

SCIENTIFIC METALS CORP.

(formerly Suparna Gold Corp.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Expressed in Canadian Dollars)

**Year Ended
February 29, 2016**

Report Date - May 31, 2016

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Introduction

Scientific Metals Corp. ("Scientific" or the "Company") is a public company incorporated on October 12, 2006, under the laws of British Columbia, Canada. The Company completed a name change from Suparna Gold Corp. to Scientific Metals Corp. on May 6, 2016. The Company is a reporting issuer in British Columbia, Alberta and Ontario, and its common shares are listed and posted for trading on the TSX Venture Exchange ("TSX-V") under the trading symbol "STM". The Company's offices are located at 302 - 1620 West 8th Avenue, Vancouver, BC, V6J 1V4.

The Company is a natural resource company engaged in the acquisition, exploration and development of exploration and evaluation assets.

In accordance with Form 51-102F1, the following Management's Discussion & Analysis ("MD&A") provides a review of activities, results of operations and financial condition of Scientific for the year ended February 29, 2016. The following discussion and analysis should be read in conjunction with the Company's audited annual consolidated financial statements for the years ended February 28, 2016 and February 28, 2015 which were prepared in accordance with IFRS. All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars.

Exploration Property Overview

Deep Valley Property, Alberta

In May 2016, Scientific entered into an arm's-length agreement with a private company to acquire the Deep Valley lithium property ("Deep Valley Property"), which is located in the Fox Creek-Sturgeon Lake area of west-central Alberta. The property encompasses 6,648 hectares (16,427 acres), and is located approximately 55 kilometres due west of the community of Fox Creek.

The property is underlain by Leduc formation aquifers that are known to be highly enriched in lithium, potassium, boron, bromine and other commodities. Within the central part of the property, historical samples of formation waters (brines) have returned 140 milligrams per litre (parts per million), which are amongst the highest values recorded within the province of Alberta as reported by the ERCB in its report of October, 2011, entitled geological introduction to lithium-rich formation water with emphasis on the Fox Creek area of west-central Alberta (NTS 83F and 83K).

Commonly, during the early history of oil wells in the area, there is a high oil-to-water extraction ratio. However, at present, most wells produce excessive amounts of formation water in comparison with petroleum. The formation water is treated as a waste product during the petroleum extraction process, after which the brine is reinjected into the subsurface. The level of extractability of lithium and other elements from the waste formation water is unclear and may require new technologies (some of which are being introduced and tested in Nevada brines). This may or may not result in the extraction of all or any portion of those elements which are present in anomalous concentrations.

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Exploration Property Overview (continued)

The terms of the transaction are as follows:

- Scientific can acquire a 100% interest in the Deep Valley Property in consideration for a cash payment of \$15,000 and the issuance of 4,000,000 common shares of the Company.
- An existing 3% net smelter royalty shall remain on the Deep Valley Property, of which 1% can be repurchased by the Company at any time in consideration for a cash payment of \$1,500,000.
- An arm's-length finder's fee totaling \$38,625 is payable in connection with the transaction. The fee will be satisfied on the closing date through the issuance of 386,250 common shares of the Company at a price of \$0.10 per share.

The completion of the transaction is subject to a number of conditions precedent, including, without limitation, the parties having received all necessary regulatory, court and third party consents; orders (both interim and final), approvals, waivers, and authorizations, as may be required in respect of the acquisition (including the approval of the TSX-V). In addition, each party shall have completed their due diligence of the other party to their satisfaction, including, without limitation, Scientific being satisfied that it will acquire good and valid title to the Deep Valley Property, free and clear of any and all liabilities and encumbrances.

Sara Creek Property, Suriname

The Company acquired an 80% interest in an exploration and evaluation asset by way of a share acquisition agreement with Kapelka Exploration Inc. ("Kapelka") and its wholly owned subsidiary, Orion Resources NV ("Orion"), which held a 100% interest in the Sara Creek Property located in the Brokopondo and Sipalilwini districts of east central Suriname, South America. The Company acquired 80% of the voting shares of Orion in exchange for the issue of 10,000,000 common shares, valued at \$4,600,000, and payment of US\$500,000. In addition, the Company issued 691,666 common shares valued at \$318,167 as a finder's fee.

