CANADIAN ZEOLITE CORP.
Management Discussion and Analysis
For the nine months ended March 31, 2016

The following discussion and analysis of the operations, results, and financial position of the Company for the period ended March 31, 2016 should be read in conjunction with our Audited Consolidated Financial Statements and Related Notes for the years ended June 30, 2015 and June 30, 2014 which have been prepared under International Financial Reporting Standards ("IFRS"). This MD&A has been prepared as at May 30, 2016 unless otherwise indicated. All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars. Additional regulatory filings for the Company can be found on the SEDAR website at www.sedar.com.The Company's new website is at www.canadianzeolite.ca.

Forward-Looking Statements

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

Structure and Business Description

Effective February 9, 2016 the Company continued into British Columbia from Alberta and changed its name to Canadian Zeolite Corp. At the same time, the Company's wholly-owned British Columbia subsidiary, formerly Canadian Zeolite Corp., changed its name to Canadian Mining Company Inc.

The head office of the Company is located at Suite 2300, 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X2. The Company's registered and records office is located at Suite 1100, 1111 Melville Street, Vancouver, British Columbia V6C 3V6.

The Company is a reporting issuer in the Provinces of British Columbia and Alberta. The common shares of the Company are listed on the TSX Venture Exchange (the "Exchange") under the trading symbol "CNZ".

The common shares of the Company have not been registered under the United States Securities Act of 1933, as amended (the "1933 Act"), and the Company does not file periodic reports with the United States Securities and Exchange Commission (the "SEC") pursuant to the requirements of Sections 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the "1934 Act").

The Company has a wholly-owned inactive Arizona subsidiary incorporated April 17, 2007 under the name Canadian Mining Company of Arizona Inc. and a wholly-owned inactive subsidiary, Canadian Zeolite Corp. incorporated on April 26, 2013.

The Company's principal business activities are the evaluation, acquisition, exploration, development and operation of mineral properties in British Columbia and Arizona, U.S.A.

Mineral Properties

Bromley Creek Zeolite Project

On November 30, 2015, the Company entered into a mining operations agreement, with a purchase option, with Absorbent Products Limited ("APL"). The purchase option terms grant APL the right to acquire a 50% interest in the Company's Bromley Creek Project.

The Company has a Zeolite project in the Bromley Creek area located near Princeton, British Columbia. The Zeolite claims are subject to a $1.50 per tonne royalty payable to an unrelated third party and a royalty payable to the government of British Columbia.

The mineral property claims have been leased from the British Columbia government and have expiration dates through to April 2016, all of which may be renewed for varying amounts. A thirty year mining lease for two of the zeolite claims was granted in 2000 and a quarry permit was issued in 2001 and in 2015.

The Company's property interest is its Bromley Creek Zeolite Project consist of a total of one mineral lease and six mineral claims as follows:

Tenure No.	Claim Name	Owner	Map No	Expiry Date	Area (Hectares)
380929	Mineral Lease	142965 (100%)	092H048	2016/ Dec /15	30.800
510001	Bromley #4	142965 (100%)	092H	2016/ Apr /30	294.221
510002	Bromley #5	142965 (100%)	092H	2016/ Apr /30	189.097
510003	Bromley #6	142965 (100%)	092H	2016/ Apr /30	189.087
510004	Bromley #1	142965 (100%)	092H	2016/ Apr /30	189.115
510006	Bromley #2	142965 (100%)	092H	2016/ Apr /30	84.063
510007	Bromley #3	142965 (100%)	092H	2016/ Apr /30	168.146
			TOTAL:		**1,144.529**

Sun Group, British Columbia, Canada

On November 30, 2015, the Company entered into a mining operations agreement, with a purchase option, with Absorbent Products Limited ("APL"). The purchase option terms grant APL the right to acquire a 50% interest in the Company's Sun Group Project.

The Company acquired this contiguous claim group located in the Similkameen Mining District of British Columbia in March 2004. The total claim area is 948.935 hectares.

