

**A.I.S. RESOURCES LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2016
AUGUST 29, 2016**

Advisory regarding this MD&A and forward-looking statements

Securities laws encourage public issuers to disclose forward-looking information in their management's discussion and analysis (MD&A) so that investors can get a better understanding of the company's future prospects and make informed investment decisions.

Forward-looking information and statements included in this MD&A about the objectives of AIS and management's expectations, beliefs, intentions or strategies for the future are not guarantees of future performance and should not be unduly relied upon.

All forward-looking statements reflect management's current views as August 29, 2016, with respect to future events, and they are subject to certain risks, uncertainties and assumptions that may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such risks, uncertainties and assumptions include, but are not limited to: general economic conditions; the cost and availability of capital; actions by government authorities; actions by regulatory authorities; availability of raw materials; changes in raw materials prices; currency exchange rates; interest rates; competitor activity; industry pricing pressures; seasonality of the construction industry; and weather related factors.

A more detailed assessment of the risks that could cause actual results to materially differ from our current expectations is included in the Risk Management and Assessment section of this MD&A.

The following MD&A of the operating results and financial condition of AIS Resources Limited ("AIS" or the "Company") is for the three and six months ended June 30, 2016 and 2015.

The financial statements of AIS for the three and six months ended June 30, 2016 and 2015 have been prepared in accordance with International Financial Reporting Standards ("IFRS" or "GAAP") as issued by the International Accounting Standards Board ("IASB").

Business of the Company

A.I.S. Resources Limited is incorporated under the laws of Bahamas Islands. The registered office of the Company is located at 308 East Bay Street, Nassau, Bahamas. The business of AIS is to identify and develop early stage projects worldwide that have strong potential for growth with the objective of providing returns for shareholders. The Company has also commenced activities in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties.

On July 4, 2016 the Company entered into an Option Agreement to acquire a 100% interest in the Fiedmont Lithium Property near Val d'Or, Quebec, and the Lac Manitou and Lac Volant cobalt properties located north of Sept-Îles, Quebec.

Under the terms of the agreement, the Company has the exclusive right to acquire an undivided 100% interest in the properties, subject to a 3.0% Gross Overriding Royalty (GORR) with respect to any and all mineral and/or metal production from the properties. The Company will maintain the right to repurchase 1% of the GORR for \$2.5 million per property for a period of 5 years from the date of execution of the Agreement. The Agreement includes the rights to all metals and minerals occurring on the Properties with the exception of limestone, dolomite, and building stone.

In order to maintain the Option Agreement in good standing and acquire an undivided 100% interest in the property, the Company must, during the option period, complete the following:

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- (a) On signing of this Agreement, pay the sum of \$25,000 (the "*First Option Payment*" - PAID);
- (b) On the Exchange Approval Date, pay the sum of \$25,000 (PAID) and issue 1,400,000 Shares (the "*Second Option Payment*" - ISSUED);
- (c) On the first anniversary of the Exchange Approval Date, pay the sum of \$75,000 and issue 1,200,000 Shares (the "*Third Option Payment*");
- (d) On the second anniversary of the Exchange Approval Date, pay the sum of \$75,000 (the "*Fourth Option Payment*");
- (e) The Company shall incur in aggregate at least \$500,000 of Expenditures on the Property(s) of which \$250,000 will be expended by September 30, 2017 and \$250,000 by September 30, 2018.

On August 12, 2016 the Company granted 865,000 stock options to directors, officers and consultants of the Company. The options have an exercise price of \$0.15 and life of 5 years.

On August 17, 2016 the company issued 562,000 common shares in satisfaction of \$84,300 of indebtedness owed to two directors of the Company for unpaid fees and expenses.

On August 19, 2016 the Company completed a private placement of 3,000,000 units for gross proceeds of \$300,000. Each unit was issued at a price of \$0.10 and is comprised of one common share of the Company and one half common share purchase warrant, with each whole warrant entitling the holder thereof to acquire one common share at a price of \$0.20 for a period of one year from the date of closing of the placement provided that if the closing price of the common shares of the Company on any stock exchange or quotation system on which the common shares are then listed or quoted is equal to or greater than \$0.30 for a period of fifteen (15) consecutive trading days, the Company will have the right to accelerate the expiry of the warrants by giving notice to the holders of the warrants that the warrants will expire at 4:30 p.m. (Vancouver time) on a date that is not less than ten (10) business days from the date notice is given. The Company paid cash finders fees totaling \$3,000 and issued 12,500 brokers warrants. The brokers warrants have the same terms as the private placement warrants.

