

Management's Discussion and Analysis

For the three month period ended
June 30, 2015

Dated: August 27, 2015

This Management Discussion and Analysis ("MD&A") is dated August 27, 2015 and is in respect of the three month period ended June 30, 2015. The following discussion of the financial condition and results of operations of Zenyatta Ventures Ltd. ("Zenyatta" or the "Corporation") constitutes management's review of the factors that affected the Corporation's financial and operating performance for the three month period ended June 30, 2015.

This discussion should be read in conjunction with the Corporation's condensed interim financial statements and corresponding notes to the financial statements for the three months ended June 30, 2015 and the audited annual financial statements for the year ended March 31, 2015, the most recently completed fiscal period. The Corporation's condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars which is the Corporation's functional and reporting currency.

Additional information relating to the Corporation can be found under the Corporation's profile on SEDAR at www.sedar.com.

Forward Looking Statements

This MD&A of the Corporation contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results to differ materially from those anticipated, expressed or implied in such forward-looking statements.

Factors that could affect these statements include, without limitation, availability of financing and personnel, fluctuations in metal prices, future exploration and development programs, general business and economic conditions, social and political stability, security of title, timing and receipt of permits and licenses, the impact of changes in future legislation and regulations, changes in mining or environmental regulations, competition and currency fluctuations. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Shareholders are cautioned not to place undue reliance on forward-looking information. The Corporation undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

These factors and other risks and uncertainties are detailed in the Corporation's reports and disclosure documents filed by the Corporation from time-to-time with Canadian securities regulatory authorities.

Overview

The Corporation is a junior mineral exploration company focused primarily on mineral deposits in Northern Ontario, Canada. The Corporation is actively engaged in exploring mining projects and holds an interest in exploration licences on properties in the "Arc of Fire" area in Northern Ontario, Canada. The properties, located north of Lake Superior and west of James Bay in north-western Ontario, Canada, are unpatented, non-contiguous, and consist of 6 blocks of claims (originally consisted of 28 block claims), 157 claims and 2,356 claim units, totalling 376.96 km^2 and 37,696 hectares (the "Claims"). The Corporation's current

objective is to focus on the exploration of the Claims and development of the Albany Graphite Deposit on claim block 4F.

The Corporation was registered and incorporated in Ontario, Canada as 1774119 Ontario Limited on July 29, 2008. Pursuant to Articles of Amendment dated November 24, 2009, the Corporation changed its name to Zenyatta Ventures Ltd. On December 23, 2010, the Corporation became a reporting issuer in Ontario, Alberta and British Columbia. The common shares of the Corporation commenced trading on the TSX Venture Exchange under the symbol ZEN.

Overall Performance

During the three month period ended June 30, 2015, the Corporation continued exploration activities on the Claims. Overall, during the three month period ended June 30, 2015, the Corporation had expenditures of $746,530 consisting of deferred exploration costs and operating expenses.

As at June 30, 2015, the Corporation had $20,350,083 in deferred exploration costs as a result of its airborne survey, additional staking and exploration costs, drilling program, which includes $1,292,500 worth of cash, shares and warrants given to Cliffs Natural Resources Exploration Canada Inc. ("Cliffs Canada") in connection with the Amended Albany Agreement.

Results of Operations

Net loss

The Corporation recorded a loss of $1,311,507 with basic and diluted loss per share of $0.02 for the three month period ended June 30, 2015 (2014 – loss of $641,463 and $0.01).

Revenue

The Corporation is in the development stage and therefore did not have revenues from operations. Interest and other income for the three month period ended June 30, 2015 was $504 (2014 - $15,353). Grant income netted against the exploration and evaluation assets for the three month period ended June 30, 2015 was $48,063 (2014 - $nil).

Expenses

Stock-based compensation costs were $864,580 for the three month period ended June 30, 2015 (2014 - $133,761). Stock-based compensation was based on the fair value of the options described in Note 7(c) of the audited financial statements as calculated using the Black-Scholes option pricing model. Stock-based compensation is recognized over the vesting period of the underlying options.

General and administrative expenses were $309,157 for the three month period ended June 30, 2015 (2014 - $382,696). The most significant components of general and administrative expenses are wages and benefits. The following table details the material components of the Corporation's general and administrative expenses for the three months periods ended June 30, 2015 and 2014.

	Three months ended June 30, 2015	Three months ended June 30, 2014
Salaries and Benefits	$ 175,851	$ 263,726
Meals and Entertainment	7,789	12,459
Accommodations	-	18,807
Finder fee	47,790	-
Investor Communications	23,890	17,196
Travel	9,611	20,683
Other	44,226	49,825
Total	**$ 309,157**	**$ 382,696**

Stock exchange and filing fees were $nil for the three month period ended June 30, 2015 (2014 - $8,786).

Professional fees were $8,634 for the three month period ended June 30, 2015 (2014 - $73,370). These fees consist primarily of the amounts charged for services provided by the Corporation's lawyers, auditors, and accountants.

Investor relations and promotion expenses were $6,824 for the three month period ended June 30, 2015 (2014 - $4,374). These expenses consist primarily of the costs of marketing trips and other costs such as attending industry conferences.

Consulting fees were $120,080 for the three month period ended June 30, 2015 (2014 - $50,574). The most significant component of consulting fees related to costs associated with fees paid for advisory services related to institutional investors and investor relations.

Amortization expense was $2,736 for the three month period ended June 30, 2015 (2014 - $3,255). Amortization is taken on the capitalized cost of the Corporation's computers and equipment.

Cash Flows

During the three month period ended June 30, 2015, cash increased overall by $60,841 (2014 – decreased by $53,712). Operating activities resulted in a decrease in cash of $448,034 (2014 – increase of $17,248) due to continued spending on consulting and professional fees and general and administrative expenses. Investing activities resulted in a decrease in cash of $78,625 (2014 – $282,960) due to continued spending on mineral exploration and evaluation activities, partially offset by redemptions of temporary investments and government assistance received. Financing activities resulted in an increase in cash of $587,500 (2014 – $212,000) due to proceeds received from the exercise of stock options.

Mineral Exploration Activities

Interest in mineral properties and exploration costs capitalized were $301,835 for the three month period ended June 30, 2015 (2014 - $290,593). All of these costs relate to the Albany Project. Costs capitalized relate to contracted geological services, general exploration costs, drilling costs, geophysical survey costs and stock-based compensation. The following table details the material components of the Corporation's exploration and evaluation assets for the three month periods ended June 30, 2015 and 2014.

ALBANY PROPERTY	Three months ended June 30, 2015	Three months ended June 30, 2014
Opening Balance	$ 20,048,248	$ 18,611,279
Contractor Services	186,045	141,833
Field Camp Expenses	5,504	11,281
Equipment Rental	4,162	5,862
Processing and Testing	5,300	8,730
Metallurgical Testing	145,287	65,840
Site Costs	3,600	57,047
Cost recovery (grants)	(48,063)	-
Closing Balance	**$ 20,350,083**	**$ 18,901,872**

Albany Project

During the year ended March 31, 2010, the Corporation signed an option agreement which was subsequently superseded and replaced effective November 2, 2010 (the "Albany Agreement"), to earn an interest in the Albany Property located in Northern Ontario. Under the terms of the Albany Agreement, the Corporation can acquire, upon exercise of the first option, a 25% interest in the Albany Property, and upon exercise of the second option, an additional 55% interest in the Albany Property. The first option was exercised after completion of a helicopter-borne geophysical survey on the property during the quarter ended June 30, 2010 and issuance of 1,000,000 Units to the optionor during the quarter ended September 30, 2010, each unit being comprised of one common share and one warrant to purchase one additional common share at a price of $1.50 any time before December 23, 2015.

The second option was exercised after making certain payments totaling $140,000 and incurring aggregate expenses on the property in excess of $10,000,000.

