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Form 51-102F1

**INTERIM MANAGEMENT DISCUSSION & ANALYSIS – QUARTERLY HIGHLIGHTS
FOR THE SIX MONTHS DECEMBER 31, 2016**

DATE: February 27, 2017

This interim Management Discussion and Analysis – Quarterly Highlights (“Interim MD&A”) has been prepared as of the date mentioned above. This interim MD&A updates disclosure previously provided in our Annual MD&A, up to the date of this Interim MD&A, and should be read in conjunction with our unaudited interim consolidated financial statements for the six months ended December 31, 2016 and 2015 (our “Condensed Interim Financial Statements”), our audited Financial Statements for the years ended June 30, 2016 and 2015 (our “Audited Financial Statements”) and our Annual MD&A for the year ended June 30, 2016 (our “Annual MD&A”).

Our Condensed Interim Financial Statements have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”) and all amounts are expressed in Canadian dollars unless otherwise noted. Our accounting policies are described in note 2 of our Audited Financial Statements. Additional information relating to the Company is available on SEDAR at www.sedar.com.

Caution on Forward-Looking Information

This MD&A may include forward-looking statements and forward-looking information, such as estimates and statements that describe the Company’s future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements and forward-looking information addresses future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.

FINANCIAL POSITION AND LIQUIDTY

For the Quarter Periods Ending on:	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Total Revenues	Nil	Nil	Nil	Nil
Net Loss	(641,405)	(117,775)	(12,666,095)	(71,829)
Net Comprehensive Income (loss)	(654,605)	(104,575)	(12,525,095)	(71,829)
Basic Loss per Share	(0.07)	(0.02)	(1.86)	(0.01)
For the Quarter Periods Ending on:	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
Total Revenues	Nil	Nil	Nil	Nil
Net Loss	(83,241)	(46,780)	(22,405)	(284,323)
Net Comprehensive Income (loss)	(302,368)	(295,364)	464,595	(629,153)
Basic Loss per Share	(0.01)	(0.01)	(0.00)	(0.04)

Current Quarter

The Company recorded a net loss from operations of \$641,405 (December 31, 2015: \$83,241) during the quarter ended December 31, 2016. The net loss for the quarter ended December 31, 2016 relates to the general and

administrative expense. The Company recognized a loss of \$149,453 on its sale of its marketable securities as well as \$365,316 in loss due to settlement of debt. Consulting and management fees increased due to the additional consultants hired during the third quarter of fiscal 2016.

LIQUIDITY

At December 31, 2016, the Company had a cash balance of \$643,162 (June 30, 2016: \$52,934). The increase in total cash is mainly due to the private placement completed in October 2016.. The Company has working capital of \$537,127 as at December 31, 2016 compared to a deficit of \$514,035 as at June 30, 2016.

Net cash used in operating activities for the period ended December 31, 2016 was \$390,657 compared to \$35,933 for the period ended December 31, 2015. The increase was due to repayment of outstanding payables as well as increased general and administrative expenditures.

Net cash derived from investing activities for the period ended December 31, 2016 was \$26,970 compared to \$35,716 for the period ended December 31, 2015. The decrease was due to the sale of marketable securities in prior year.

Net cash derived from financing activities for the period ended December 31, 2016 was \$953,915 compared to \$Nil for the period ended December 31, 2015. The increase was due to the cash received from closing of its October private placement.

The Company has no history of profitable operations and its exploration and evaluation projects are at an early stage. Therefore, the Company is subject to many risks common to comparable junior venture resource companies, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources as well as a lack of revenues.

OPERATIONS

In fiscal 2016, the Company impaired exploration and evaluation assets for \$12,396,089 given that the fair market value of the project is valued at a nominal cost and the fact that the Company has not invested any significant expenditures on the property.

EXPLORATION

Newman Todd Project

On November 19, 2010, the Company entered into an option agreement with Redstar Gold Corp (“Redstar”) entitling the Company to earn up to 70% of Redstar’s Newman Todd gold project (the “Property”) in the Red Lake Mining District of Northern Ontario. In November 2013, the Company completed the option to earn a 50% interest in the Property by incurring over a three year period a cumulative of \$5,000,000 of work expenditures on the Property, issuing to Redstar a total of 50,000 shares of the Company and making payments to Redstar totalling \$250,000.