During the year ended December 31, 2015 the Company closed non-brokered private placements totaling 6,153,000 units at \$0.10 per unit for aggregate gross proceeds of \$615,300. Each Unit was issued at a price of \$0.10 and is comprised of one common share and one common share purchase warrant entitling the holder thereof to acquire one Common Share at a price of \$0.14 for a year of two years from the date of closing.

During the year ended December 31, 2015 the Company subscribed for 1,330,665 shares of Buda Juice LLC a private company at \$US \$0.30 per share for a cost of \$ 499,757 (\$US 399,200).

Outlook

The Company invests in high risk venture capital investments. Liquidity of these investments varies among each respective investment and accordingly the investment cycle can be of long duration. The Company has also commenced activities in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties.

Buda Juice LLC is an operator and franchiser of cold pressed juice shops.

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Fiedmont Property

The Fiedmont Property encompasses 2,063 hectares (5,097 acres), and is located proximal to the past producing Quebec Lithium Mine, covering the same geologic contact and potential extensions to the trend of other lithium occurrences to the northwest.

Lac Manitou Property

The Lac Manitou Property includes three claim blocks totaling 4,731 hectares (11,691 acres). The property covers the Tortuga Showing which includes surface rock sampling of Ni-Cu bearing sulphides, with one sample returning 0.35% Co.

Lac Volant Property

The Lac Volant Property includes three claim blocks totaling 1,200 hectares (2,967 acres). The property covers several known un-tested conductors within the immediate vicinity of the Lac Volant Showing. The Lac Volant Showing was discovered as a result of exploration in the 1990's. Drilling of the area in 1997 returned 2.51% Ni, 1.23% Cu, and 0.13% Co over 5.5 metres.

The Company is actively seeking other investments and is currently performing due diligence activities.

Investment in Marketable Securities, Cash and Cash Equivalent Deposits, and Notes Receivable

Security	Number	31/03/2016	30/06/2016	30/09/2016	31/12/2016
		\$	\$	\$	\$
Cash		5,036	8,463		
Note receivable		15,641	16,573		
Buda Juice LLC	Common 1,330,531	517,750	519,267		
Value of portfolio		538,427	544,303		-
Value of portfolio per common share of A.I.S. Resources Limited		\$ 0.04	\$ 0.04	\$ -	\$ -
		12,659,763	12,659,763		

Security	Number	31/03/2015	30/06/2015	30/09/2015	31/12/2015
		\$	\$	\$	\$
Bengal Energy Ltd.	Common -	4,307	5,893	-	
Chlorment Tech	Common -	-	3,000	-	
Huntington Exploration Inc.	Common -	15,333	15,333	-	
Highbank Resources Ltd.	Common 13,500	5,865	1,215	945	
Noka Resources Inc.	Common -	3,250	-	-	
Arctic Star Exploration	Common -	5,000	3,500	-	
Margaret Lake Diamonds Inc.	Common 11,000	32,400	23,800	2,255	
Margaret Lake Diamonds Inc.	Warrants 90,000	5,139	3,205	1,705	794
Panorama Petroleum Inc.	Common -	4,050	1,350	-	
Market value of investments		75,344	57,296	4,905	794
Cash		42,473	-	4,691	-
Note receivable		12,052	12,951	13,630	14,709
Buda Juice LLC	Common 1,330,531	236,974	499,757	534,634	552,437
Value of portfolio		291,499	512,708	552,955	567,146
Value of portfolio per common share of A.I.S. Resources Limited		\$ 0.04	\$ 0.08	\$ 0.05	\$ 0.07

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The fair value of marketable securities is measured at the date of each reporting period. The change in fair value is recognized as unrealized gain/loss on marketable securities in the Statement of Income and Comprehensive Income.

Selected Annual Information

	December 31, 2015	December 31, 2014	December 31, 2013
	\$	\$	\$
Revenue	(5,756)	40,621	6,239
Loss			
- total	(593,449)	(1,010,140)	(56,530)
- per share basis	(0.06)	(0.18)	(0.01)
Comprehensive loss	(540,770)	(1,010,140)	(56,530)
Total assets	567,940	186,920	510,320
Working capital	(331,487)	(30,771)	404,720

Summary of Quarterly Results

Period	Revenues	Profit or (Loss)	Profit or (Loss) per share	General & Administrative Expenditures
2 nd Quarter 2016	\$ 932	\$ (56,023)	\$ (0.00)	\$ 2,070
1 st Quarter 2016	932	(43,270)	(0.00)	360
4 th Quarter 2015	(463)	(109,082)	(0.00)	108,618
3 rd Quarter 2015	(14,958)	(132,392)	(0.01)	117,433
2 nd Quarter 2015	2,342	(258,939)	(0.04)	261,281
1 st Quarter 2015	7,323	(93,036)	(0.01)	93,119
4 th Quarter 2014	30,787	(255,913)	(0.04)	210,898
3 rd Quarter 2014	6,721	(176,967)	(0.03)	172,431

The Company's primary activities in the three and six months ended June 30, 2016 were as follows:

The Company continued its efforts to identify, evaluate and acquire additional suitable investments with a goal toward reactivating the Company on the TSX exchange. Costs decreased over the same period in 2015 as the Company instituted cost cutting measures.