On November 21, 2012, the Company reached an agreement with the optionor to amend the Albany agreement and acquired the remaining 20% interest in the Albany Property (claim block 4F) bringing the Company's total interest in the property to 100%. Pursuant to the terms of the transaction, the Company and the optionor agree to the following with respect to this agreement:

a) The Company will issue to the optionor a total of 1,250,000 shares as follows: (i) 500,000 shares upon signing the agreement (issued); (ii) 250,000 shares to be issued upon completion of a pre-feasibility study; (iii) 500,000 share to be issued upon completion of a feasibility study;
b) The Company granted the optionor a net smelter return royalty of 0.75% on the 4F claim block, of which 0.5% can be purchased at any time for $500,000; and
c) Assumption of all liabilities of the property.

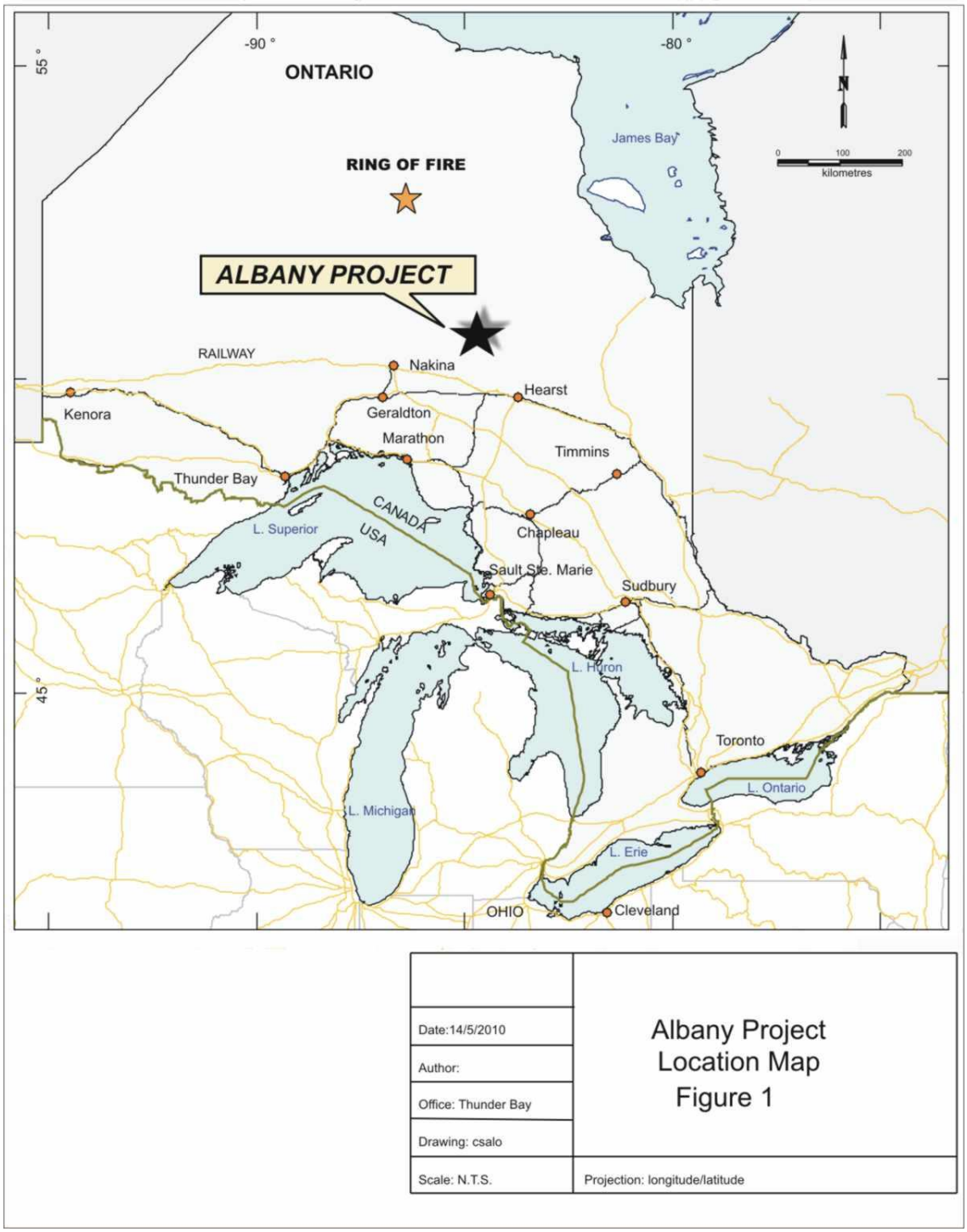
The following disclosure relating to the Albany Project has been derived from the report prepared for the Corporation by Jean M. Legault, M.Sc., P.Geo., of Geotech **dated November 1, 2010**, as amended on **November 26, 2010**, and entitled "*43-101 Technical Report on the Albany Project – Porcupine Mining District, Ontario NTS: 42K / 01, 02, 03, 07, 08, 09, 10, 14, 15, 16 - 42F / 15, 16 - 42N / 01, 02, 03, 04, 06 for Zenyatta Ventures Ltd.*" (the "Technical Report"). Mr. Legault, the author of the Technical Report, is a "qualified person" within the meaning of NI 43-101 and is independent of the Corporation. The Technical Report may also be reviewed under the Corporation's profile on the SEDAR website at www.sedar.com.

Project Description and Location

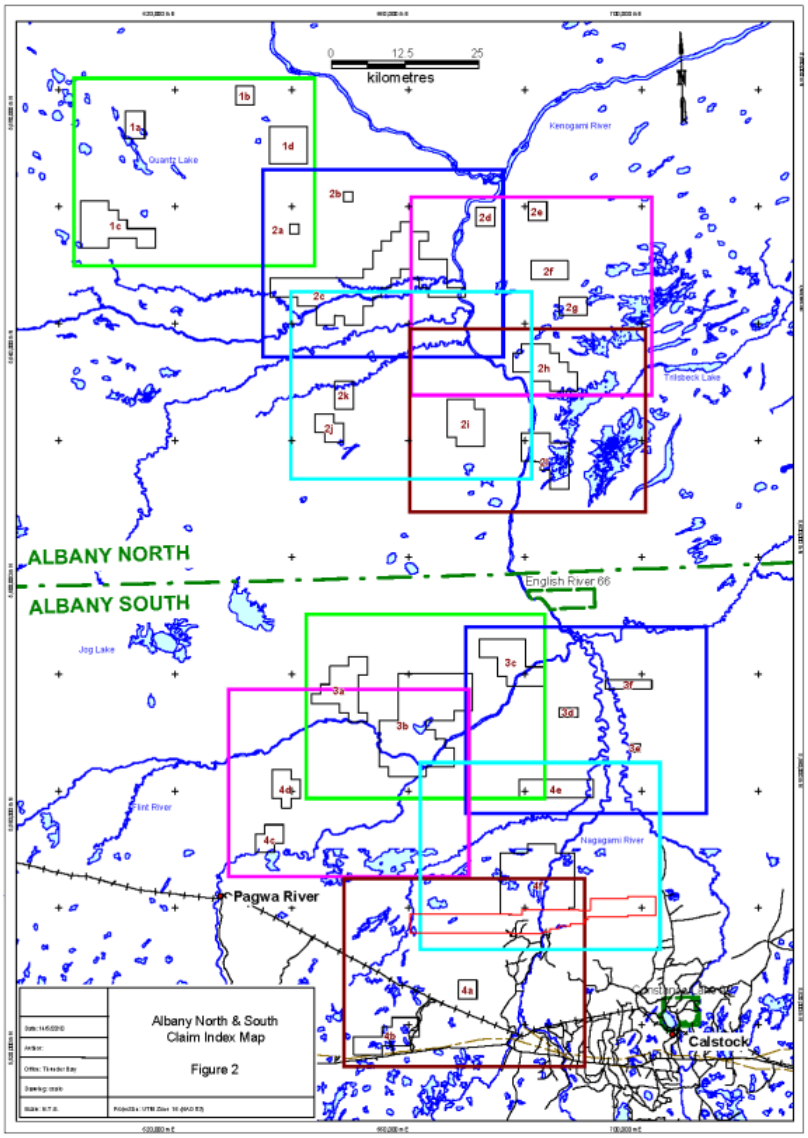
The Claims are located north of Lake Superior and west of James Bay in north-western Ontario, Canada. The southernmost claim block (4b) is approximately 86.5 km west of the town of Hearst, just north (0.46 km) of the Trans Canada Highway #11 (see Figures 1 and 2 below).

