

Management's Discussion and Analysis
For the Nine Months Ended February 29, 2016

OVERVIEW

This discussion covers the operations of Clear Mountain Resources Corp. ("**Company**") for the nine months ended February 29, 2016. The following management's discussion and analysis ("**MD&A**") should be read in conjunction with the condensed interim consolidated financial statements and notes for the three and nine months ended February 29, 2016 (the "**Interim Financial Statements**") and the annual audited consolidated financial statements and management discussion and analysis for the year ended May 31, 2015 (the "**Annual Financial Statements**"). All financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

Additional information on the Company is available on SEDAR at www.sedar.com and at the Company's website, www.clearmountainresources.com. The date of this MD&A is April 28, 2016.

FORWARD LOOKING STATEMENTS

This MD&A may include certain "forward-looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's businesses, operations, plans and other such matters are forward-looking statements. When used in this MD&A, the words "estimate", "plan", "anticipate", "expect", ''intend'', "believe" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, changes in project parameters as plans continue to be refined, unavailability of financing, fluctuations in precious and/or base metals prices and other factors. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

DESCRIPTION OF BUSINESS

Clear Mountain Resources Corp. is a junior mineral resource exploration company with its head office located in Vancouver, British Columbia, Canada. The Company's shares are listed for trading on the TSX Venture Exchange ("**Exchange**") under the trading symbol "CY". The principal business of the Company is the identification, evaluation and acquisition of mineral properties and the subsequent exploration and operation thereof.

In September 2015, 177,000 stock options were forfeited in connection with the resignation of Thomas Clarke in the previous year.

In September 2015, the Company's wholly-owned subsidiaries, Clear Mountain Production LLC, Clear Mountain Assets LLC, and Clear Mountain Midstream LLC, were fully dissolved.

In November 2015, the Company closed a private placement for gross proceeds of $40,000, whereby the Company issued 4,000,000 units at a price of $0.01 per unit. Each unit consisted of one common share and one share purchase warrant, each warrant exercisable into one additional common share for a period of five years at a price of $0.05 per share. The Company incurred share issuance costs of $950 in connection with this private placement.

On April 8, 2016, the Company appointed Geoff Balderson as Chief Executive Officer and director of the Company, and Carrie Cesarone as Chief Financial Officer and Secretary of the Company. The Company also appointed Jeffery Tindale and Leighton Bocking as directors of the Company.

Richard Barth resigned as Chief Executive Officer and director, Michael Waldkirch has resigned as Chief Financial Officer and director, and Craig Taylor and Mark Vanry resigned as directors of the Company.

On April 12, 2016, the Company announced a proposed share consolidation of one new share for 20 old shares. Any fractional common shares will be rounded down to the nearest whole number. Outstanding stock options and share purchase warrants will also be adjusted by the consolidation ratio, and the respective exercise prices will be adjusted accordingly. This share consolidation is subject to shareholder and Exchange approval.

OVERALL PERFORMANCE

Financial highlights:

Operating expenses during the nine months ended February 29, 2016 were $66,292 (includes $30,203 of foreign exchange loss) versus $296,029 (includes a foreign exchange loss of $50,316) in the comparative nine months ended February 28, 2015. The decrease in operating expenses in the current period is attributable to reduced corporate activity and cost cutting initiatives which resulted in lower management fees, professional fees, property investigation costs, and travel and related fees.

The total net decrease in cash during the nine months ended February 29, 2016 was $86,385 compared to a decrease of $146,042 in the comparative nine months ended February 28, 2015 which coincides with the decrease in cash used in operating activities of $125,435 as compared to $146,042 in the comparative period. The Company recovered a portion of this with the closing of a $40,000 private placement in November 2015.

SELECTED QUARTERLY INFORMATION

At February 29, 2016, the Company had not yet achieved profitable operations and has an accumulated deficit of $3,243,033 (May 31, 2015 - $3,201,329) since inception. These losses resulted in a net loss per share (basic and diluted) for the nine months ended February 29, 2016 of $0.00 (February 28, 2015 - $0.01).