The Company realized a net loss of \$56,023 and \$99,294 or \$0.00 and \$0.01 per share (2015 – \$258,939 and \$351,976 or \$0.04 and \$0.05 per share). Management fees for directors or officers of the Company totaled \$22,500 and \$45,000 (2015 - \$22,500 and \$45,000). Consulting fees totaled \$7,500 and \$8,500 (2015- \$99,987 and \$131,037). Professional fees totaled \$12,600 and \$23,632 (2015 - \$44,320 and \$56,491). The Company incurred \$2,332 and \$3,523 (2015 – \$7,280 and \$14,165) in travel costs. The decrease is as a result of reduced travel to investigate potential acquisitions. Office and administrative expenses were \$2,070 and \$2,925 (2015 – \$9,348 and \$17,774). Rent was \$nil and \$nil (2015 - \$11,041 and \$21,502). Transfer agent and filing costs were \$6,563 and \$9,875 (2015 - \$19,623 and \$11,252).

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Liquidity and Capital Resources

The Company had \$8,463 cash on hand at December 31, 2015 (December 31, 2015 - \$nil). The primary use of cash during the period was the funding of operating activities of \$18,417 and \$24,802 (2015 - \$95,955 and \$194,438) and investment in Buda Juice LLC - \$nil and \$nil (2015 - \$262,783 and \$499,757). The primary source of cash was subscriptions received \$19,500 and \$24,500 (2015 - \$281,250 and \$582,500) and disposition of marketable securities \$nil and \$nil (2015 - \$33,281 and \$80,982).

The Company's continued existence is dependent upon the achievement of profitable operations or the ability of the Company to raise alternative financing. Changes in future conditions could require material write-downs of carrying values of assets.

At June, 2016, the Company had a working capital deficiency of \$393,531 (December 31, 2015 - \$331,487). The Company does not have any commitments for capital expenditures. The Company has incurred net losses since inception and as of June 30, 2016, had an accumulated losses of \$4,369,383 (December 31, 2015 - \$4,270,089).

On August 17, 2016 the company issued 562,000 common shares in satisfaction of \$84,300 of indebtedness owed to two directors of the Company for unpaid fees and expenses

On August 19, 2016 the Company completed a private placement of 3,000,000 units for gross proceeds of \$300,000.

Capital Stock

As at August 29, 2016, the capital stock of the Company was as follows:

The authorized share capital of the Company is \$5,000,000 which can be issued in any combination of common and preferred shares with no par value. The issued and outstanding share capital consists of 17,621,763 common shares.

On August 19, 2016 the Company completed a private placement of 3,000,000 units for gross proceeds of \$300,000. Each unit was issued at a price of \$0.10 and is comprised of one common share of the Company and one half common share purchase warrant, with each whole warrant entitling the holder thereof to acquire one common share at a price of \$0.20 for a period of one year from the date of closing of the placement provided that if the closing price of the common shares of the Company on any stock exchange or quotation system on which the common shares are then listed or quoted is equal to or greater than \$0.30 for a period of fifteen (15) consecutive trading days, the Company will have the right to accelerate the expiry of the warrants by giving notice to the holders of the warrants that the warrants will expire at 4:30 p.m. (Vancouver time) on a date that is not less than ten (10) business days from the date notice is given. The Company paid cash finders fees totaling \$3,000 and issued 12,500 brokers warrants. The brokers warrants have the same terms as the private placement warrants.

On December 15, 2015 the Company closed the final tranche of the private placement announced on January 7, 2015 and issued 1,237,500 units for gross proceeds of \$123,750. Each Unit was issued at a price of \$0.10 and is comprised of one common share and one common share purchase warrant entitling the holder thereof to acquire one Common Share at a price of \$0.14 for a year of two years from the date of closing. The fair value of the warrants was estimated at \$50,113 using the residual method and is included in reserves.