The majority of the Claims were staked during the late summer and fall of 2009, followed by additional staking in the winter and spring of 2010. The Claims are currently owned 25% by the Corporation and 75% by Cliffs Canada, and are registered in the name of Cliffs Canada.

A total of approximately $1,550,000 has been spent to date of the Technical Report on a Geotech airborne EM geophysical survey that began in the field on March 20, 2010 and ended on May 19, 2010. Data processing and interpretation was complete on June 30, 2010. This amount will be filed with the Ministry of Northern Development and Mines (the "MNDM"). The Claims have not been the subject of a cadastral survey. Currently, there are no pending challenges to the title of the claims, and surface rights are owned by the Crown.



The Claims cover sections of ground that is reported to have been explored by eight exploration companies: Nagagami River Prospecting, Algoma Ore Properties, Satellite Metal Mines Limited, Keevil Mining, Cedam Limited, Shell Canada Explorations Limited, East-West Resource Corporation and Gowest Amalgamated Resources Limited. Presently, a numbered company "1518164 Ontario Incorporated" holds a group of claims adjacent to and south of the Claim block 4f.



There are no environmental liability issues related to previous exploration work on the Claims. The Corporation has not received from any government authority, any communication or notice concerning any actual or alleged breach of any environmental laws, regulations, policies or permits. There are no permits that must be acquired to conduct the proposed exploration work.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Claims (28 non-contiguous groups) are located over a large area of twenty townships, with all claims blocks located within the Porcupine Mining District of Northern Ontario. The Claims are all located north of Highway 11 and the town of Hearst is situated approximately 86 km to the east of the southernmost Claim block, 4b (see Figure 1).

The Claims are situated within the Hudson Bay-James Bay Lowlands area where the topography is essentially flat, low-lying and swampy. Overburden is very thick in places with little or no outcrop exposure. The Kenogami River flows north in the eastern section of the map area with several meandering tributaries flowing in from the west. There are many creeks flowing between peat bogs throughout the area. Vegetation is dominated by wetlands, with some areas of spruce and alder trees, and cedar swamps. Spruce and alder trees are also abundant along the banks of the Nagagami River and other smaller rivers.

The Claims are located in a remote area of Northern Ontario. Access to most of the Claims can only be gained using float plane, helicopter and All-Terrain-Vehicle. Claim blocks 4a and 4b, located in the southern area can be accessed from Highway 11. Some of the Claims located near the Kenogami River, or other rivers are accessible by boat or canoe. The town of Hearst, with a population of 5825, located 86 km east from claim block 4b, has many facilities to keep an exploration camp well supplied. Facilities include hotels, housing, hospitals, hardware stores, gas stations, and a local airport. Float plane and helicopter companies can also be found in Hearst.

The Claims are situated in Northern Ontario where there are different climates and weather extremes. Most of the region has a continental climate with warm to hot summers (June, July and August; 25ºC to 35ºC) and cold winters (December to March, 10 ºC to -20 ºC). Spring and autumn tend to be short seasons and have some of the weather of winter and summer. As a generalization, precipitation ranges from 600 mm to around 900 mm.

Surface exploration work can be carried out during the months of May to November, possibly later if there is no accumulation of snow. Additional exploration work (geophysical surveys and diamond drilling) can be conducted year-round.

History

The Claims cover large amounts of ground that has potential to host nickel, copper, and platinum group metal mineralization. The ground is underexplored and considered new frontier. The land staked by Cliffs Canada in 2009 and 2010 was selected based on geophysical information from Ontario Geological Survey airborne magnetic maps, the geological interpretation of those maps, and additional geological and geophysical data from the following historical exploration assessment reports:

Deposit Type

Mafic-ultramafic intrusion hosted Cu-Ni-PGM deposits range in age from Archean to Tertiary (mainly Archean and Proterozoic in Ontario), are stratabound, and host copper, nickel and/or platinum-group sulphides. These deposits generally occur in two types of cratonic settings: (1) as complexes related to flood basalts in an intracontinental rift environment; and (2) as large strataform complexes either sheet-like or dike-like. Host rocks include (commonly layered) norite, gabbro, quartz diorite, pyroxenite, amphibolite, diabase, peridotite, anorthosite, dunite, troctolite and harzburgite.

The principle mineralogy includes pentlandite, chalcopyrite, pyrrhotite, cubanite, and millerite. Other minerals may include pyrite, marcasite, valleriite, bornite, cobalt sulphides and sphalerite. PGMs may include sulphides, tellurides, arsenides, antimonides and alloys. Generally, the more mafic the composition, the higher the Ni/Cu ratio. The texture and style of the mineralization is disseminated, net textured, sulphide matrix breccia and massive sulphides that occur as stratabound to stratiform, tabular layers or lenses. The ore minerals are commonly located at or near the base of the host intrusion and sulphide veins and disseminations usually occur in the footwall rocks. PGM rich horizons generally occur at a significant distance above the base of the intrusion.

The Corporation is conducting exploration programs targeting nickel, copper, and platinum PGMs on the Claims. The Corporation has identified in the Claims a highly prospective 'new frontier' containing a vast underexplored area referred to as the Albany Project or "Arc of Fire" in the James Bay Lowlands. The area has been largely ignored in the past as a result of swamp and the younger Phanerozoic (460-360 Ma) cover rocks, up to 200m thick, overlying the prospective Archean rocks. Recent advances in airborne EM technology have allowed deeper penetration/resolution through the Fe-deficient shallow marine carbonate/clastic sediments to target favourable geological and structural settings within the underlying Archean.

The "Arc of Fire" consists of several large multi-phased mafic-ultramafic-alkalic complexes forming an arc line approximately 150km long. One of these complexes, called the Nagagami River Alkaline Ring Complex, shows similarities to the Mid-Continent Rift related Coldwell Complex on the north shore of Lake Superior. The "Arc of Fire" is believed to also represent a deep seated Proterozoic structure that may be related to the 1.1 billion year old Mid-Continent Rifting. The Mid-Continent Rift is a known deep seated structural environment that hosts a number of significant mineral deposits around Lake Superior, including the recently discovered Rio Tinto's Eagle and Tamarack Cu-Ni deposits and Magma's TBN PGM deposit. Rifting environments around the world are host to many large mineral deposits due to a tapping of the copper-nickel rich mantle by way of the structural conduits and traps for metal transport and deposit.

The Corporation will be targeting a Cu-Ni deposit at the Albany Project. The Proterozoic geological and geophysical setting is large enough to host and hide world class deposits of this model type. The "Arc of Fire" has considerable exploration potential with easy access and low-cost entry opportunities. Historical drilling documents favourable rock types such as picrite, gabbro, anorthosite and carbonatites.

Mineralization

The majority of the Claims have not been previously explored. Historical exploration on a very small number of the Claims has been minor. The rocks that underlie the Claims are covered with thick overburden with little to no outcrop exposure, therefore most of the mineralization observed has been from drill core. The following are the Ontario Geological Survey ("OGS") occurrences located in the Claims:

1) Niobium – UTM's: 688472.8 East, 5560979.6 North, NAD 83 – a sample of anorthosite assayed 0.1% Nb_2O_5 (MDI# 42K01NM00004) from Algoma drill hole #5-64. (Figure 2, Claim block 4e)

2) Niobium – UTM's: 685545.8 East, 5551186.5 North, NAD 83 – a sample of amphibole pyroxene syenite assayed 0.3% Nb_2O_5 (MDI# 42K01SW00004) from Algoma drill hole #8-64. (Figure 2, Claim block 4f).