The Company had the right to acquire the remaining 20% of the voting shares of Orion by incurring US\$25,000,000 on exploration expenditures on the property and pay the then determined fair value of the remaining interest.

During the year ended February 28, 2015, the Company reviewed the carrying value of the Sara Creek Property, which is considered as a single cash generating unit, for impairment indicators. It was determined that the carrying value of the Sara Creek Property exceeded its recoverable amount and the Company wrote off \$11,722,828. The recoverable amount of the Sara Creek Property was based on the fair value less costs of disposal as "value in use" was not determinable for a project that is not currently generating any cash flows. The fair value was determined to be \$1 as there was no active market for sale of the license and no buyers had been identified due to current conditions in the resource sector. The disposal cost of \$Nil was determined as there were no physical assets to dispose of and no sale was pending.

During the year ended February 29, 2016, the Company did not incur any expenditures on the Sara Creek Property and did not renew the license. Accordingly, the Company has recorded a write-off of exploration and evaluation assets of \$1.

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Exploration Property Overview (continued)

Copperstone Property, U.S.A.

On July 3, 2013, the Company entered into an earn-in agreement, subsequently amended on November 15, 2013, with AmBon, which has been taken over by Kerr, to acquire up to a 60% interest in AmBon's leasehold right, title and interest in certain mining claims and property in La Paz County, Arizona.

To acquire the property, the Company was to complete \$2,500,000 in exploration expenditures. During the year ended February 29, 2016, the Company did not incur any expenditures on the property and decided that it would not continue with this agreement.

Drayton Valley Well, Alberta

On October 8, 2014, a private British Columbia corporation ("PrivateCo") and XS Energy Ltd. ("XS") entered into a letter agreement (the "Letter Agreement") related to PrivateCo's right to acquire a 75% working interest in, and to, a disposal well, surface lease and related assets (the "Drayton Assets") located in Drayton Valley, Alberta at 102/06-10-049-06 W5M (the "Transaction"). On October 31, 2014, the Company entered into an assignment agreement (the "Assignment Agreement") with PrivateCo and XS pursuant to which the Company was assigned all of PrivateCo's right, title, interest and obligations in, to and under the Letter Agreement. When the Letter Agreement was executed, PrivateCo paid to XS a total of \$150,000 as a standstill fee and, in conjunction with the entering into of the Assignment Agreement, the Company, in turn, reimbursed PrivateCo for such standstill fee. The Letter Agreement was amended by the Company and XS effective November 30, 2014 but subsequently expired in accordance with its terms on December 31, 2014.

The Company filed a statement of claim in the Court of Queen's Bench of Alberta against XS in relation to the Transaction. The Company believes that XS made certain representations that were untrue, inaccurate and misleading, which representations induced the Company to take an assignment of the letter agreement in respect of the Transaction. The Company further believes that XS failed to negotiate in good faith the terms and conditions of the Letter Agreement and the Assignment Agreement that were to govern the Transaction. In May 2016, the Company discontinued its statement of claim against XS.

Selected Annual Information

The following table sets out selected annual financial information for the last three financial years. The financial data has been prepared in accordance with IFRS:

Years Ended	February 29, 2016	February 28, 2015	February 28, 2014
	(\$)	(\$)	(\$)
Total Revenue	Nil	Nil	Nil
Operating Loss	(826,386)	(1,103,556)	(1,002,302)
- per share ⁽¹⁾	(0.01)	(0.01)	(0.01)
Loss and Comprehensive Loss	(871,624)	(13,789,163)	(803,051)
- per share ⁽¹⁾	(0.01)	(0.16)	(0.01)
Total Assets	113,520	458,221	13,530,120
Total Non-Current Financial Liabilities	Nil	Nil	Nil
Cash Dividends Declared	Nil	Nil	Nil
- per common share			

¹ - Fully diluted loss per share was not calculated as the effect was anti-dilutive.

