non flow through share of the Company at an exercise price of the greater of $0.25 per share or the closing stock price on the day of approval by the TSXV. The term of the share purchase warrants is five years from the date of issue.
  b. The Company will also contribute a one-time lump sum payment of $5,000 to the Community Fund of FPFN.
  c. The Company will pay 2% of all Assessment Eligible Exploration Program costs incurred specifically on the project area after this agreement takes effect, to a maximum of $50,000 per agreement year. This amount is exclusive of the one time lump sum payments of $15,000 in aggregate and negotiation costs associated with transacting any future agreements entered into.
  d. The FPFN shall appoint an elders' committee, which will be engaged for the purpose of consultation and advice. The Company will provide up to $10,000 per year to the Elders Committee as an honorarium fee for travel.

The Cayenne Property has been subject to two major tectonic events: the first, generating north-south trending folds and the second generating east-west folding. These have been interpreted as the western extension from the Larder-Cadillac deformation zone and the second a western extension from the Porcupine-Destor deformation zone to the north. In 2006, a fold nose was discovered 500 meters west of Jefferson deposit. The deposit consists of massive sulphides enriched in zinc and lead over 150 meters strike and to a depth of 30 meters.

(iv) Other Properties

Algoma-Talisman Property

The Company has a 100% interest in patented land package covering approximately 65 square kilometres of fee simple patented mineral rights in Coppell and Newton Townships of the Porcupine Mining Division of Northern Ontario located approximately 110 km southwest of Timmins, Ontario.

Mortimer Property

The Company has a 100% interest in 14 unpatented mining claims covering approximately 2.3 square kilometers in the Dore Township approximately 110 km southwest of Timmins, Ontario. The previous owners retain NSRs ranging between 0.2% and 2% on certain claims and the Company has the option to purchase a portion of these NSRs for various cash payments as specified in the original purchase agreements.

Mt. Logano

The Company has a 100% interest in claims block covering 33.9 square kilometers located approximately 11 km east of the Dome mine in Timmins, Ontario. The claims are subject to a 3% NSR for gold and a 2% NSR for other minerals mined in the Mt. Logano Property. The Company has the right at any time to buy back 50% of the NSR (or 1.50% NSR for gold and 1.00% NSR for all other minerals) for the sum of $3,000,000.

Moffatt

The Company has a 100% interest in a claims block covering 17.8 square kilometers located approximately 10 km northwest of Atikokan, Ontario.

Ava-Claire Net Smelter Royalty

The Company retains a 1.5% Net Smelter Return ("NSR") on approximately 75 square kilometers of claims 20 km east of Goldcorp's Borden Gold project near Chapleau, Ontario. The underlying property package was sold to Probe Mines Ltd. in November 2012.

Edwards Net Smelter Royalty

The Company retains a 2% NSR on a property consisting of 43 claims in the Wawa area of Ontario owned by Richmont Mines Inc., which has the right to repurchase the NSR for $1,500,000.

LIQUIDITY AND CAPITAL MANAGEMENT

As of January 31, 2016, the Company had a working capital deficit of $290,985. There were no changes in the Company's approach to capital management during the period ended January 31, 2016.

	January 31, 2016	July 31, 2015
Current Assets:		
Cash and Cash Equivalents	$ 115,544	$ 115,229
Marketable Securities	2,500	2,500
Accounts Receivable	81,498	75,848
Due from Joint Venture Partners	178,227	80,690
Total Current Assets	377,769	274,267
Current Liabilities:		
Accounts Payable & Accrued Liabilities	$ 452,832	$ 259,993
Flow-Through Provision	200,000	200,000
Lease Inducements	15,922	15,922
Rental Deposit	19,528	-
Short-Term Loan	-	206,667
Total Current Liabilities	668,754	682,582
Working Capital Surplus (Deficiency)	**$ (290,985)**	**$ (408,315)**

In managing liquidity, the Company's primary objective is to ensure the entity can continue as a going concern while raising additional funding to meet its obligations as they come due. The Company's operations to date have been funded by issuing equity. The Company expects to improve the working capital position by securing additional financing.