Additional mineral occurrences (observed in drill core) have been reported in historical exploration company assessment reports:

1) Mineralization in outcrop: trace pyrrhotite, pyrite and chalcopyrite - UTM`s: 652395E/5515600N, NAD 83 - observed in gabbro/norite. (Figure 2, claim block 4b)

2) DDH #4: UTM's 652360E, 5515621N, NAD 83 - 2% pyrrhotite, pyrite, trace chalcopyrite within gabbro/norite. (Figure 2, claim block 4b)

3) DDH #4-64: UTM's 690049E/5561066N, NAD 83 - 5-10% magnetite within syenite; at 755 feet – 20% magnetite until end of hole. (Figure 2, claim block 4e)

4) DDH#5-64: UTM's 688452E/5561071, NAD 83 - 5% magnetite in diorite. (Figure 2, claim block 4e)

5) DDH #8-64: UTM's 685792E, 5551132N, NAD 83 - trace amounts of REE's in drill hole – 0.04% columbium, 0.1% lanthanum, 0.02% neodymium. (Figure 2, claim block 4f)

6) DDH #HS69-1: UTM's 696226E, 5579982N, NAD 27 - at 1338 feet, thin seam of calcite and quartz, containing pyrrhotite and chalcopyrite. (Figure 2, claim block 3f)

7) DDH #HD69-1B: UTM's 656977E, 5639148N, NAD 27 - at approximately 900 feet, intersected gabbro with minor sulphides. (Figure 2, claim block 2c)

8) DDH #HA69-1: (South of Lone Lake area) At 731 feet to 901 feet, drilling intersected magnetite carbonatite described as: "blue-grey granular quartz with magnetite in small disseminated grains interbedded with seams, stringers and veins of massive magnetite. Contains some massive magnetite beds, estimated at 30-40% soluble iron. (Exact location not found.)

Exploration

The Corporation is conducting staged exploration on the Claims. The preliminary exploration utilized a helicopter borne time domain EM geophysical VTEM35 survey flown by Geotech. Geotech's time-domain EM system utilizes modern advances in digital electronics and signal processing. The VTEM35 system has the highest signal to noise ratio of any airborne EM system resulting in the deepest possible depth of investigation.

A test survey conducted over two Claim blocks indicated that the VTEM35 system has excellent penetration in what is a moderately conductive environment. Geotech's modeling suggests that the VTEM35 system is mapping a thickness of approximately 350-400 meters on average. Based on these results, the VTEM35 system is expected to map a thickness with similar resistivity depths approaching 600 meters.

The field portion of the survey commenced on March 20, 2010 and ended May 19, 2010, with lines flown in a north-south direction using 150 metre line spacing. The survey totalled approximately 9450 line km over 28 Claim blocks. Results of this survey were used to identify several high priority geophysical electromagnetic targets for follow-up drilling under the recommended Phase I and II Drill Budgets.

Interpretation and Conclusions

The Claims are situated in a vast area of Northern Ontario that in the opinion of the author of the Technical Report is underexplored. The Claims cover ground that is considered new frontier in mineral exploration. The disclosure in the Technical Report summarizes the limited historical exploration work carried out by companies, reported results, interpretation of geophysical surveys and diamond drilling, and recommendations for future exploration work on the Claims.

The Claims cover ground that has potential to host Cu-Ni-PGM deposits. Most of the limited historical exploration has been reconnaissance geophysical surveys (airborne and ground magnetic, and electromagnetic projects), with a minor amount of follow-up diamond drilling. Past geophysical magnetic surveys have outlined several anomalies within the Precambrian rocks that underlie the Paleozoic limestone. A helicopter borne VTEM geophysical survey has been successfully completed over the Claims. Results have been presented as stacked profiles, and contour color images at a scale of 1:10,000 & 1:20,000. The survey results are supported by the EM anomaly picking, EM time-constant (Tau) and magnetic derivative analyses that were performed. The results of the Corporation's recently flown helicopter borne magnetic and EM survey outlined several high priority targets for diamond drill testing of possible Cu-Ni-PGM mineralization.

Recommendations and Budget 2010

The Corporation has finished the preliminary exploration for Cu-Ni-PGE targets on the Claims and conducted a follow-up two-phase exploration program described below.

The preliminary exploration on the Claims, carried out in the winter and spring of 2010, consisted of a Geotech helicopter borne VTEM 35 survey. Results of this survey have been used to identify high priority airborne EM targets for diamond drilling. A total of 22 high priority geophysical anomalies (EM and magnetic) were identified for follow-up modeling and drill testing with a minimum of 1000 metres per target in 2011. Based on the geophysical results obtained, a number of other EM anomalies were identified on various Claim blocks and warranted drill testing. The magnetic results may also contain worthwhile information in support of exploration targets of interest. It was therefore recommended in the Technical Report that a detailed interpretation of the available geophysical data be conducted, in conjunction with the geology. It was recommended that this should include 2D - 3D inversion modeling analyses and magnetic derivative analysis prior to ground follow up and drill testing.

A two phase exploration program was conducted that included geophysical modeling and a minimum of 22,000 metres of diamond drilling to test airborne magnetic and EM anomalies. The two-phase exploration program on the Claims in 2011 & 2012 cost an estimated total of >$10 million and included the discovery of a rare form of graphite mineralization, now termed the Albany Graphite Deposit.

Albany GRAPHITE Deposit

Zenyatta Ventures Ltd. is a junior exploration company focused on developing the Albany Graphite Deposit, a very rare, hydrothermal, breccia-hosted, graphite deposit situated in northeastern Ontario, Canada. First discovered in 2011, it is currently the largest and only known hydrothermal graphite deposit under development in the world.

Preliminary bench-scale metallurgical studies demonstrate that a high-purity graphite concentrate can be produced from the mineralization utilizing a relatively low-cost processing technique of caustic bake (NaOH) compared to the traditional method of aggressive acids and thermal treatment. The Company is actively working to target the high purity (high quality), synthetic graphite market. A 2012-2013 drill campaign has been completed and was used to develop a NI 43‑101 resource estimate. A Preliminary Economic Assessment (PEA) was completed in June 2015.

Location: Zenyatta's Albany graphite deposit is located 30 km north of the Trans-Canada Highway, and close to excellent infrastructure including a power line and a natural gas pipeline near the communities of Constance Lake First Nation and Hearst. A rail line is located 70 km away and an all-weather road extends to approximately 4-5 km from the graphite deposit.

History: A two-phase exploration program on the Albany Project in 2011 and 2012 led to the discovery of a unique graphite deposit. Testing a large airborne EM conductor measuring 1400 m by 800 m, the first drill hole on the Albany project intersected an extensive graphite-rich breccia zone hosted within an alkalic intrusion. The deposit is near surface, underneath glacial till overburden and a thin veneer of limestone. In early 2012, a mineralogical report prepared by Dr. Andrew Conly of Lakehead University Mineralogy and Experimental Laboratory characterized the deposit as a magmatic, hydrothermal style of graphite mineralization. Hydrothermal breccia graphite is very rare, and the purest form of graphite found in nature.

In March 2012, Zenyatta commenced an initial 4,000 m exploration drill campaign at the Albany Graphite Deposit with a goal of further testing the extent of the EM conductor. The nine-hole drill program succeeded in establishing widespread graphite mineralization over the targeted airborne geophysical conductor in a lateral and vertical extent, where it remained open.

In March 2013, Zenyatta began a fully-funded $6 million drill program to define the size and grade of the Albany Graphite Deposit. The 50-60 hole drill campaign will be used to complete a NI 43-101 resource estimate.

In April 2013, Zenyatta announced that all trials using a simple caustic baking leach process (sodium hydroxide) conclusively demonstrated that an ultra-high purity graphite product with >99.99% Carbon can be produced from the Albany graphite deposit mineralization. Mineralogical work showed the graphite material to be of high-quality, containing insignificant amounts of impurities.