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Summary of Quarterly Results

The following table sets out selected unaudited consolidated financial information for the eight most recently completed quarters:

Three Months Ended	February 29, 2016	November 30, 2015	August 31, 2015	May 31, 2015
	(\$)	(\$)	(\$)	(\$)
Total Revenue	Nil	Nil	Nil	Nil
Operating Loss	(208,055)	(176,538)	(246,954)	(194,839)
- per share ⁽¹⁾	(0.00)	(0.00)	(0.00)	(0.00)
Loss and Comprehensive Loss	(110,664)	(190,825)	(323,243)	(246,892)
- per share ⁽¹⁾	(0.00)	(0.00)	(0.00)	(0.00)

Three Months Ended	February 28, 2015	November 30, 2014	August 31, 2014	May 31, 2014
	(\$)	(\$)	(\$)	(\$)
Total Revenue	Nil	Nil	Nil	Nil
Operating Loss	(426,038)	(261,493)	(205,915)	(210,110)
- per share ⁽¹⁾	(0.01)	(0.00)	(0.00)	(0.00)
Loss and Comprehensive Loss	(12,254,867)	(449,056)	(568,878)	(516,362)
- per share ⁽¹⁾	(0.14)	(0.01)	(0.01)	(0.01)

¹ - Fully diluted loss per share was not calculated as the effect was anti-dilutive.

The only significant variation in the most recent eight quarters occurred during the quarter ended February 28, 2015. The loss and comprehensive loss materially increased due to the impairment of the Company's Sara Creek Property in Suriname. As a result of market conditions and depressed commodity prices, the Company recorded an impairment charge totaling \$11,722,828 and placed the project on care and maintenance while it searched for a partner or buyer for the project.

Overall Performance and Results of Operations

Three Month Period Ended February 29, 2016

During the three month period ended February 29, 2016, the Company incurred a loss and comprehensive loss of \$110,664 as compared to \$12,254,867 for the three month period ended February 28, 2015. The primary factor affecting the change in the loss for the period was the \$11,722,828 impairment charge against the Sara Creek Property which was recorded in the prior year period.

Year Ended February 29, 2016

During the year ended February 29, 2016 ("Current Year"), the Company incurred a loss and comprehensive loss of \$871,624 as compared to \$13,789,163 during the year ended February 28, 2015 ("Prior Year"). Operating expenses for the Current Year were \$826,386 as compared to \$1,103,556 in the Prior Year.

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Overall Performance and Results of Operations (continued)

The primary factors affecting the change in the loss from operations include:

- a) Travel costs were \$150,002 for the Prior Year compared to \$22,675 for the Current Year. With the Sara Creek property on care and maintenance and general resource market conditions being poor, the Company restricted its spending on travel to the bare minimum.
- b) Consulting costs have increased during the Current Year to \$378,921 from \$137,514 in the Prior Year. This is due to the compensation of certain consultants having been retained to deal with the potential Sara Creek Property sale and to deal with the Drayton Valley litigation.
- c) The impairment of the Sara Creek Property during the Prior Year totaled \$11,722,828 and it reduced the carrying value to a nominal amount of \$1. The Company did not incur any expenditures during the Current Year when it wrote-off the remaining asset value.
- d) The change in fair value of short term investments was \$66,794 for the Current Year as compared to \$286,262 for the Prior Year. This is a result of a smaller decrease in the quoted market price of the Kerr Mines Inc. common shares and a smaller number of shares being held in the Current Year. In addition, the Company recorded a loss on disposal of \$116,112 in the prior versus \$Nil in the Current Year as it did not dispose of any shares in the Current Year.
- e) The loss on settlement of notes receivable was \$Nil in the Current Year versus \$139,289 in the Prior Year because it was a non-recurring item that was settled in the Prior Year.
- f) The impairment of note receivable was \$Nil in the Current Year versus \$285,423 in the Prior Year because it was a non-recurring item that was settled in the Prior Year.