During the year ending June 30, 2012, the Company renewed its interest in the claims, filed a Notice of Work Application to conduct a 5,000 ft. drill program in order to bring this property to 43-101 compliance, and expended $32,930 to this end.

During the year ending June 30, 2013, the Company completed a 2-phase drill program. Data obtained from this exercise will be used in the preparation of the 43-101 resource report and will confirm the size and grade of the Zeolite deposit.

The Company's Sun Group claims consist of the following:

Tenure No.	Claim Name	Owner	Map No:	Expiry Date:	Area (Hectares)
544975	ZEO-TECH 1	142965 (100%)	092H	2020/ Jan /31	21.087
563611	SUNDAY CREEK 1	142965 (100%)	092H	2020/ Jan /31	84.349
563612	SUNDAY CREEK 2	142965 (100%)	092H	2020/ Jan /31	189.758
563613	SUNDAY CREEK 3	142965 (100%)	092H	2020/ Jan /31	126.505
563614	SUNDAY CREEK 4	142965 (100%)	092H	2020/ Jan /31	126.525
1012692	SUNDAY CREEK 5	142965 (100%)	092H	2020/ Jan /31	84.379
601475	SUNDAY CREEK 6	142965 (100%)	092H	2020/ Jan /31	42.180
602468	SUNDAY	142965 (100%)	092H	2020/ Jan /31	21.089
733004	ZEO-TECH 2	142965 (100%)	092H	2020/ Jan /31	21.090
733005	ZEO-MAR 3	142965 (100%)	092H	2020/ Jan /31	231.973
			TOTAL:		**948.935**

Bullard Pass Property

In 2007 the Company staked the DB 1 to 176 mineral claims totalling 3,420 acres and acquired 476.52 acres of Arizona State land under mineral exploration permit #08-111861, for total land holdings of 3,896.52 acres located in the vicinity of the Harcuvar and Harquahala Mountains, Yavapai County, Arizona (the "Bullard Pass Property").

The Company has subsequently reduced its ownership interest in the Bullard Pass Property to 22 claims. The Company does not have intentions for further exploration of the property until such time as a new joint venture partner is secured.

Results of Operations

The Company incurred a $227,969 loss during the nine months ended March 31, 2016 compared to a $159,526 loss during the same period of the prior year. The increase in the loss is primarily attributable to amounts of $36,660 due to vendors being written off in the prior year period. No similar write off has occurred in the current year. The Company earned $2,813 in royalty income in the current quarter compared with no income for the same period in the prior year. Promotional expenditures increased $4,382 compared to the same period of the previous year as management focused efforts on raising additional capital. The Company also granted share based incentive options to consultants working in the Zeolite industry in order to retain expertise in this field, and charged $26,883 to operations in this period, compared with zero in the same period last year. Additional secretarial, accounting and legal fees of $700 were incurred relating to the Company's name change. The Company incurred an additional $1,068 in interest charges in respect of short term financing. General office expenses increased marginally by $1,062 compared to the prior year period.

Investor Relations

The Company's management is currently providing investor relations services.

Selected Quarterly Financial Data

Financial results:	Mar 31, 2016	Dec 31, 2015	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014	Sep 30, 2014	Jun 30, 2014
	($)	($)	($)	($)	($)	($)	($)	($)
Net loss for the period	83,579	83,469	60,921	146,472	67,897	42,122	49,506	599,583
Basic/Diluted loss per share	0.01	0.01	0.00	0.02	0.01	0.00	0.00	0.05
Exploration and evaluation expenditures	7,109	6,146	6,226	16,022	10,446	1,332	15,637	-

Balance sheet data:	Dec 31, 2015	Dec 31, 2015	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014	Sep 30, 2014	Jun 30, 2014
	($)	($)	($)	($)	($)	($)	($)	($)
Cash and cash equivalents	3,693	16,977	3,715	3,594	5,148	2,469	10,016	4,577
Mineral properties	247,241	259,260	258,809	252,583	268,605	258,159	259,490	248,422
Total assets	275,425	300,719	286,639	280,527	292,255	279,964	288,678	272,084
Shareholders' equity	(901,763)	(833,074)	(914,632)	(873,211)	(904,938)	(837,041)	(794,919)	(745,413)

Liquidity and Solvency

The Company has a history of losses, a working capital deficit of $1,171,044 at March 31, 2016 (2015 - $1,190,583) and an accumulated deficit of $12,385,886 (2015 - $12,011,446).