In May 2013, Zenyatta reported results of a ground survey using EM geophysics to better define the geometry of the Albany graphite deposit. The survey revealed two discrete, strongly conductive zones which are coincident with the graphite mineralization associated with the East and West breccia pipes.

More recently, Zenyatta has also drilled three HQ size holes on the East Pipe in order to obtain 5 tonnes of graphite mineralization to proceed with a second phase processing of a mini-bulk sample at SGS Canada Inc. ('SGS') in Lakefield. This processing will allow additional optimization of the flow sheet for the PEA and provide material for further testing by Zenyatta and also other interested parties who have requested material. A similar 5 tonne mini-bilk sample is also planned for the West Pipe.

Albany Project Update – 43-101 Technical Report

The Corporation has filed a complete technical report (the "Technical Report") on SEDAR at www.sedar.com further to the news releases dated December 2, 2013 and January 16, 2014 with respect to the Company's 100%-owned Albany graphite deposit in northeastern Ontario, Canada.

The Technical Report is titled "Technical Report on the Albany Graphite Deposit, Northern Ontario, Canada", and was authored by David Ross, P. Geo., and Katherine Masun, P. Geo., of Roscoe Postle Associates Inc. ("RPA"), who are independent "qualified persons" as defined by National Instrument 43-101 ("NI 43-101"). Significantly, the Technical Report highlights a large and discrete graphite deposit with an estimated Mineral Resource which is relatively insensitive to cut-off grades from 0.4% Cg up to at least 2.0% Cg.

RPA estimates Indicated Mineral Resources delineated to date total 25.1 million tonnes ("Mt") at an average grade of 3.89% graphitic carbon ("Cg"), containing 977,000 tonnes of Cg. In addition, Inferred Mineral Resources delineated to date are estimated to total 20.1 million tonnes at an average grade of 2.20% Cg, containing 441,000 tonnes of Cg. These results are based on a cut-off grade of 0.6% Cg with an assumed market price of $8,500 per tonne Cg. The results below, as given in the Technical Report, show that even if the assumed market price of Cg varies, any appropriate increase in the cut-off grade results in a relatively minor reduction of the resource estimate.

Classification, Cut-off Grade	Tonnage (Mt)	Grade (%Cg)	Tonnes Graphitic Carbon (t Cg)
Indicated			
2.0	20.7	4.41	914,000
1.0	24.3	3.99	971,000
0.6	25.1	3.89	977,000
0.4	25.4	3.85	978,000
Inferred			
2.0	9.4	3.34	315,000
1.0	15.9	2.57	408,000
0.6	20.1	2.20	441,000
0.4	23.0	1.98	455,000

It is emphasized that the Technical Report defines a preliminary pit shell to fulfill the NI 43-101 requirement of "reasonable prospects for economic extraction". The economic potential and mining plans of these Mineral Resources has been outlined in greater detail in the Preliminary Economic Assessment (PEA), filed July 13, 2015, including more detailed definition of mining methods, pit slopes, costs and price assumptions.

Aubrey Eveleigh, President and CEO of Zenyatta, noted, "The significance of the insensitive nature of the Mineral Resource to varying cut-off grades highlights the distinct and continuous occurrence of graphite mineralization within well-defined breccia pipes that were not particularly dependent on cut-off grades related to commodity price assumptions." Aubrey Eveleigh further commented "Not only is a NI 43-101 Mineral Resource an important confirmation of a significant and unique graphite discovery, but the completion of the Technical Report required the input of a number of skilled and competent professionals. We are extremely pleased with quality of work represented by the report, and now look forward to the completion of a PEA".

Mr. Peter Wood, P.Geo., Zenyatta Ventures Ltd., Vice President Exploration, is the "Qualified Person" under National Instrument 43-101 and has reviewed and approved the technical information contained in this news release. To find out more on Zenyatta Ventures Ltd., please visit website www.zenyatta.ca or contact the Company at info@zenyatta.ca or Tel. 807-346-1660.

Recent Activity

Zenyatta provided an update in December 2014 on the metallurgical process development on the Albany hydrothermal graphite deposit being carried out at SGS Canada Inc. ('SGS') facility in Lakefield, Ontario. Designing a new process flow sheet for a speciality industrial mineral product from a unique deposit like Albany involves innovation with timelines for completion that are difficult to predict. Even though it has taken longer than anticipated, the SGS team has made significant progress improving upon the bench scale caustic bake process and an innovative, viable flow sheet has been developed for the Albany graphite deposit.

Highlights:

- **A higher grade flotation concentrate of up to 92.5% graphitic carbon ('Cg') was produced compared to the previous 78.3% Cg concentrate; this concentrate will be fed to the purification process to target greater than 99% Cg.**

- **For the first time, a fully engineered purification process has been completed providing data for energy requirements, water treatment, reagent consumption & equipment sizing;**
- **Optimization of NaOH consumption was achieved such that re-cycling was eliminated thereby reducing costs related to introduction of re-cycling engineering & equipment;**
- **Significant (~86%) reduction in the NaOH reagent dosage;**
- **A technically feasible & distinctive process flow sheet was developed and work continues to fully optimize it to meet customer expectations on purity.**

Dr. Stephen Mackie, Manager, Hydrometallurgical Group at SGS commented, "The recent test work has simplified the overall flow sheet for the purification of the graphite concentrate. Optimization of a process at this stage of a mineral project is a common exercise. We have come a long way in the last few months and will continue to develop a distinctive process for Zenyatta's unique, hydrothermal style graphite deposit."

Alex Mezei, M.Sc., P.Eng., Director, Engineering Technical Services at SGS stated "Our work has proven to be very effective in the early evaluation and troubleshooting of the flow sheet design, ultimately leading to significant progress on the Albany deposit. Nothing scales in a linear fashion in the mining industry. Many factors affect a final scaled up process, including reagent regime, temperature, residence time, mixing, separation and handling. We generated a significant amount of key process and engineering data, whilst gaining a solid understanding of the analytical requirements and acceptable methods. We will now proceed towards improving the flow sheet further using the same consistent and balanced approach, with emphasis on ensuring commercial applicability whilst defining the requirements for further increase of the final product purity. This is very important for a robust and cost effective process in the long run."

Aubrey Eveleigh, President & CEO at Zenyatta, commented, "Process optimization (cost cutting, simplifying equipment, eliminating caustic re-cycling) was a success. The SGS test work has resulted in a 'thinking outside the box' robust process. While SGS has made significant progress on the metallurgical work, designing an innovative new process takes time and the timelines for completion are difficult to forecast accurately. Our priority is on defining the best possible process and meeting customer expectations on product quality for a broad range of applications with demanding specifications. The engineering work completed to date has been much more detailed than is normal for a project at the preliminary economic assessment (PEA) stage. We believe that Zenyatta is a leader in developing a new cost-effective process for the production of ultra-high purity natural graphite. Further purification test work is underway to produce a potential range of purities that are required by end-users. This is based on discussions with interested end users related to strict specifications under signed confidentiality agreements. The Company plan is to develop an environmentally benign process for a high purity (benign) deposit. Given the feedback from potential strategic partners in the CleanTech sector, this is a critical consideration. Once ready, the complete process flow sheet and associated engineering data will then be fed into the PEA which is now underway by RPA Inc. The PEA economic evaluation is substantially complete except for the final inputs from the purification test work. The final results of the metallurgical work and the subsequent PEA will be announced once completed. While Zenyatta's independent contractors work on the metallurgical and PEA programs, the Company will continue to advance its market and business development programs."

The metallurgical test work is being performed under the supervision of Alex Mezei, M.Sc., P.Eng., Director, Engineering Technical Services at SGS, independent consultants to Zenyatta, and Peter Wood, P.Eng., P.Geo., VP Exploration of Zenyatta. Peter Wood and Alex Mezei are the Qualified Person's under NI 43-101 who supervised the preparation of the scientific and technical information that forms the basis for the disclosure contained in this news release and they have reviewed this news release.