Capital Resources and Liquidity

The Company's cash position was \$1,299 as at February 29, 2016, compared to \$205,775 as at February 28, 2015. The Company had a working capital deficiency of \$619,333 as at February 29, 2016, compared to working capital surplus of \$178,790 as at February 28, 2015. The decrease in the Company's cash position and working capital was a direct result of capital and operating expenditures incurred during the year. Since the Company does not generate any revenue from its existing assets it must fund all of its operational expenditures through the issuance of debt and equity.

During the year ended February 29, 2016, the Company borrowed \$41,400, net of repayments, through the issuance of three year unsecured promissory notes. These notes bear interest at 10% per annum, compound annually and are payable in cash.

The Company raised \$685,000 in additional equity capital subsequent to the end of the year. (Refer to Subsequent Events)

Off Balance Sheet Arrangements

The Company is not a party to any off-balance sheet arrangements or transactions.

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Disclosure of Outstanding Share Data

The authorized capital of the Company consists of an unlimited number of common shares without par value.

Shares Issued and Outstanding

As at the Report Date there were 100,941,666 common shares issued and outstanding.

On May 4, 2016, the Company completed a non-brokered private placement of 6,000,000 units at \$0.05 per unit for gross proceeds of \$300,000. Each unit was comprised of a common share and a share purchase warrant. Each warrant entitles the holder to purchase an additional common share at a price of \$0.10 until May 3, 2017. However, if the volume-weighted average closing price of the common shares of Scientific exceeds \$0.25 per share for more than 30 consecutive trading days, then Scientific may accelerate the warrant exercise period to a date which is 30 calendar days following the date that a press release is issued by Scientific announcing the reduced warrant exercise period.

On May 25, 2016, the Company completed a non-brokered private placement of 3,850,000 units at \$0.10 per unit for gross proceeds of \$385,000. Each unit was comprised of a common share and a share purchase warrant. Each warrant entitles the holder to purchase an additional common share at a price of \$0.15 until May 24, 2018.

All of the securities issued under these private placements are subject to a four-month resale restriction.

Warrants

As at the Report Date, the Company had the following warrants outstanding:

Expiry Date	Number	Weighted Average Exercise Price
		(\$)
May 3, 2017	6,000,000	0.10
May 24, 2028	3,850,000	0.15
	9,850,000	0.12

Stock Options

As at the Report Date, the Company had the following stock options outstanding:

Expiry Date	Number	Weighted Average Exercise Price
		(\$)
July 20, 2016	2,425,000	0.52
October 27, 2016	150,000	0.33
March 12, 2017	100,000	0.53
May 17, 2021	2,950,000	0.12
	5,625,000	0.31

A total of 100,000 stock options exercisable at \$0.53 were expired during the year ended February 29, 2016.

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Commitments and Contingencies

At February 29, 2016, the Company has identified the following commitments or contingencies:

- i) The Company has an obligation under a consulting agreement for payments of \$20,000 per month for a five year period beginning on July 15, 2011 and ending on July 15, 2016 as follows:

Fiscal Year	Amount
	(\$)
2017	90,000

In the event of termination, the Company will be required to pay in full any remaining balance.

- ii) The Company has deposited \$11,500 as collateral for a corporate credit card.
- iii) On August 1, 2015, the Company entered into a cost sharing arrangement agreement for the provision of office space and various administrative services. Under the terms of the agreement, the Company will pay \$2,500 plus GST per month commencing on September 1, 2015 and continuing until the expiration of the underlying head lease on July 31, 2018.

Fiscal Year	Amount
	(\$)
2017	30,000
2018	30,000
2019	12,500

Transactions with Related Parties

The following summarizes the Company's related party transactions, not disclosed elsewhere in these consolidated financial statements, during the years ended February 29, 2016 and February 28, 2015. The Company's key management personnel consists of the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), certain directors and companies owned or controlled in whole or in part by them.