The following financial data is derived from the Company's Interim Financial Statements for the three and nine months ended February 29, 2016 and 2015:

	For the three months ended		For the nine months ended	
	February 29, 2016 $	**February 28, 2015 $**	**February 29, 2016 $**	**February 28, 2015 $**
General and administration expenses	9,825	103,613	66,292	296,029
Net loss and comprehensive loss	(9,825)	(103,614)	(66,292)	(296,030)
Basic and diluted loss per common share	(0.00)	(0.01)	(0.00)	(0.01)
Working capital (deficit)	(532,443)	(498,203)	(532,443)	(498,203)
Exploration and evaluation assets	-	1	-	1
Total assets	27,973	136,017	27,973	136,017
Total liabilities	559,476	633,045	559,476	633,045

The Company is considered an exploration stage company and has not generated any revenues to date.

RESULTS OF OPERATIONS

The table below details the changes in major expenditures for the three months ended February 29, 2016 as compared to the corresponding three months ended February 28, 2015.

Expenses	Increase / Decrease in Expenses	Explanation for Change
Unrealized foreign exchange loss	Decrease of $35,610	Decrease as the US dollar strengthened relative to the Canadian dollar at a greater pace in the comparative period. US dollar has been consistent in the current period.
Management fees	Decrease of $50,756	Decrease as part of the implementation of cost cutting initiatives by suspending all further management fees.
Professional fees	Decrease of $1,080	Decrease was correlated with reduced corporate activity in the current period.

The table below details the changes in major expenditures for the nine months ended February 29, 2016 as compared to the corresponding nine months ended February 28, 2015.

Expenses	Increase / Decrease in Expenses	Explanation for Change
Unrealized foreign exchange loss	Decrease of $20,113	Decrease as the US dollar continued to strengthen relative to the Canadian dollar over the fiscal period.
Management fees	Decrease of $151,395	Decrease as part of the implementation of cost cutting initiatives by suspending all further management fees.

Professional fees	Decrease of $11,615	Decrease was correlated with reduced corporate activity in the current period.
Property investigation costs	Decrease of $39,582	Decrease was correlated with reduced corporate activity in the current period.
Travel and related	Decrease of $7,198	Decrease was correlated with reduced corporate activity in the current period.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

	Three months ended			
	Feb 29, 2016	**Nov 30, 2015**	**Aug 31, 2015**	**May 31, 2015**
	$	**$**	**$**	**$**
Loss and comprehensive loss	(9,825)	(21,244)	(35,222)	(7,233)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)
	Feb 28, 2015	**Nov 30, 2014**	**Aug 31, 2014**	**May 31, 2014**
	$	**$**	**$**	**$**
Loss and comprehensive loss	(103,614)	(85,681)	(106,735)	(1,473,971)
Basic and diluted loss per share	(0.01)	(0.00)	(0.01)	(0.10)

The Company has not generated revenue since its inception; therefore, the Company continues to incur losses. The losses for the quarters are primarily the result of costs associated with share-based compensation, management and professional fees.

The variations in losses from quarter to quarter are generally consistent except for the following quarters:

- Three months ended May 31, 2014 as the Company wrote-down exploration and evaluation assets of $1,200,379 and incurred significantly higher legal fees in connection with evaluating projects in Osage County, Oklahoma.

LIQUIDITY, FINANCIAL POSITION AND CAPITAL RESOURCES

The Company does not generate cash from operations and is dependent on raising capital from equity markets to pursue new projects and business opportunities.

The Company's liquidity and capital resources are as follows:

	February 29, 2016	**May 31, 2015**
	$	$
Cash	15,489	101,874
Receivables	3,461	2,874
Prepaid expenses	8,083	8,918
Total current assets	27,033	113,666
Trade payables and accrued liabilities	537,442	525,843
Due to related parties	22,034	93,190
Working capital deficit	(532,443)	(505,367)

The Company's operations consist primarily of the identification, evaluation and acquisition of mineral properties and the subsequent exploration and operation thereof including actively seeking joint venture partners to assist with exploration funding. The Company's financial success will be dependent on the extent to which it can discover new mineral deposits.