Preliminary Economic Assessment

On June 1, 2015, the company issued a news release announcing the results of a positive preliminary economic assessment ('PEA') on its Albany *hydrothermal* Graphite Project located in northern Ontario, Canada. The PEA was prepared by RPA in Toronto with mill design input from SGS. The RPA report concluded that the PEA is positive and the project should be advanced to the pre-feasibility stage. An animated video of the proposed mining project can be found on the Zenyatta website.

PEA Highlights: *(Note: All dollar amounts in US currency unless otherwise specified)*

- Open-Pit, Life of Mine ('LOM') of 22 years based on less than 50% of the Indicated & Inferred Mineral Resources. Underground mining of Inferred Resources below the sill are not included in this study. The deposit is open at depth;

- 3,000 tonne per day open-pit mine and process plant to produce 30,000 tonnes of high purity (>99.9% Cg) graphite annually;

- Price of purified graphite @ $7,500 per tonne and operating costs of $2,046 per tonne showing a margin of $5,454 per tonne;

- Total LOM gross revenue of ~$4.8 Billion and an after-tax cash average annual cash flow of $110 Million;

- A base case after-tax Net Present Value at a 10% discount rate of $438 Million yielding an after-tax Internal Rate of Return of 24%.

RPA proposes a 22-year, open-pit mine with a processing plant located on site which generates a strong annual cash-flow and high rate of return. The PEA indicates that the Albany graphite project has excellent potential to be a low-cost source of high purity graphite without the use of dangerous and environmentally harmful hydrofluoric acid (as in China) or costly thermal upgrading (as in synthetic graphite derived from petroleum coke). Recent work performed by SGS, on behalf of Zenyatta, successfully completed and tested an innovative and relatively benign purification process for the production of consistent and highly crystalline graphite exceeding 99.9% purity from the Albany deposit. Feedback from the cleantech sector suggests that environmental considerations are critical when sourcing raw materials for today's high tech applications like energy storage. Supply chain transparency is easier to track and is expected in an ever demanding 'green' world.

The PEA is based on mineral resources that are not mineral reserves and have not demonstrated economic viability. Thus, there is no certainty that the results of this PEA will be realized.

OPERATING (US$)

Purified Graphite (>99.9% Cg) Price per tonne	$7,500
Purified Graphite Operating Cost per tonne	$2,046
Total Operating Cost per tonne processed ore	$62
Tonnes Ore Mined per day (grade @ 4.05%Cg)	2,736
Tonnes Purified Graphite Product per year (350 days)	30,000
Tonnes Ore Processed (Mill Feed – LOM)	20,927,000
Tonnes Purified Graphite Product (LOM)	633,636
Tonnes Contained Graphite in Mineral Resource (Indicated + Inferred)	977,000 + 441,000

It is common practice in the mining industry to assess the economic viability of a mineral project at various development stages. Generally, a mining company will first conduct a PEA, then a pre-feasibility study followed by a feasibility study. Each stage will analyze, in further detail and to a greater level of certainty, the economic, technical and geological factors that will determine whether the mining project is commercially viable. The goal of a PEA is to determine, at an early stage, whether a mining project is potentially viable, in order to advance to a pre-feasibility phase.

CASH FLOW (LOM- US$)

Total Gross Revenue	$4,752,271,000
Net Revenue	$4,700,312,000
EBITDA	$3,344,895,000
Pre-Tax Cash Flow	$2,641,987,000
After-Tax Cash Flow	$1,999,891,000

Aubrey Eveleigh, President & CEO at Zenyatta, commented, "The Company is exceptionally pleased with the strong PEA results presented by RPA and will now proceed to a pre-feasibility stage where further project definition and optimization is expected. This is a very important milestone for Zenyatta that started with the discovery of a rare graphite deposit in 2011 and has now gained global recognition for its unique purity and crystallinity. Zenyatta's early stage study has resulted in extremely encouraging economics that will support discussions with potential strategic partners and financiers."

CAPITAL COST (US$)

Total Direct Capital Cost	Mining, Processing & Infrastructure	$262,908,000
EPCM/Owners/Indirect	Engineering, Procurement, & Construction Management	$68,732,000
Contingency (24%)		$79,826,000
Total Initial Capital Cost		$411,465,000

Zenyatta's 100% owned Albany graphite deposit is located in northern Ontario, Canada near good infrastructure. The deposit is located 30 km north of the Trans-Canada Highway ('TCH'), with access to the power line and natural gas pipeline near the communities of Constance Lake First Nation and Hearst. A rail line is located 70 km away, with an all-weather (all season) logging road approximately 20 km from the graphite deposit.

The PEA proposes building an access road, power line and gas line to the property from near the TCH. Planned infrastructure and facilities at the project site include the open-pit mine, processing plant, tailings management facility, handling facilities, crushers and secondary buildings, including offices and workshops.

PROJECT ECONOMICS (US$)

Pre-Tax Payback Period		3.7 yrs
Pre-Tax Internal Rate of Return		27%
Pre-Tax Net Present Value	0% Discount	$2,641,987,000
Pre-Tax Net Present Value	8% Discount	$814,717,000
Pre-Tax Net Present Value	10% Discount	$614,676,000
Pre-Tax Net Present Value	12% Discount	$462,942,000

After-Tax Payback Period		4.0 yrs
After-Tax Internal Rate of Return		24%
After-Tax Net Present Value	0% Discount	$1,999,891,000
After-Tax Net Present Value	8% Discount	$593,115,000
After-Tax Net Present Value	10% Discount	$438,434,000
After-Tax Net Present Value	12% Discount	$320,967,000

The pricing model for the PEA was derived from an extensive detailed study of targeted market segments and industry trends that are relevant for the high-quality and high-purity graphite sector. A summary of approximate price ranges for these market segments of the graphite industry are shown here for reference. Estimated annual production of 30,000 tonnes of high-quality graphite product from the Albany deposit represents ~7% of the 2017 market demand estimate.

HIGH PURITY GRAPHITE MARKET
Zenyatta Ventures Ltd. – Albany Project

Market Segment	2017 Market Demand Estimate (kt)	Price Range (US$/tonne)	Average Price (US$/tonne)
Batteries[1]	160	4,000 -> 20,000	12,000
Powder Metallurgy[2]	20	3,000 -> 12,000	7,000
Fuel Cells[3]	15	5,000 -> 10,000	8,000
Conductive Polymers[3]	6	3,000 -> 5,000	4,000
Carbon Brushes[3]	90	3,000 -> 5,000	4,000
Nuclear[3]	30	10,000 -> 35,000	23,000
Lubricants[4]	80	3,000 -> 5,000	4,000
Super-Capacitors[3]	2	5,000 -> 10,000	8,000
Graphite Artifacts[3]	15	3,000 -> 10,000	7,000
Electronics[2]	8	30,000 -> 40,000	35,000
Total	**426**		

Sources and Notes:

1. *Includes lithium-ion and additives for primary and secondary batteries. Source: Roskill and BCC Research*
2. *Source: Roskill and end-user data provided to Zenyatta market development personnel under a confidentiality agreement*
3. *Source: Roskill, BCC Research*
4. *Volume includes only high purity (>99.9% Cg) graphite. Source: Roskill*

Zenyatta has previously reported that preliminary testing has indicated that the performance of Albany graphite is within the range of anode materials that are presently used for Lithium-ion Batteries ('LIBs'). Independent testing has also indicated that it is suitable for use in hydrogen fuel cells and in powder metallurgy ('PM') applications. At this time, Zenyatta anticipates having a targeted market application segmentation which includes 25-30% in LIBs, 20-25% for Fuel Cell products, 25-30% for high purity graphite in PM and 15-30% from other applications in the list above. The Corporation is in discussion with end-users on other types of high purity applications that could possibly change the market segmentation and will disclose these potential markets at the appropriate time.