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On August 19, 2015 the Company closed the first tranche of the private placement announced on January 7, 2015 and issued 4,915,500 units for gross proceeds of \$491,550. Each Unit was issued at a price of \$0.10 and is comprised of one common share and one common share purchase warrant entitling the holder thereof to acquire one Common Share at a price of \$0.14 for a year of two years from the date of closing. A total of \$1,316 cash was paid to finders in addition to the issuance of 13,160 broker's warrants which are exercisable into common shares at 14 cents per share for a two-year period. The full amount of the proceeds was attributed to the shares, hence the value of the warrants was estimated at nil. The fair value of the finders' warrants is estimated using Black-Scholes at \$691.

Stock Options

On April 23, 2014, the board of directors approved a stock option plan whereby up to 630,676 common shares may be issued in future.

On April 28, 2014 the Company awarded 450,000 incentive stock options exercisable at \$0.28 per common share to directors, officers and consultants of the Company, expiring on April 27, 2019. The Options vest as to one third immediately and as to an additional one third on the first and second anniversaries of the date of grant.

On May 21, 2014 the Company awarded 200,000 incentive stock options exercisable at \$0.60 per common share to a director and certain consultants of the Company, expiring on May 20, 2019. The Options vest as to one third immediately and as to an additional one third on the first and second anniversaries of the date of grant.

During the three and six months ended June 30, 2016 the Company recognized stock based consulting fees of \$6,208 (2015- \$6,208) and stock based management fees of \$2,150 (2015- \$2,150)

During the year ended December 31, 2015 33,334 options exercisable at \$0.60 were cancelled.

(i) Options

Number	Exercise Price	Expiry Date
450,000	\$ 0.28	April 27, 2019
100,000	\$ 0.60	May 20, 2019
865,000	\$ 0.15	August 12, 2021
<u>1,415,000</u>		

(ii) Warrants

Number	Exercise Price	Expiry Date
4,928,660	\$ 0.14	August 19, 2017
1,237,500	\$ 0.14	December 15, 2017
1,512,500	\$ 0.20	August 19, 2017
<u>7,678,660</u>		

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Related Party Transactions

For the three and six months ended June 30, 2015 the Company recorded the following transactions with related parties:

- a) \$22,500 and \$45,000 in management fees to Martyn Element the CEO of the Company (2015 - \$22,500 and \$45,000).
- b) \$nil and \$nil in consulting fees to the CEO of the Company (2015 – \$nil and \$9,000).
- c) \$12,600 and \$20,475 in accounting fees to a company controlled by Kiki Smith, the CFO of the Company (2015 - \$28,875 and \$38,325).
- d) The Company recorded \$nil in rent expense to a company controlled by the CEO of the Company (2015 – \$11,041 and \$21,502).

Key management compensation in the three and six months ended June 30, 2016 and 2015 was as follows:

	Six months ended June 30, 2016	Six months ended June 30, 2015
CEO for management fees	\$ 45,000	\$ 45,000
CEO for consulting fees	-	9,000
CFO for accounting fees	20,475	38,325
Balance, end of period	\$ 65,475	\$ 92,325

Amounts owing to related parties was as follows:

	June 30, 2016	December 31, 2015
CEO for accrued management fees and advances to the Company	\$ 87,010	\$ 32,628
Balance, end of period	\$ 87,010	\$ 32,628

Included in accounts payable is \$59,689 owing to a company controlled by the CFO.

Business Risk

The business of the Company is making equity investments in marketable securities and financial instruments. We are focused over the long-term on achieving as high a total return as possible without incurring risk significantly greater than the exposure to an investment of funds in the benchmark index. The benchmark index that we try to outperform over a trailing three year period is the S&P/TSX Composite Index (TTT-T).

Investments are made in a wide range of companies from very large to very small. The asset base available for investment by the Company is small which limits the degree of diversification of investments that is achievable.

Risks arise within the context of the general economic environment in which investment decisions are made. This includes but is not limited to, such macroeconomic factors as fluctuations in interest rates, commodity

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prices, foreign exchanges rates and liquidity in the economy and in specific markets. There are risk effects that these factors have on individual issuers and investments made by the Company.

Additionally, risks arise with respect to each individual investment made by the Company including, but not limited to factors such as operational performance, profitability, and the opportunity to sell the investment in the future. Investments may take extended periods of time until fruition becomes evident; and while management endeavors to perform at the highest level, there is a risk of failure.

The Company attempts to reduce adverse effects of these investment risks by holding a diverse portfolio of investments, by maintaining a portion of the portfolio in liquid assets including cash, and by investing a portion of the portfolio in assets that provide a cash flow stream of income distributions and dividends.