As at June 30, 2016, the Company completed a preliminary economic assessment of the Property and issued 50,000 shares to Redstar in furtherance of the exercise of its option to earn an additional 20% interest in the Newman Todd Project as previously announced. The Property is subject to a 2% net smelter return and a 15% net carried interest. The latter interest does not receive payment until capital expenditures have been recovered with interest.

The Company also owns an effective 35% interest in certain other claims adjacent to the Property. At the end of 2013, the Company staked approximately 64 hectares (158 acres) of suitable ground outside of the “Area of Interest” for the purposes of land mining and infrastructure.

As at June 30, 2016 the Company had incurred \$12,396,090 in exploration and evaluation expenditures on the property. The Company decided to impair the mineral property value to \$1 given that the Company has not significantly advanced the Newman Todd Project. The Company continues to legally hold 70% interest in the property.

Other Properties

The Company also owns certain mineral claims in northern Ontario known as the Confederation Lake claims (sometimes referred to as the Mitchell-Belanger claims). No work was undertaken on the properties during the last two fiscal years and therefore at June 30, 2011 management decided to write off all costs incurred to date. The Company abandoned its interest in the Matless Lake claim on February 3, 2012.

All of the Company's presently held exploration and evaluation assets are situated in the Red Lake mining district of the province of Ontario, Canada. However, the Company may seek to acquire interests in other provinces or countries.

The Company finances its properties by way of equity or debt financing. Additional information is provided in the Company's financial statements. These documents are available on www.sedar.com.

ADDITIONAL DISCLOSURE

Other Corporate Information

The board of directors consists of Lawrence Dick, Denise Lok and David Velisek. Lawrence Dick is the Chief Executive Officer, and President and Savio Chiu is the Chief Financial Officer.

For personal and health reasons, Dr. Lawrence Dick has indicated a desire to implement a succession plan. At Dr. Dick's request, if day to day management activities are impeded by his illness he will remain a board member, however, his executive contract will transition to that of Consulting Geologist with a fixed term of 12 months at his current remuneration. His management duties will be assumed by the remaining members of the management team, whom collectively have decades of geological, financial, legal and business experience with both private and public companies and whom have been actively involved in the operations of the Company during the life of its current projects.

The Company is a reporting issuer in the provinces of British Columbia and Alberta.

The Company's head office is located at Suite 1980, 1075 West Georgia Street, Vancouver, BC, V6E 3C9.

Effective June 30, 2016, the Company consolidated its issued and outstanding share capital on the basis of one (1) post consolidation share for each ten (10) pre-consolidation common shares. All references to shares and per share amounts have been retroactively restated to give effect to the consolidation.

Related Party Transactions

Transactions with the Company's directors and officers:

Services provided by:	Notes	Three Months Ended		Six Months Ended	
		2016	2015	2016	2015
		\$	\$	\$	\$
Lawrence Dick	(a)	3	3	6	6
David Velisek	(b)	15,000	-	15,000	-
Baron Global Financial Canada Ltd.	(c)	30,000	30,000	60,000	60,000

(a) Lawrence Dick, the CEO of the Company provided management services.

(b) David Velisek, the Director of the Company provided business development consulting fees.

(c) Pursuant to a management and advisory agreement with Baron Global Financial Canada Ltd. ("Baron"), Baron agreed to act as corporate advisor and Chief Financial Officer of the Company in return for a monthly fee.

Payables to the Company's directors and officers:

	December 31, 2016	June 30, 2016
	\$	\$
Lawrence Dick	6	5,019
David Velisek	-	16,469
Baron Global Financial Canada Ltd.	-	220,602

On November 2, 2016, the Company settled debt owing to Baron Global Financial Canada in the amount of \$126,051 and to Lawrence Dick in the amount of \$50,019 by issuing 350,141 and 138,942 shares at a deemed value of \$0.36 per share.

Outstanding Share Data

The authorized capital consists of unlimited common shares without par value. As of February 27, 2017, the following common shares and stock options were issued and outstanding:

	Number of Shares	Exercise Price \$	Expiry Date
Common Shares	10,365,526	-	-
Warrants	2,542,327	0.56	October 28, 2018
Fully diluted	12,907,853		

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning the Company's general and administrative expenses and mineral property costs is provided in the Condensed Interim Financial Statements and related notes that are available on the SEDAR website www.sedar.com.