The outlook for the global graphite market is very promising with demand growing rapidly from new applications. Graphite is now considered one of the more strategic elements by many leading industrial nations, particularly for its growing importance in high technology manufacturing and in the emerging "green" industries such as components of energy storage devices for electric vehicles, computers, smartphones etc. The applications for graphitic material are constantly evolving due to its unique chemical, electrical and thermal properties. It maintains its stability and strength under temperatures in excess of 3,000°C and is very resistant to chemical corrosion. It is also one of the lightest of all reinforcing elements and has high natural lubricating abilities. Some of these key physical and chemical properties make it critical to modern industry.

The June 1, 2015 news release describes a PEA cash flow model based upon geological, engineering, technical and cost inputs developed by RPA. A NI 43-101 PEA technical report will be filed on SEDAR and made available on the Company's website within 45 days. Jason Cox, P.Eng. Executive VP – Mine Engineering - Principal Mining Engineer of RPA, Alex Mezei, M.Sc., P.Eng., Director, Engineering Technical Services at SGS Lakefield, independent consultants to Zenyatta, Peter Wood, P.Eng., P.Geo., VP Exploration and Dr. Bharat Chahar, P.E., VP Market Development for Zenyatta are the Qualified Persons under National Instrument 43-101. Jason Cox, Alex Mezei, Peter Wood and Bharat Chahar have supervised, approved and read the scientific and technical information that forms the basis for the disclosure contained in this news release.

Outlook

The priority for the Corporation at this point is to proceed to the pre-feasibility stage of development where further definition and optimization of the resource is expected. In addition, market and business development efforts will continue throughout the 2015 calendar year. The budget for the remainder of 2015 is approximately $4.5 million.

Selected Financial Information

The following table sets forth selected financial information with respect to the Corporation as at and for the years ended March 31, 2015 and 2014, and the three month period ended June 30, 2015 and 2014. The selected financial information has been derived from the audited financial statements of the Corporation for the financial years indicated. The following should be read in conjunction with the said financial statements and related notes thereto.

	Three months ended June 30,	**Three months ended June 30,**	**Year ended March 31,**	**Year ended March 31,**
	2015 (unaudited)	**2014 (unaudited)**	**2015 (Audited)**	**2014 (Audited)**
Total Revenue	$504	$15,353	$40,671	$43,128
Net Loss	$(1,311,507)	$(641,463)	$(3,015,706)	$(3,524,807)
# Shares Outstanding	57,089,016	55,509,862	56,389,016	55,409,862
Net Loss per Share (Basic)	$(0.02)	$(0.01)	$(0.05)	$(0.06)
Net Loss per Share (Diluted)	$(0.02)	$(0.01)	$(0.05)	$(0.06)
Total Assets	$20,814,920	$20,921,103	$20,596,475	$21,293,496
Total Financial Liabilities	$258,794	$195,640	$180,922	$272,331
Total Equity	$20,556,126	$20,725,463	$20,415,553	$21,021,165

Summary of Quarterly Results
The following table sets out selected quarterly information for the eight most recently completed quarters, for which financial statements are prepared.

	June 30, 2015	March 31, 2015	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013
Revenue	$504	$244	$5,210	$19,864	$15,353	$5,919	$11,109	$14,699
Loss	$1,311,507	$596,347	$743,395	$1,034,501	$641,463	$709,394	$1,088,641	$885,924
Loss per Share (Basic)	$0.02	$0.01	$0.01	$0.02	$0.01	$0.01	$0.02	$0.02
Loss per Share (Diluted)	$0.02	$0.01	$0.01	$0.02	$0.01	$0.01	$0.02	$0.02

Liquidity and Capital Resources
As at June 30, 2015, the Corporation had working capital of $154,064 (2014: $1,761,740) and cash of $193,326 (2014: $572,918). The Corporation funded operations during the three month period ended June 30, 2015 through the net proceeds of stock options exercised and the use of existing cash and investments.

The Corporation will need to raise additional funding to finance future exploration programs and development activity. The availability of equity capital, and the price at which additional equity could be issued, is dependent upon the success of the Corporation's exploration activities, and upon the state of the capital markets generally. Additional financing may not be available on terms favourable to the Corporation or at all. If the Corporation does not receive future financing, it may not be possible for the Corporation to advance the exploration and development of the Claims.

Off Balance Sheet Arrangements
There are currently no off balance sheet arrangements which could have an effect on current or future results or operations, or the financial condition of the Corporation.

Transactions with Related Parties

The total transactions with a company controlled by a member of key management personnel during the three month periods ended June 30, 2015 and 2014 were as follows:

a) Exploration and evaluation assets - $42,436 (2014: $34,731)
b) General and administrative - $1,072 (2014: $1,811)

The remuneration of directors and other members of key management personnel during the three month periods ended June 30, 2015 and 2014 were as follows:

a) Short-term benefits - $112,828 (2014: $187,625)
b) Share-based payments - $97,461 (2014: $40,468)

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation directly or indirectly, including any directors (executive and non-executive) of the Corporation.

These transactions are in the normal course of operations and are measured at the exchange amount as agreed to by the related parties.

Current and Future Changes in Accounting Policy

Statement of Compliance

The condensed interim financial statements, including comparatives for the three month period ended June 30, 2015, have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Future Accounting Changes

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning on or after January 1, 2016. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine the impact on the Company.

IFRS 9 - Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value; replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 if effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 11 - Joint Arrangements ("IFRS 11") was amended in May 2014 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption is permitted.

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

Financial Instruments and Other Instruments

The Corporation's financial instruments consist of cash, temporary investments, amounts and other receivables, and accounts payable and accrued liabilities. Unless otherwise noted, the Corporation does not expect to be exposed to significant interest, currency or credit risks arising from these financial instruments. The Corporation estimates that the fair value of these financial instruments approximate carrying values.

The Corporation has designated its temporary investments as held-for-trading, which are measured at fair value. Financial instruments as at June 30, 2015 included cash and amounts and other receivables, which are classified as loans and receivables and are measured at amortized cost. Accounts payable and accrued

liabilities are classified as other financial liabilities, which are measured at amortized cost. As at June 30, 2015, the carrying and fair value amounts of the Corporation's financial instruments are approximately the same.

At June 30, 2015, the Corporation's financial instruments that are carried at fair value, consisting of temporary investments, have been classified as Level 2 within the fair value hierarchy.

Fair value estimates are made at the balance sheet date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

Disclosure of Outstanding Share Data

The Corporation is authorized to issue an unlimited number of shares, of which 57,089,016 (2014: 55,509,862) shares were issued and outstanding as fully paid and non-assessable as at June 30, 2015. Also, 1,000,000 (2014: 1,000,000) warrants were outstanding as at June 30, 2015.

Refer to Note 7(c) of the condensed interim financial statements for details regarding stock options issued and exercisable as at June 30, 2015.

As at August 27, 2015, the Corporation had 57,089,016 shares which were issued and outstanding as fully paid and non-assessable. The Corporation also had 1,000,000 warrants and 3,787,500 stock options outstanding as at August 27, 2015.

Risks and Uncertainties

The Corporation's risk exposures and the impact on the Corporation's financial instruments are summarized below. As at June 30, 2015, there had been no changes in the risks, objectives, policies and procedures from the previous period.

Credit risk

As at June 30, 2015, the Corporation's credit risk was primarily attributable to cash, temporary investments, and amounts and other receivables. The Corporation has no significant concentration of credit risk arising from operations. Financial instruments included in accounts and other receivables consisted of harmonized sales tax due from the Federal Government of Canada. The Corporation's cash and temporary investments are held with reputable financial institutions. Management believes that the credit risk with respect to financial instruments included in accounts and other receivables is remote.

Liquidity risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of June 30, 2015, the Corporation had a cash balance of $193,326 as well as $137,303 in temporary investments to settle current liabilities of $258,794. The Corporation's ability to continue operations and fund its exploration property expenditures is dependent on management's ability to secure additional financing. Management is continuing to pursue various financing initiatives in order to provide sufficient cash flow to finance operations as well as funding its exploration expenditures. All of the Corporation's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Interest rate risk

The Corporation has cash balances and temporary investments. The Corporation's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Corporation periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

The Corporation closely monitors interest rates to determine the appropriate course of action to be taken by the Corporation.