Key Management Compensation

	2016	2015
	(\$)	(\$)
Management fees paid or accrued to a corporation controlled by Michelle Gahagan, CEO of the Company.	180,000	180,000
Consulting fees paid or accrued to a corporation controlled by James Welykochoy, a director of the Company.	55,000	30,000
Professional fees paid or accrued to a corporation controlled by David Hughes, CFO of the Company.	3,000	-
Professional fees paid or accrued to Lesia Burianyk, former CFO of the Company.	27,000	54,000
Total	265,000	264,000

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Transactions with Related Parties (continued)

Other Related Party Payments

	2016	2015
	(\$)	(\$)
Office sharing and occupancy costs paid or accrued to a corporation in which David Hughes, CFO of the Company, is a director.	15,000	-
Interest expense paid or accrued to a corporation controlled by Wayne Tisdale, a director of the Company.	1,316	-

- i) As at February 29, 2016, a total of \$251,958 (February 28, 2015 - \$63,269) was included in accounts payable and accrued liabilities owing to a corporation controlled by Michelle Gahagan, CEO of the Company, for management fees and reimbursable expenses.
- ii) As at February 29, 2016, a total of \$5,250 (February 28, 2015 - \$5,250) was included in accounts payable and accrued liabilities owing to a corporation controlled by James Welykochy, a director of the Company, for consulting fees.
- iii) As at February 29, 2016, a total of \$3,100 (February 28, 2015 - \$Nil) was included in accounts payable and accrued liabilities owing to a corporation controlled by David Hughes, CFO of the Company, for professional fees.
- iv) As at February 29, 2016, a total of \$Nil (February 28, 2015 - \$4,725) was included in accounts payable and accrued liabilities owing to Lesia Burianyk, former CFO of the Company, for professional fees.
- v) As at February 29, 2016, a total of \$12,616 (February 28, 2015 - \$Nil) was included in accounts payable and accrued liabilities owing to a corporation controlled by Wayne Tisdale, a director of the Company, for reimbursable expenses.
- vi) As at February 29, 2016, a total of \$14,881 (February 28, 2015 - \$Nil) was included in accounts payable and accrued liabilities owing to a corporation in which David Hughes, CFO of the Company, is a director for office sharing and occupancy costs.
- vii) As at February 29, 2016, a total of \$34,250 (February 28, 2015 - \$Nil) in notes payable and \$1,316 (2015 - accrued interest was owing to a corporation controlled by Wayne Tisdale, a director of the Company).
- viii) During the year ended February 29, 2016, \$Nil (February 28, 2015 - \$290,000) of non-arm's length accounts payable was assigned to Wayne Tisdale, a director of the Company. The amount was paid in full during the year ended February 28, 2015.

Subsequent Events

Subsequent to February 29, 2016, the Company:

- i) received \$99,300 from a corporation controlled by a director of the Company through the issuance of three year unsecured notes payable which bear interest at 10%, compounded annually, and are payable quarterly in cash. A total of \$85,500 has been repaid.

Subsequent Events (continued)

- ii) issued 6,000,000 units pursuant to a non-brokered private placement for gross proceeds of \$300,000. Each unit consisted of a common share and a share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at \$0.10 until May 3, 2017, subject to an acceleration clause.
- iii) granted 2,550,000 incentive stock options exercisable at \$0.12 per share until May 17, 2021.
- iv) issued 3,850,000 units pursuant to a non-brokered private placement for gross proceeds of \$385,000. Each unit consisted of a common share and a share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.15 per share until May 24, 2018.
- v) entered into an arm's-length agreement with a private company to acquire the Deep Valley Lithium Property ("Deep Valley") located in Alberta. The Company can acquire a 100% interest in Deep Valley, subject to an existing 3% royalty, by making a cash payment of \$15,000 and issuing a total of 4,000,000 common shares of the Company. A finder's fee of \$38,625 will be payable in connection with the transaction, and it will be settled through the issuance of 386,250 common shares of the Company. The completion of the acquisition is subject to TSX-V approval.

New Accounting Policies Adopted

The following standards and amendments to existing standards have been adopted by the Company effective March 1, 2015:

IFRS 7, Financial instruments: disclosures

This standard was amended to require additional disclosures on the transition from IAS 39 and IFRS 9.