The Company's mineral properties are in the exploration and development stage. A royalty of $2,813 was earned in the current quarter on product shipped from these operations. Historically, the Company's activities have been funded mainly through equity financing and the Company expects that it will continue to be able to utilize this source of financing until it identifies a feasible resource and develops cash flow from operations.

Related party transactions

(a) During the nine months ended March 31, 2016, the Company entered into the following transactions with related parties:

(i) The Company accrued management fees of $81,000 (2015 - $81,000) to a director and officer.

(ii) The Company received advances from a director and officer amounting to $41,122 and repaid $72,575 (2015 – received $53,217; repaid $25,485).

(iii) The Company has accrued interest expense of $36,000 (2015 - $34,932) in respect of five promissory notes in the principal amount of $480,000 (2015 - $485,000) issued to directors and insiders of the Company.

(iv) The Company accrued fees to an officer of the Company for accounting services included in administrative expenses of $9,000 (2015 - $9,000).

(v) The Company accrued fees to an officer of the Company for corporate secretarial services included in administrative expenses of $6,750 (2015 - $6,750).

(vi) At March 31, 2016 amounts totaling $616,184 (2015 - $443,974) owing to related parties, have been included in accounts payable and accrued liabilities.

(b) At the end of the period, related party loans and advances are comprised of the following:

	Promissory notes	Advances	Total
Balance at June 30, 2014	460,000	101,350	**$ 561,350**
Loans	25,000	-	**25,000**
Advances	-	48,641	**48,641**
Shares for debt	(5,000)	(60,000)	**(65,000)**
Options exercised	-	(35,500)	**(35,500)**
Balance at June 30, 2015	480,000	54,491	**$ 534,491**
Advances received	-	41,122	**41,122**
Payments	-	(53,075)	**(53,075)**
Options exercised	-	(19,500)	**(19,500)**
Balance at March 31, 2016	480,000	23,038	**$ 503,038**

Compensation paid to key management personnel and non-executive directors for the nine months ended March 31, 2016 is as follows:

	2016	2015
Accrued senior management compensation	**$ 96,750**	**$ 96,750**
Accrued interest on promissory notes	**36,000**	**34,932**

Commitments

During December 2015, the Company renewed the office lease for a twelve month period commencing January 01, 2016 with monthly payments of $1,429 per month. At March 31, 2016, the commitment in terms of the lease amounted to $12,861.

Significant Accounting Policies

The Company's significant accounting policies are provided in Note 3 to the consolidated financial statements.

Future Accounting Changes

Standards and interpretations issued but not yet effective

The following accounting standards and amendments are effective for future periods.

IFRS 9 Financial Instruments
This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. To be classified and measured at amortised cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognised in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any 'recycling' of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with IAS 39, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch.

This standard is effective for reporting periods beginning on or after January 1, 2018.

IFRS 15 Revenue from Contracts with Customers
The IASB issued IFRS 15, Revenue from Contracts with Customers, which provides a single principle-based framework to be applied to all contracts with customers. IFRS 15 replaces the previous revenue standard IAS 18, Revenue, and the related Interpretations on revenue recognition. The standard scopes out contracts that are considered to be lease contracts, insurance contracts and financial instruments. The new standard is a control-based model as compared to the existing revenue standard which is primarily focused on risks and rewards. Under the new standard, revenue is recognized when a customer obtains control of a good or service. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the good or service.

This standard is effective for reporting periods beginning on or after January 1, 2018.