Price risk
The Corporation is exposed to price risk with respect to commodity prices. The Corporation closely monitors commodity prices to determine the appropriate course of action to be taken by the Corporation.

Exploration risk
Mineral exploration and development involve a high degree of risk and few projects are ultimately developed into producing mines. There is no assurance that the Corporation's future exploration and development activities will result in the definition of a body of commercial ore. Whether an ore body will be commercially viable depends on a number of factors including the particular attributes of the deposit such as size, grade and proximity to infrastructure, as well as mineral prices and government regulations, including environmental regulations.

Financial Capability and Additional Financing
If the Corporation's exploration programs are successful, additional funds will be required in order to complete the development of its properties. The only sources of future funds presently available to the Corporation are the sale of additional equity capital or the entering into of joint venture arrangements or other strategic alliances in which the funding sources could become entitled to an interest in the properties or the projects. The Corporation's capital resources are largely determined by the strength of the junior resource market and by the status of the Corporation's projects in relation to these markets, and its ability to compete for investor support of its projects.

There is no assurance that the Corporation will be successful in raising sufficient funds to meet its obligations or to complete all of the currently proposed exploration programs. If the Corporation does not raise the necessary capital to meet its obligations under current contractual obligations, the Corporation may have to forfeit its interest in properties or prospects earned or assumed under such contracts. In addition, if the Corporation does not raise the funds to complete the currently proposed exploration programs, the viability of the Corporation could be jeopardized.

Permits and Government Regulation
Although the Corporation believes it has all of the necessary permits to carry out the proposed exploration programs, the operations of the Corporation may require licenses and permits from time to time from various governmental authorities to carry out exploration and development at its projects. Obtaining permits can be a complex, time-consuming process. There can be no assurance that the Corporation will be able to obtain the necessary licences and permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Corporation from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities. In addition, the requirements applicable to sustain existing permits and licenses may change or become more stringent over time and there is no assurance that the Corporation will have the resources or expertise to meet its obligations under such licenses and permits.

The mineral exploration activities of the Corporation are subject to various laws governing prospecting, development, production, taxes, labour standards, occupational health, mine safety, waste disposal, toxic substances and other matters. Mining and exploration activities are also subject to various laws and regulations relating to the protection of the environment, historical and archaeological sites and endangered and protected species of plants and animals. Although the exploration activities of the Corporation are currently carried out in material compliance with all applicable rules and regulations, no assurance can be

given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development. New rules and regulations may be enacted or existing rules and regulations may be applied to the operations and activities of the Corporation and could have a substantial adverse impact on the Corporation.

Fluctuating Prices

The profitability of the Corporation's operations will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Corporation. The level of interest rates, rate of inflation, world supply of mineral commodities, consumption patterns, sales of nickel and copper, forward sales by producers, production, industrial and consumer demand, speculative activities and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable. The prices of commodities are affected by numerous factors beyond the Corporation's control.

Environmental Regulation

The Corporation's activities are subject to environmental laws and regulations which may materially and adversely affect its future operations. These laws and regulations control the exploration and development of the Albany Project and their effects on the environment, including air and water quality, waste handling and disposal, the protection of different species of plant and animal life, and the preservation of lands. These laws and regulations will require the Corporation to acquire permits and other authorizations for certain activities. There can be no assurance that the Corporation will be able to acquire such necessary permits or authorizations on a timely basis, if at all.

Further, 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 Corporation's operations.

The Corporation is not currently insured against most environmental risks. Without such insurance, and if the Corporation becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds the Corporation has to pay such liabilities and result in bankruptcy.

Proposed Transactions

As is typical of the mineral exploration and development industry, the Corporation is continually reviewing potential merger, acquisition, investment and joint venture transactions and opportunities that could enhance shareholder value. At present, there are no transactions being contemplated by management or the board that would affect the financial condition, results of operations and cash flows of any asset of the Corporation.

Commitments and Contingencies

Leases

On December 17, 2014, the Company entered into two leases for vehicles. The lease terms are for a period of two years expiring December 16, 2016. The Company must pay an aggregate of $1,387 per month under the terms of the leases.

On January 20, 2014, the Company entered into a lease for commercial purposes, amended on March 23, 2015. The lease term is for a period of two years expiring March 31, 2017. The Corporation must pay $4,200 per month under the terms of the lease.

Minimum lease payments remaining in the Company's fiscal years to the expiration of the leases are as follows:

2016	$50,283
2017	$62,883

Employment Agreements
The Company's President and Chief Executive Officer is the only officer who currently has an employment agreement with the Corporation with a change of control provision. The agreement, dated August 1, 2010, provides that in the event that the employment is terminated by the Corporation other than for cause, or within 90 days of a change of control of the Corporation, then the officer is entitled to (i) a lump sum payment equal to the greater of 24 months' salary or six months' salary for each year or partial year of service, (ii) all outstanding and accrued regular and vacation pay and expenses and (iii) the immediate vesting of his options which shall continue to be available for exercise for a period of two years following the date of termination. The current salary level for this individual pursuant to the employment agreement is $225,000 per annum.

The Company has an employment agreement with its Vice-President of Exploration and Chief Geologist dated January 1, 2014. The current salary level for the individual pursuant to the employment agreement is $150,000 annually.

The Company has an employment agreement with its Vice-President Market Development dated November 15, 2014. The current salary level for the individual pursuant to the employment agreement is US$158,500 annually.

Exploration Agreement
The Corporation has entered into an agreement with Constance Lake First Nation ("CLFN") governing the relationship between them in regard to the Corporation's exploration on traditional lands of CLFN.

Cost of Implementation Committee
On a yearly basis, commencing on the date that the implementation committee is formed and continuing for the following twelve (12) months, the Corporation shall make a total contribution of $22,000, and in years following the year in which this agreement is executed, an additional amount equivalent to the increase in the Ontario consumer price index for the preceding year, to pay: the reasonable expenses of the Corporation's implementation committee members; the reasonable costs of an archaeologist for any archaeological assessments.

Cost of Annual Gathering
On an annual basis, $1,200, and in years following the year in which this agreement is executed, an additional amount equivalent to the increase in the Ontario consumer price index for the preceding year, for CLFN and the Corporation to have a community "feast" and conduct an information session with CLFN members about the exploration, this agreement and any issues pertaining to this agreement's implementation;

Critical Accounting Estimates
A detailed summary of all of the Corporation's significant accounting policies is included in Note 2 to the March 31, 2015 audited annual financial statements.

Internal Controls over Financial Reporting
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 financial statements in

accordance with accounting principles generally accepted in Canada. Based on regular reviews of its internal control procedures during and at the end of the period covered by this MD&A, management believes its internal controls and procedures are effective in providing reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

Changes to Internal Control over Financial Reporting

There have been no significant changes to the Corporation's internal controls over financial reporting that occurred during the three month period ended June 30, 2015 that have materially affected, or are reasonably likely to materially affect the Corporation's internal control over financial reporting.

Disclosure Controls

Management is also responsible for the design and effectiveness of disclosure controls and procedures to provide reasonable assurance that material information related to the Corporation is made known to the Corporation's certifying officers. The Corporation's Chief Executive Officer and Chief Financial Officer have each evaluated the effectiveness of the Corporation's disclosure controls and procedures as of June 30, 2015 and have concluded that these controls and procedures are effective in providing reasonable assurance that material information relating to the Corporation is made known to them by others within the Corporation.

Subsequent Events

On August 12, 2015, the Corporation closed a non-brokered private placement financing for aggregate proceeds of up to $2,112,500 (the "Offering"). The Offering consisted of the sale of 1,690,000 Units at $1.25 per Unit. Each Unit consists of one Common Share and one-half of one Common Share purchase warrant (a "Warrant"). Each Warrant entitles the holder to acquire one Common Share for $1.65 for a period of 12 months from the date of issuance. Cash finder fees aggregating $112,950 were paid pursuant to the Offering.