The Company's investment policy is to invest excess cash in very low risk financial instruments such as term deposits or by holding funds in high yield savings accounts with major Canadian banks. Financial instruments are exposed to certain financial risks, which may include currency risk, credit risk, liquidity risk and interest rate risk.

The Company's mineral property interests are all in the exploration stage, as such the Company is dependent on external financing to fund its exploration activities and administrative costs. Management continues to assess the merits of mineral properties on an ongoing basis and may seek to acquire new properties or to increase ownership interests if it believes there is sufficient geologic and economic potential.

Management mitigates the risk and uncertainty associated with raising additional capital in current economic conditions through cost control measures that minimizes discretionary disbursements and reduces exploration expenditures that are deemed of limited strategic value.

The Company manages the capital structure on an ongoing basis and makes adjustments in response to changes in economic conditions and risks characteristics of its underlying assets. Adjustments to the Company capital structure may involve the issue of new shares, issue of new debt, acquisition or disposition of assets, or adjustments to the amounts held in cash, cash equivalents and short-term investments.

The Company is not subject to any externally imposed capital requirements.

OFF BALANCE SHEET TRANSACTIONS

The Company does not have off-balance sheet arrangements including any arrangements that would affect the liquidity, capital resources, market risk support and credit risk support or other benefits.

DIVIDENDS

The Corporation has neither declared nor paid any dividends on its Common Shares. The Corporation intends to retain its earnings, if any, to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

SHARE CAPITAL

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares. The common shares have no par value.

b) Issued share capital

As at January 31, 2016 the Company had 69,237,343 issued and outstanding common shares (July 31, 2015: 54,320,971). All issued and outstanding common shares are fully paid.

c) Common Share Financings

On August 31, 2015, the Company closed the final tranche of a non-brokered financing with gross proceeds of $745,818 through the issuance of 14,916,372 flow-through units at a price of $0.05 per unit. In connection with this financing, the Company paid $73,106 cash commissions and issued 982,140 non-transferable compensation warrants entitling the holder to acquire one common share for a price of $0.05 per share with an expiry date of three years from date of issuance. Each flow-through unit consists of one flow-through share and one-half of one common share purchase warrant. Each whole warrant is exercisable for one common share at a price of $0.10 per share for a period of three years from the date of issue.

STOCK OPTIONS

The Company has a stock option plan (the "Plan") under which the Board of Directors of the Company may grant stock options to eligible participants including directors and officers of the Company. The exercise price of the options cannot be less than the closing price of the Company's shares on the trading day preceding the date of grant and the maximum term of any option cannot exceed five years. The maximum aggregate number of common shares under option at any time under the Plan cannot exceed 10% of the issued shares. The fair value of share-based compensation is recognized as contributed surplus upon issuance.

All outstanding stock options vested immediately upon being granted.

The following is a continuity schedule for each series of stock options outstanding as of July 31, 2015 and March 27, 2016:

Expiry Date	Exercise Price	Outstanding July 31, 2015	Granted	Expired or Cancelled	Outstanding March 27, 2016
February 18, 2016	$ 0.500	265,000	-	(265,000)	-
March 4, 2016	$ 0.500	729,000	-	(729,000)	-
March 4, 2016	$ 0.600	96,000	-	(96,000)	-
July 10, 2018	$ 0.500	380,000	-	-	380,000
December 18, 2018	$ 0.500	1,193,000	-	-	1,193,000
February 25, 2020	$ 0.500	1,663,000	-	-	1,663,000
August 27, 2020 (a)	$ 0.055	-	2,100,000	-	2,100,000
Total	$0.50	4,326,000	2,100,000	(1,090,000)	5,336,000

a) The fair value of the 2,100,000 stock options granted on August 27, 2015 was estimated at $98,910 using the Black-Scholes model for pricing options under the following assumptions: risk free interest rate - 0.74%; dividend yield - 0%; expected stock volatility - 170%; and an expected life of 5 years.

WARRANTS

The Company has issued warrants as part of equity financings. The fair value of warrants is recognized upon issuance as an equity reserve until expiration or exercise.