As at February 29, 2016, the Company had a cash position of $15,489 (May 31, 2015 - $101,874) consisting of net proceeds from the private placement which closed in November 2015. As at February 29, 2016, the Company had a working capital deficit of $532,443 (May 31, 2015 –$505,367).

The Company's continuation as a going concern is dependent upon its ability to attain profitable operations and generate funds there from, find another financeable project, and/or raise equity capital or borrowings sufficient to meet current and future obligations. The Company has been successful in the past in raising funds for operations by issuing shares but there is no assurance that it will be able to continue to do so in the future, which raise significant doubts about the Company's ability to continue as a going concern. See "Risks and Uncertainties".

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

COMMITMENT

In June 2013, the Company signed a consulting agreement with Richard Barth, the former President, Chief Executive Officer and director of the Company to provide management consulting services to the Company for an indefinite term effective April 23, 2013. The agreement required total payment of $10,833 per month. Included in the agreement is a provision for a two year payout in the event of termination without cause and three year payout in the event of a change of control.

In March 2015, the Company and Mr. Barth mutually agreed to suspend all further consulting fees as part of cost cutting initiatives. Mr. Barth resigned as officer and director on April 5, 2016.

RELATED PARTY TRANSACTIONS

A break-down of the Company's due to related parties is as follows:

	February 29, 2016 **$**	**May 31, 2015** **$**
Richard Barth, former President, CEO and director	-	27,034
A company controlled by Michael Waldkirch, Former CFO and director	22,034	66,156
Total	**22,034**	**93,190**

The Company entered into the following transactions with related parties:

	For the nine months ended	
	February 29, 2016 **$**	**February 28, 2015** **$**

Management fees – A company controlled by Michael Waldkirch, former CFO and director	-	54,000
Management fees – Richard Barth, former President, CEO and director	-	97,395
Total	**-**	**151,395**

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Interim Financial Statements requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, as well as the reported revenues and expenses during the reporting period. Based on historical experience and current conditions, management makes assumptions that are believed to be reasonable under the circumstances. These estimates and assumptions form the basis for judgments about the carrying value of assets and liabilities and reported amounts for revenues and expenses. Different assumptions would result in different estimates, and actual results may differ from results based on these estimates. These estimates and assumptions are also affected by management's application of accounting policies. Critical accounting estimates are those that affect the financial statements materially and involve a significant level of judgment by management.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the valuation of share-based compensation, and recognition of deferred tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the Interim Financial Statements are as follows:

Determination of functional currency

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

Valuation of share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by

applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

FINANCIAL INSTRUMENTS

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:

a) Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

b) Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and

c) Level 3 – Input for assets or liabilities that are not based on observable market data.

The Company's financial instruments consist of cash, receivables, trade payables and accrued liabilities, and due to related parties. The fair value of these financial instruments, other than cash, approximates their carrying values due to the short-term nature of these instruments. Cash is measured at fair value using level 1 inputs.

The Company is exposed to a variety of financial risks by virtue of its activities including credit, interest rate, liquidity and commodity price risk.

a) Credit risk

Credit risk is risk of financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is held in trust with a large Canadian financial institution and is not exposed to significant credit risk.

b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to limited interest rate risk as it only holds cash and does not have any interest bearing debt.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company is currently exposed to liquidity risk as it does not have sufficient cash to offset current liabilities. The Company intends to manage its liquidity risk by forecasting cash flows from operations and anticipating future investing and financing activities (which may include acquiring financing through the equity markets). Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

d) Foreign currency risk

Foreign currency risk is the risk that the future cash flows or fair value of the Company's financial instruments that are denominated in a currency that is not the Company's functional currency will fluctuate due to the change in foreign exchange rate.

