

BROADWAY GOLD MINING LTD.
(formerly Carolina Capital Corp.)
FORM 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For The Three Months Ended November 30, 2016

The following discussion and analysis of financial results should be read in conjunction with the unaudited condensed consolidated interim financial statements of Broadway Gold Mining Ltd. ("the Company" or "Broadway") for the three months ended November 30, 2016 as well as the audited financial statements for the year ended August 31, 2016; including the notes thereto. The financial data contained in this discussion and analysis is presented in accordance with International Financial Reporting Standards ("IFRS"). The reporting currency is the Canadian dollar.

The following discussion and analysis provides information that management believes is relevant to the assessment and understanding of the Company's results of operations and financial conditions. Certain statements herein contain forward-looking statements relating to the operations or to the environment in which we operate, which are based on our operations, forecasts, and projections. Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions, and actual results may differ materially from those anticipated in these forward-looking statements. The risks include those outlined under the "Risk Factors" section of this MD&A and elsewhere in the Company's public disclosure documents.

This Management Discussion and Analysis is dated January 26, 2017.

BUSINESS OVERVIEW

Carolina Capital Corp. (the "Company") was incorporated under the *Business Corporations Act* of British Columbia on July 26, 2010. On October 12, 2016, it changed its name to Broadway Gold Mining Ltd. to reflect the change of geographical location of its principal business activity to the gold and copper mining property located in Silverstar, Montana, USA (the "**Madison Property**"). The Company's head and principal office is located in Vancouver, British Columbia, Canada. The Company's common shares trade on the TSX-V under the symbol "BRD". The Company's shares also trade on the USA OTCQB Venture Marketplace under the symbol "BDWYF" and on the Frankfurt exchange under the symbol "BGH".

The Company has one subsidiary, Broadway Gold Corp., a Montana corporation under which it conducts the exploration activities on the Madison Property.

INTEREST IN MINERAL PROPERTIES

Madison Property

In July 2016, the Company entered into an agreement to purchase 100% right, title and interest in 450 acres of land with a 192 acre ranch, buildings, mine equipment and fixtures and 6 patented and 35 unpatented mineral claims situated in Madison County, Montana. The agreement called for a cash payment of CDN\$250,000 (inclusive of the US\$25,000 paid on May 18, 2016 towards the annual

property payment) and the issuance of 500,000 common shares on the First and Second Anniversary and CDN\$100,000 upon attainment of commercial production.

The acquisition is also subject to an annual payment equal to the greater of a 2% NSR or US\$50,000 (of which the Company paid \$25,000 towards the 2016 payment).

Final TSX approval for the closing of the transaction was received on September 30, 2016. Concurrently with the completion of the transaction, the Company completed a non-brokered placement of 16,500,000 units for gross proceeds of \$990,000.

The Madison Project consists of 6 Federal Patented Lode Claims, 34 Federal Unpatented Lode Claims and 1 Federal Unpatented Placer Claim. The road accessible claims lie 1.5 kilometers west of the hamlet of Silver Star in Sections 2 and 3 of Township 2 South, Range 6 West. The center of the property is 398000E 5060500N in Zone 12 in the NAD27 datum. The claims lie on the Silver Star 7.5 minute quadrangle map sheet. The Madison Property lies in the Silver Star District along the south flank of the Radar Creek pluton 38 kilometers southwest of the world famous Butte copper mine, an area of high geological potential. The property is underlain by Mississippian calcareous sediments intruded by quartz monzonite of the Tertiary to Cretaceous Radar Creek pluton. Gold and copper skarn deposits have developed at the contact.

The Madison project encompasses two mines, several shafts and adits and numerous pits and trenches, largely centered along the limestone intrusive contact. The largest of these is the Broadway Mine, developing a gold-bearing vein zone to a vertical depth of 750 feet between the 1880's and the 1950's. A total of 450,000 tons averaging 0.32 ounces per ton gold were produced from approximately 6,000 feet of underground workings. The Company feels the depth potential of the Broadway Mine has yet to be tested.

The second mine is the Madison Mine. A series of drill programs throughout the 1980's and into the early 1990's located gold, copper and gold-copper mineralization in a 152 metre long by 61 metre wide zone along the limestone intrusive contact. During the 2007 to 2013 period Coronado Resources Ltd. drove a decline and bulk sampled several blocks within a 70 metre long by 30 metre wide section of the larger zone. A number of the significant drill intersections from the earlier drill programs were not followed up and these present the Company with a second area of immediate potential on the property.