The following is a continuity schedule for each series of warrants outstanding as of July 31, 2015 and March 27, 2016:

Expiry Date	Exercise Price	Outstanding July 31, 2015	Issued	Expired or Cancelled	Outstanding March 27, 2016	Fair Value
December 19, 2017	$ 0.250	7,040,000	-	-	7,040,000	$ 769,880
April 30, 2017	$ 0.500	7,017,900	-	-	7,017,900	$ 825,700
April 30, 2017	$ 0.275	635,628	-	-	635,628	$ 109,964
February 19, 2017	$ 0.250	20,000	-	-	20,000	$ 6,090
July 30, 2018	$ 0.050	155,965	-	-	155,965	$ 6,519
July 30, 2018	$ 0.100	1,499,709	-	-	1,499,709	$ 38,700
August 13, 2017 (a)	$ 0.100	-	2,258,186	-	2,258,186	$ 58,500
August 13, 2017 (a)	$ 0.050	-	238,805	-	238,805	$ 10,555
August 20, 2017 (a)	$ 0.100	-	2,750,000	-	2,750,000	$ 67,100
August 20, 2017 (a)	$ 0.050	-	393,110	-	393,110	$ 17,375
August 28, 2017 (a)	$ 0.100	-	2,450,000	-	2,450,000	$ 60,100
August 28, 2017 (a)	$ 0.050	-	350,225	-	350,225	$ 15,445
Total	$0.50	16,369,202	8,440,326	-	24,809,528	$ 1,985,928

a) The relative fair value of the 8,440,326 warrants issued in connection with the private placement during August 2015 was estimated at $229,075 using the Black-Scholes model for pricing options under the following weighted average assumptions: risk free interest rate 0.42%; dividend yield 0%; expected stock volatility 180%; and an expected life of 3 years.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Mineral properties and deferred exploration expenditures
The Company is in the exploration stage with respect to its investment in mineral properties. As a result of the transition to IFRS, the Company has adopted the policy of expensing all mineral exploration expenditures to the statement of operations until such time as a proven mineral reserve is indicated and extraction is feasible.

Use of estimates
The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Share-based compensation
The share option plan allows the Company's employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Fair Value
The Company has designated its cash as held-for-trading. Accounts receivable is classified for accounting purposes as loans and receivables, which are measure at amortized costs, which equals fair value. Accounts payable and accrued liabilities and due to related party are classified for accounting purposes as other financial liabilities, which are measured at amortized cost, which also equal fair value. The fair values of the Company's cash, accounts receivable, accounts payable and due to related party approximate their carrying values because of the short-term nature of these instruments. The Company's investment in marketable securities is classified within Level 2 of the fair value hierarchy. Marketable securities include shares held in a Company traded on the TSX Venture Exchange. Management has determined that, due to low daily volume, the Company would not be able to dispose of the shares at the listed trading price and is therefore carrying the shares at a discounted fair value.

RISKS AND UNCERTAINTIES

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and development of mining properties. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. If any of the following risks actually occur, the Company's business, financial condition and operating results could be adversely affected.

Management
The success of the operations and activities of the Company is dependent to a significant extent on the efforts and abilities of its management, outside contractors, experts and other advisors. Investors must be willing to rely to a significant degree on management's discretion and judgement, as well as the expertise and competence of the outside contractors, experts and other advisors. The Company does not have a formal program in place for succession of management and training of management. The loss of one or more of the key employees or contractors, if not replaced on a timely basis, could adversely affect the Company operations and financial performance.

Credit risk
The Company deposits cash with financial institutions it believes to be creditworthy. In some circumstances, cash balances at these financial institutions may exceed the federally guaranteed amount. The Company's current credit risk is primarily attributable to cash and accounts recoverable. Cash is held with a reputable, Tier A Canadian chartered bank and as such, management believes the risk of loss to be minimal. Accounts receivable is due from the federal government of Canada. Management believes that the credit risk with respect to financial instruments included in HST recoverable is minimal and remote.

Liquidity risk
The Company's ability to remain liquid over the long term depends on its ability to obtain financing necessary to complete exploration and development of its mineral properties and their future profitable production or, alternatively, upon the Corporation's ability to dispose of its interest on an advantageous basis.