The Company is currently reviewing the impact of these standards and does not anticipate a significant impact on the consolidated financial statements.

Additional Information

Other additional information relating to Canadian Zeolite Corp. may be found on SEDAR at www.sedar.com and on the Company's website at www.canadianzeolite.ca.

Critical Accounting Estimates

The preparation of consolidated financial statements requires the Company, in conformity with Canadian International Financial Reporting Standards, to select from possible alternative accounting principles, and to make estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and revenues and expenses for the periods reported. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in operations in the period in which they become known. The Company's accounting policies and estimates used in the preparation of the consolidated financial statements are considered appropriate in the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process.

The consolidated financial statements include the accounts of the Company and its wholly-owned inactive subsidiaries, Canadian Mining Company of Arizona Inc. and Canadian Mining Company Inc. All significant inter-Company transactions and balances have been eliminated upon consolidation.

Mineral exploration and evaluation expenditures

Pre-exploration Costs
Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and Evaluation Expenditures
Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E") are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs and share based payments to employees and consultants, are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss/income.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction". Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Mineral exploration and evaluation expenditures are classified as intangible assets.

Disclosure and Internal Controls

Disclosure controls and procedures have been established to provide reasonable assurance that material information relating to the Company is made known to management, particularly during the period in which annual filings are being prepared. Furthermore, internal controls have been established to ensure the Company's assets are safeguarded and to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IRFS.

Risks and Uncertainties

The Company is in the mineral exploration and development business and as such is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same type of business. Some of the possible risks include the following:

- The industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates.

- The only source of future funds for further exploration programs, or if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production thereon, which are presently available to 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 party carrying out further exploration or development.

- Any future equity financings by the Company for the purpose of raising additional capital may result in substantial dilution to the holdings of existing shareholders.

- The Company must comply with environmental regulations governing air and water quality and land disturbance and provide for mine reclamation and closure costs.

- 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 its exploration and development activities in the future.

- There is no certainty that the properties which the Company has deferred as assets on its balance sheet will be realized at the amounts recorded. These amounts should not be taken to reflect realizable value.

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 on forward-looking statements. The Company has not completed a feasibility study on any of its deposits to determine if it hosts a mineral resource that can be economically developed and profitably mined.

Management's Responsibility for Financial Statements

The information provided in this report, including the consolidated financial statements, is the responsibility of management. In the preparation of these consolidated statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying consolidated financial statements.

Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information. The Company's CEO and CFO have confirmed to the Company that they are satisfied with the effectiveness of the Company's system of disclosure controls and procedures as at June 30, 2015 based upon their evaluation of the effectiveness of such disclosure controls and procedures.

Approval

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the consolidated financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors of the Company has approved the consolidated financial statements and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

Off-Balance Sheet Arrangements

The Company did not enter into any off-balance sheet arrangements during the year.

Share Capital Information

The Company is authorized to issue an unlimited number of common shares without par value.

At May 30, 2016:

The Company had 16,304,862 common shares issued and outstanding.

The Company had granted the following incentive stock options pursuant to its Stock Option Plan:

Number	*Exercise price*	Expiry date
600,000	$0.065	May 22, 2017
400,000	$0.065	June 24, 2017
250,000	$0.095	November 25, 2017
380,000	$0.090	January 29, 2018
1,630,000		

The Company had the following share purchase warrants outstanding:

Number of Warrants	Exercise price	Expiry Date
2,100,000 [(1)]	**$0.12**	**October 31, 2016**

(1) Each Unit was comprised of one common share and one share purchase warrant. Each whole warrant entitles the holder to acquire one common share at an exercise price of $0.12 per share until October 31, 2016.

Subsequent Events

During May 2016, the Company announced a non-brokered private placement of up to 3,500,000 units at a price of $0.10 per unit to raise gross proceeds of up to $350,000. Each unit consists of one common share and one non-transferable share purchase warrant. Each share purchase warrant is exercisable into one additional common share for a period of one year from the date of issue at an exercise price of $0.15 per share.