UPDATES ON CURRENT EXPLORATION ACTIVITIES

The geological setting of quartz veins and skarn mineralization at the Radar Creek pluton strongly supports the potential for a deeper porphyry copper gold deposit. The Company has just concluded an IP survey probing the limestone intrusive contact to a depth of 500 metres. Results are pending as of the date of this MDA.

The Company has completed the following since closing the transaction in October, 2016:

- Initiated the rehabilitation of the Coronado underground workings to allow underground drilling at the lowest level of the workings. The Company expects this to be completed by mid-February.

- Initiated a property wide IP and magnetics geophysical survey in mid-November. Upon a review of the initial data, the Company commenced further IP surveying to help define and sharpen anomalies located in November.
- Initiated and completed property wide geological mapping along with sampling of the numerous dumps from shafts, pits and adits scattered throughout the property. Sixty grab samples from these dumps were submitted to the ALS Minerals Laboratory in Elko, Nevada for analysis.
- Initiated a 1,371 metre (4,500 foot) Phase I surface drilling program in early January 2017. The program is aimed at verifying known copper and gold mineralization identified during historical drill programs conducted in the 1980s and early 1990s. The program will also test potential copper and gold mineralization expansion west of existing underground workings and at depth.

Interested readers can review the NI 43-101 report supporting the acquisition of the Madison Project on the Company's website. www.broadwaymining.com.

GP Property, British Columbia

In November 2012, the Company entered into an Option Agreement to earn a 100% interest in the GP Property. In order to maintain the Option in good standing the Company is required to: incur exploration expenditures to a total of \$100,000 on or before the first anniversary of the date of Exchange approval, make cash payments to the vendors of the Option of \$10,000 upon receipt of the Technical Report and \$15,000 at the time of Exchange approval and issue 700,000 shares (200,000 upon Exchange approval, 200,000 on the first anniversary of Exchange approval and 300,000 on or before the second anniversary. All payments have been made and share commitments have been issued. As at the date of this Report the Option remains in good standing.

The GP Property is located in the Kamloops Mining Division in British Columbia and lies on TRIM claim sheets 092I034 and 092I044 in the Kamloops Mining Division in British Columbia. It is comprised of four (4) mineral claims and is located approximately 5 kilometres southwest of Spences Bridge, British Columbia totaling 1,978 hectares. The mineral tenures are for sub-surface rights only, there are no surface rights associated with the tenure.

The option is subject to two (2%) percent net smelter return royalty on production, calculated and payable quarterly in arrears. The Company may upon notice at any time repurchase all or a portion of royalty, for CDN\$500,000 for each one-half of one (0.5%) percent, together with any accrued but unpaid royalties.

The GP Property is an epithermal precious metal project which lies within the Lower Cretaceous Spences Bridge Group, an andesitic to rhyolitic volcanic arc belt of rocks, lying in south central British Columbia. This belt stretches from the north of Princeton to the west of Cache Creek with additional outliers continuing further north to Gang Ranch. The Spences Bridge Gold Belt is emerging as a new epithermal precious metal exploration target. The GP Property is largely underlain andesitic lava flows of the Spius Formation. Local interbeds of Pimainus Formation volcanoclastics were noted lower down the slopes on the western part of the property. Abundant epithermal quartz

detritus was noted throughout the western half of the property, including agates, discontinuous veins and veinlets, clots, blowouts and felsenmeer.

Since the time that the Company acquired the Option it conducted an initial exploration program in 2013. It has met all the conditions required to maintain the Property and the Option in good standing but have not conducted any further exploration on the property. The Company is not expecting to spend any additional resources on the GP Property in the near future as its main focus is on the Madison Project.

After a fair assessment of the property, the Company recorded an impairment on the property and wrote down the asset by \$92,639 during the fiscal year ended August 31, 2016. The residual carrying value of the GP Property of \$47,400 is believed to be the current fair market value of the asset. At this time, the Company is not contemplating any further exploration work on the property.

R. Tim Henneberry, P.Geo. (BC), a director of Broadway Gold Mining Ltd. has reviewed and approved the technical content of this MDA.