The Company has also commenced activities in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties. Due to the nature of the Company's business and the present stage of exploration of its resource properties (which are primarily early stage exploration properties with no known resources or reserves that have not been explored by modern methods), the following risk factors, among others, will apply:

Mining Industry is Intensely Competitive: The mining industry is intensely competitive and the Company will compete with other companies that have far greater resources.

Resource Exploration and Development is Generally a Speculative Business: Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. The great majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.

Fluctuation of Metal Prices: Even if commercial quantities of mineral deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any mineral deposit will be such that any of its resource properties could be mined at a profit.

Permits and Licenses: The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

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No Assurance of Profitability: The Company has no history of earnings and, due to the nature of its proposed business, there can be no assurance that the Company will ever be profitable. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares or, possibly, the sale or optioning of a portion of its interest in its resource properties. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there can be no assurance that any such funds will be available on favourable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Uninsured or Uninsurable Risks: The Company may become subject to liability for pollution or hazards against which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

Government Regulation: Any exploration, development or mining operations carried on by the Company will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In addition, the profitability of any mining prospect is affected by the market for precious and/or base metals which is influenced by many factors including changing production costs, the supply and demand for metals, the rate of inflation, the inventory of metal producing corporations, the political environment and changes in international investment patterns.

Environmental Matters: Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted and which may well be beyond the capacity of the Company to fund. The Company's right to exploit any mining properties will be subject to various reporting requirements and to obtaining certain government approvals and there can be no assurance that such approvals, including environment approvals, will be obtained without inordinate delay or at all.

Financing Risks: The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfil its obligations under any applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

Insufficient Financial Resources: The Company does not presently have sufficient financial resources to undertake by itself the exploration and development of all of its planned exploration and development programs. The development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing or other means. There can be no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its

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interest in its properties. In particular, failure by the Company to raise the funding necessary to maintain in good standing its various option agreements could result in the loss of its rights to such properties.

Dependence Upon Others and Key Personnel: The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability to design and carry out appropriate exploration programs on its resource properties; (ii) the ability to produce minerals from any resource deposits that may be located; (iii) the ability to attract and retain additional key personnel in exploration, marketing, mine development and finance; and (iv) the ability and the operating resources to develop and maintain the properties held by the Company. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance of success with any or all of these factors on which the Company's operations will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities. This is especially true as the competition for qualified geological, technical and mining personnel and consultants is particularly intense in the current marketplace.

Price Fluctuations and Share Price Volatility: In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual and extreme fluctuations in price will not occur.

Surface Rights and Access: Although the Company acquires the rights to some or all of the minerals in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights can be costly and time consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or land owners, it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right at law to access the surface and carry on mining activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdictions.

Title: Although the Company has taken steps to verify the title to the resource properties in which it has or has a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to resource properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

Acquisition of Mineral Concessions under Agreements: The agreement pursuant to which the Company has the right to acquire a number of its properties provide that the Company must make a series of cash payments and/or share issuances over certain time periods, expend certain minimum amounts on the exploration of the properties or contribute its share of ongoing expenditures. The Company does not presently have the financial

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resources required to complete all expenditure obligations under its property acquisition agreement over their full term. Failure by the Company to make such payments, issue such shares or make such expenditures in a timely fashion may result in the Company losing its interest in such properties. There can be no assurance that the Company will have, or be able to obtain, the necessary financial resources to be able to maintain all of its property agreements in good standing, or to be able to comply with all of its obligations thereunder, with the result that the Company could forfeit its interest in one or more of its mineral properties.

New accounting standards not yet adopted

IFRS 7 – Financial Instruments: Disclosure

IFRS 7 was amended to require additional disclosures on transition from IAS 39 to IAS 9. The standard is effective on adoption of IFRS 9, which is effective for annual periods commencing on or after January 1, 2018. The company is currently evaluating the impact this standard is expected to have on its financial instruments.

IFRS 9 - Financial Instruments

The IASB intends to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 Financial Instruments ("IFRS 9") which is intended to reduce the complexity in the classification and measurement of financial instruments. The IASB has determined that the revised effective date for IFRS 9 will be January 1, 2018.

IFRS 15 - Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers ("IFRS 15"), which supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers, and SIC 31 Revenue - Barter Transactions involving Advertising Services. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

IFRS 16 – Leases

IFRS 16 was issued on January 13, 2016, and will be effective for accounting periods beginning on or after January 1, 2019. Early adoption is permitted, provided the Company has adopted IFRS 15. This standard sets out a new model for lease accounting. The Company is currently evaluating the impact the final standard is expected to have on its financial instruments.

Additional Corporate Information

Additional information relating to the Company, including the Information Circular, can be found on the SEDAR website at www.sedar.com.