The adoption of this standard did not have an impact on the condensed consolidated interim financial statements.

New Standards, Amendments and Interpretations to Existing Standards Not Yet Effective

The following standards, amendments to standards and interpretations have been issued for annual periods beginning on or after January 1, 2016 but are not yet effective:

IFRS 11, Joint arrangements

This standard was amended to provide specific guidance on accounting for the acquisition of an interesting in a joint operation that is a business.

IAS 16, Property, plant and equipment and IAS 38, Intangible assets

These standards were amended to prohibit the use of revenue-based depreciation methods for property, plant and equipment and limit the use of revenue-based amortization for intangible assets.

New Accounting Policies Adopted (continued)

IAS 27, Separate financial statements and IFRS 1, First-time adoption of IFRS

IAS 27 was amended to restore the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.

IAS 12, Income Taxes

Amendments to IAS 12 to clarify the recognition of a deferred tax asset for unrealized losses.

The following standards, amendments to standards and interpretations have been issued for annual periods beginning on or after January 1, 2018 but are not yet effective:

IFRS 9, Financial instruments – Classification and Measurement

IFRS 9 is a new standard on financial statements that will replace IAS 39, *Financial Instruments - Recognition and Measurement*.

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

The Company has not yet assessed the potential impact of the application of these standards, nor determined whether it will adopt the standards early.

Financial Risk Management

Financial risk management

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, receivables, short-term investments, restricted deposits, notes payable and accounts payable and accrued liabilities.

The fair values of cash and short-term investments are measured on the statement of financial position using level 1 of the fair value hierarchy. The fair values of receivables, restricted deposits, and accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments.

The carrying amounts of the notes payable approximate fair value as the interest rates were negotiated between the Company and an arm's length third party.

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Financial Risk Management (continued)

Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its payment obligations. The Company has material counterparties to its financial instruments including cash. The Company manages this credit risk by ensuring that these financial assets are placed with a major financial institution with strong investment grade ratings by a primary ratings agency. The Company's receivables consist primarily of goods and services tax due from the government, and the balance is in good standing as at February 29, 2016.

Liquidity risk

The Company's cash is invested in business accounts which are available on demand. The Company has significant financial liabilities outstanding including accounts payable and accrued liabilities and notes payable. The Company is exposed to the risk that it may not have sufficient liquid assets to meet its commitments associated with these financial liabilities. To the extent that the Company does not believe it has sufficient liquidity to meet these obligations, management will consider securing additional funds through equity transactions and long term debt.

Interest rate risk

The Company's bank account earns interest income at variable rates. The Company's future interest income is exposed to short-term rates. The effect of a 1% change in the interest rate is nominal.

Foreign exchange risk

The Company expects to continue to raise equity predominantly in Canadian dollars. The Company does not enter into derivative financial instruments to mitigate its exposure to foreign currency risk. The effect of a 1% change in the foreign exchange rate on the Company's cash and accounts payable and accrued liabilities held in foreign currencies is nominal.

Commodity price risk

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

Management of Capital

The Company manages its common shares, stock options and share purchase warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk. The Company is not subject to any externally imposed capital requirements.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its excess cash treasury invested in demand certificates of deposit with major financial institutions.

The Company does not expect that its current capital resources will be sufficient to carry its operations through its current operating year and will need to raise additional capital through equity financing.

There have been no changes to the Company's approach to capital management during the year ended February 29, 2016.