The Company is exposed to currency risk by incurring certain expenditures in currencies other than the Canadian dollar. As such, it is subject to risk due to fluctuations in the exchange rates for the Canadian and United States dollar. At February 29, 2016, the Company has trade payables and accrued liabilities in US dollars of $330,936. Each 1% change in the Canadian dollar versus the US dollar would result in a gain/loss of approximately $3,300.

RISKS AND UNCERTAINTIES

The Company believes that the following risks and uncertainties may significantly affect its success.

Lack of Cash Flow and Requirements for New Capital

The Company's current operations do not generate any positive cash flow. The Company has limited financial resources. There can be no assurance that additional funding will be available to allow the Company to fulfill such obligations.

No Operating History

The Company has no history of earnings or paid any cash dividends, and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future.

Competition

The Company competes with numerous other individuals and companies possessing greater financial resources and technical facilities in the search for and acquisition of attractive mineral properties.

Management: Dependence on Key Personnel

The Company is dependent on a relatively small number of key personnel the loss of any one of whom could have an adverse effect on the Company. In addition, while certain of the Company's officers and directors have experience in the exploration and operation of mineral producing properties, the Company will remain highly dependent upon contractors and third parties in the performance of its exploration and development activities. There can be no guarantee that such contractors and third parties will be available to carry out such activities on behalf of the Company or be available upon commercially acceptable terms. Certain directors and officers of the Company are associated with other natural resource exploration companies and may from time to time be in a conflict of interest.

Litigation

The nature of the Company's business subjects it to regulatory investigations, claims and lawsuits in the ordinary course of business. There is no assurance that the foregoing matters or any other investigations, claims and lawsuits, will not have an adverse effect on the Company.

CHANGES IN ACCOUNTING POLICIES

There were no changes to the Company's accounting policies during the nine months ended February 29, 2016.

Certain new standards, interpretations and amendments to existing standards have been issued by the International Accounting Standards Board or the International Financial Reporting Interpretations

Committee that are mandatory for accounting periods beginning after January 1, 2015, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

The following standards and interpretations have been issued but are not yet effective:

IFRS 9 – Financial Instruments: Classification and Measurement applies to classification and measurement of financial assets and liabilities as defined in IAS 39. It is effective for annual periods beginning on or after January 1, 2018 with early adopted permitted. The Company does not expect any effect on the Company's consolidated financial statements.

OUTLOOK

The Company's primary focus for the foreseeable future will be on reviewing its financial position, seeking new business opportunities and/or financing new business ventures in the mineral resource industry.

DISCLOSURE OF DATA FORM OUTSTANDING COMMON SHARES, OPTIONS AND WARRANTS

Common Shares

Below is a summary of the number of shares, options, and warrants outstanding.

	As at February 29, 2016	As at April 28, 2016
Common shares	24,468,337	24,468,337
Stock options	1,352,500	1,352,500
Warrants	6,275,000	6,275,000

Stock Options

The Company has issued incentive options to certain directors, employees, officers, and consultants of the Company. As of the date of this report, there are four tranches of stock options as shown below:

Number of Options	Exercise price	Expiry date
	$	
162,000	0.15	May 10, 2017
447,500	0.11	April 4, 2018
224,000	0.155	May 29, 2018
519,000	0.20	January 6, 2019

Warrants

As at the date of this report, the Company has warrants outstanding as shown below:

Number of Warrants	Exercise price	Expiry date
	$	
1,700,000	0.15	May 2, 2016
575,000	0.15	June 24, 2016
4,000,000	0.05	November 18, 2020

ADDITIONAL INFORMATION

Additional information related to the Company is available for view on SEDAR at www.sedar.com including, but not limited to:

- The Company's Interim Financial Statements for the three and nine months ended February 29, 2016; and

- The Company's Audited Financial Statements for the year ended May 31, 2015.

Current directors and officers of the Company are as follows:

- Geoff Balderson, President, CEO and Director
- Carrie Cesarone, CFO and Corporate Secretary
- Jeffery Tindale , Director
- Leighton Bocking, Director

The MD&A has been approved by the Board effective April 28, 2016.

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