Currency risk
The Company has no foreign currency denominated assets or liabilities. Major purchases are transacted in Canadian dollars and therefore the Company has no material foreign currency exposure.

Interest rate risk
The Company's cash balance is subject to changes in interest rates. Interest rate risk is minimal.

Equity price risk
Market risk arises from the possibility that changes in market prices will affect the value of financial instruments of the Company. Except for marketable securities, the Company's other financial instruments (cash, accounts receivable, accounts payable and accrued liabilities and due to related party) are not subject to price risk.

Commodity price risk
The Company is exposed to price risk with respect to gold and other commodity prices, such prices impacting the future economic feasibility of its exploration properties. The Company closely monitors gold and other commodity prices to determine the appropriate course of action to be taken by the Company.

Additional capital
The exploration activities of the Company may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and development of any of the Company's properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financings will be favourable to the Company. In addition, low commodity prices may affect the Company's ability to obtain financing.

Environmental and permitting
The Company's current or future operations, including development activities, are subject to environmental regulations, which may make operations not economically viable or prohibit them altogether. All aspects of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations, among other things, mandate the maintenance of air and water quality standards, land

reclamation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Acquisition
The Company uses its best judgment to acquire mining properties for exploration and development. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and development, or integrate such opportunity and their personnel with the Company. The Company cannot assure that it can complete any acquisition that it pursues or is currently pursuing, on favourable terms, or that any acquisition completed will ultimately benefit the Company.

Competition
The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than the Company. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospectus for mineral exploration in the future.

Political risk
All of the Company's properties are located in Canada. Accordingly, the Company is subject to risks normally associated with exploration for and development of mineral properties in Canada, which the Company believes to be low.

Business risk
There are numerous business risks involved in the mineral exploration industry. The Company may not own 100% of a mineral concession or joint venture. Similarly, any non-compliance with or non-satisfaction of the terms of the Option by the Company could affect its ability to exercise the Option and earn its interest in the mining concessions and assets relating to properties.

Surface Rights
Mining concessions may not include surface rights and there can be no assurance that the Company will be successful in negotiating long term surface rights access agreements in respect of the properties. Failure to obtain surface rights could have an adverse impact on the Company's future operations.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company has established procedures and internal control systems to ensure the timely and accurate preparation of financial, management and other reports. The Chief Executive Officer and Chief Financial Officer certify financial reports. Disclosure controls are in place to ensure all reporting meets statutory reporting requirements. The Company's management is responsible for establishing and maintaining adequate internal controls. These controls have been designed to provide reasonable, but not absolute, assurance with respect to the Company's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Internal controls, however well conceived, will provide only reasonable and not absolute assurance that the objectives of the internal controls over financial reporting will be met. It should not be expected that the disclosure and internal controls and procedures would prevent all errors or fraud.

Due to the small size of the Company's finance department, there are a limited number of personnel handling accounting and financial matters and as a result, there is a lack of segregation of duties. Management believes that it has designed sufficient compensating internal controls to mitigate these limitations, including dual signatories on all cheques. Additional internal controls include audit committee and senior management review and oversight.

The Company's certifying officers, the Chief Executive Officer and the Chief Financial Officer, have reviewed the effectiveness of the design and operation of the Company's disclosure controls and procedures as a whole. Based on their review, including a review of the compensating controls relating to the lack of segregation of duties noted above, they have concluded that the Company's internal controls and procedures, as defined in National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Filings of the Canadian Securities Regulators, were effective overall.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable, but not absolute, assurance that all material information is obtained, analyzed and reported to senior management on a timely basis in order for management to make reasonable decisions regarding public disclosure.

The Company's certifying officers, the Chief Executive Officer and the Chief Financial Officer, have reviewed the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on their review, they have concluded that the Company's disclosure controls and procedures, as defined in National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Filings of the Canadian Securities Regulators, were effective and provide reasonable assurance that information required to be disclosed in interim, annual and special filings are submitted under Canadian securities laws and are recorded, processed, summarized and reported in a timely fashion.