Risks and Uncertainties

The Company is in the business of acquiring and exploring exploration and evaluation assets and, as such, is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. Some of the possible risks include the following:

- a) The industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates. The recovery of the Company's investment in exploration and evaluation assets and the attainment of profitable operations are dependent upon the discovery and development of economic ore reserves and the ability to arrange sufficient financing to bring the ore reserves into production.
- b) The most likely source of future funds for further acquisitions and exploration programs undertaken by the Company are the sale of equity capital or the offering by the Company of an interest in its properties to be earned by another interested party carrying out further exploration or development. If such exploration programs are successful, the development of economic ore bodies and commencement of commercial production may require future equity financings by the Company which are likely to result in substantial dilution to the holdings of existing shareholders.
- c) The Company's capital resources are largely determined by the strength of the resource markets and the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

Risks and Uncertainties (continued)

- d) The prices of metals greatly affect the value of and the potential value of its exploration and evaluation assets. This, in turn greatly affects its ability to raise equity capital, negotiate option agreements and form joint ventures.
- e) The Company must comply with health, safety, and environmental regulations governing air and water quality and land disturbances and provide for mine reclamation and closure costs. The Company's permission to operate could be withdrawn temporarily where there is evidence of serious breaches of such regulations, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations.
- f) The operations of the Company will require various licenses and permits from various governmental authorities. There is no assurance that the Company will be successful in obtaining the necessary licenses and permits to continue exploration and development activities in the future.
- g) Although the Company has taken steps to verify title to exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title. Such assets may be subject to prior agreements or transfers and title may be affected by such undetected defects.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in any forward looking statement. The development and exploration activities of the Company are subject to various laws governing exploration, development, and labour standards which may affect the operations of the Company as these laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are, or were conducted.

Additional Information

Lesia Burianyk resigned as Chief Financial Officer of the Company on July 31, 2015 and was replaced by Mr. David Hughes. In addition, Mr. James Newall resigned from the Board of Directors of the Company effective April 27, 2015.

The Company held its annual and special general meeting on December 17, 2015, and the shareholders of Scientific re-elected all four incumbent directors, approved the reappointment of Davidson & Co. LLP as auditor of the Company, and approved the renewal of the Company's incentive stock option plan. In addition, shareholders approved an alteration of the Company's articles which gives the board of directors the authority to change the name of the Company.

In May 2016, the Company appointed Brian Kirwin to the board of directors, and he replaced Michelle Gahagan as the President and CEO of Scientific. Ms. Gahagan remains on the board of directors and has been appointed as Chair.

Additional information relating to the Company is available on SEDAR at www.sedar.com.

Forward-Looking Statements

Except for statements of historical fact, this MD&A contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. In particular, forward-looking information in this MD&A includes, but is not limited to, statements with respect to future events and is subject to certain risks, uncertainties and assumptions. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors could cause results to differ materially from those expressed in the forward-looking statements include, but are not limited to: general economic conditions in Canada, the United States and globally; industry conditions, including fluctuations in commodity prices; governmental regulation of the mining industry, including environmental regulation; geological, technical and drilling problems; unanticipated operating events; competition for and/or inability to retain drilling rigs and other services; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; volatility in market prices for commodities; liabilities inherent in mining operations; changes in tax laws and incentive programs relating to the mining industry; and the other factors described herein under "Risks and Uncertainties" as well as in our public filings available at www.sedar.com. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

Management's Responsibility for Financial Statements

The Company's management is responsible for the presentation and preparation of these financial statements and the MD&A. The audited annual consolidated financial statements have been prepared in accordance with IFRS. The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

Garry Clark, PGeo, of Clark Exploration Consulting, is the qualified person as defined in NI 43-101, who has reviewed and approved the technical content in this MD&A.

SCIENTIFIC METALS CORP.
(formerly Suparna Gold Corp.)
Management's Discussion and Analysis
Year Ended February 29, 2016

Corporate Information

Directors:	Michelle Gahagan (Chair) Brian Kirwin James Welykochy Wayne Tisdale Garry Clark
Officers:	Brian Kirwin, President and CEO David Hughes, CFO Leah Martin, Corporate Secretary
Auditor:	Davidson and Company LLP Chartered Professional Accountants Suite 1200 – 609 Granville Street Vancouver, BC, V7Y 1G6
Legal Counsel:	Tingle Merrett Suite 639 - 1250 Standard Life Building 5 th Avenue SW Calgary, AB T2P 0M9
Transfer Agent:	Computershare Trust Company of Canada 2 nd Floor – 510 Burrard Street Vancouver, BC, V6C 3B9