Mineral Property Expenditures

The Company capitalized exploration and evaluation expenditures in the period incurred. During the period ended November 30, 2016, the Company has incurred the following exploration expenditures on the Madison Property:

	GP Property	Madison Property
Balance August 31, 2014	\$ 128,039	\$ -
Expenditures during the year		
Acquisition costs	12,000	-
Net expenditures in year	12,000	-
Balance August 31, 2015	140,039	-
Assessment and taxes	-	32,810
Permits, assay and testing	-	7,120
Write down of impairment of E & E assets	(92,639)	
Net expenditures in year	(92,639)	39,930
Balance August 31, 2016	47,400	39,930
Assessment and taxes	-	7,299
Camp costs	-	10,317
Consulting engineers	-	179,501
Fieldwork and wages	-	28,315
Permits, assay and testing	-	9,690
Power utilities	-	2,330
Reclassification of prepaid expenses	-	(39,930)
Net expenditures during the period	-	197,522
Balance November 30, 2016	\$ 47,400	\$ 237,452

RESULTS OF OPERATIONS

Selected Annual Information

The following table provides a brief summary of the Company's financial operations for the last three fiscal years. This information has been presented in accordance with International Financial Reporting Standards ("IFRS"). The reporting currency is the Canadian dollar. For more detailed information, refer to the August 31, 2016 and 2015 audited financial statements.

	Year Ended August 31, 2016	Year Ended August 31, 2015	Year Ended August 31, 2014
	\$	\$	\$
Interest income	1,592	2,295	4,035
Net income (loss) for the year	(238,663)	(112,065)	(69,915)
Basic and diluted earnings (loss) per share	(0.02)	(0.01)	(0.01)
Total assets	266,019	388,049	482,242
Total long term liabilities	-	-	-
Cash dividends	-	-	-

Summary of Quarterly Results

The following table sets out selected financial data in respect of the most recently completed quarters of the Company. The data is derived from the financial statements of the Company prepared in accordance with International Financial Reporting Standards ("IFRS").

	November 30, 2016	August 31, 2016	May 31, 2016	February 28, 2016	November 30, 2015	August 31, 2015	May 31, 2015	February 28, 2015
		\$	\$	\$	\$	\$	\$	\$
Total Revenue (other income)	280	260	50,316	585	431	507	390	670
Net Income (loss)	(422,382)	(167,982)	(14,181)	(45,357)	(11,143)	(60,572)	(11,355)	(17,124)
Basic and diluted (loss) per common share	(0.02)	(0.02)	(0.00)	(0.01)	(0.00)	(0.01)	(0.01)	(0.00)

Three Months Ended November 30, 2016

During the three months ended November 30, 2016 the Company recorded a net loss of \$(422,382) compared to a net loss of \$(11,142) during the same three-month period ended November 30, 2015. The most material difference being a charge of \$301,152 for stock-based compensation recorded for the granting of incentive stock options in 2016. The three-month period ending November 30, 2016 represents the first commencement of business post-acquisition of the Madison property, hence the accounting, audit and legal fees were \$46,363 as compared to \$8,500 in 2015. The increased costs included \$27,127 of legal fees relating to the closing of acquisition transaction. During the 2016 period, the Company incurred \$7,637 in travel costs (2015 – nil) incurred for travel to Montana to the mine site and in connection with increased shareholder relation activities. Transfer agent and filing fees was \$13,665 compared to \$2,688 in 2015 as a result of increased transfer agent fees relating to the completion of the private placement and increased filing fees to the TSX in connection with the acquisition. In 2016, the Company incurred monthly management fees to a related party in connection with the commencement of the exploration program, there were no management fees incurred in 2015.

During the period, the Company completed the acquisition of the Madison Property. It recorded \$248,995 as Property and Equipment acquired in the Madison transaction. \$199,197 was allocated to Land, \$29,880 to mining equipment including vehicles and \$19,918 to buildings.

\$237,452 was expended as exploration and evaluation expenditures on the Madison Property during the period which included the \$39,930 that was capitalized in the prior accounting period until the completion of the acquisition (see note 4 in the November 30, 2016 financial statements and Disclosure for Venture Issuers without Significant Revenues for further details).

Subsequent Events

On January 4, 2017, the Company closed a non-brokered private placement offering of 6,614,757 units of securities @ \$0.35 per Unit for gross proceeds of \$2,315,164.95. Each Unit consisted of one (1) common share and one-half of one (1/2) common share purchase warrant with each whole warrant entitling the holder to purchase one share at a price of \$0.75 for a period of two years from the date of issuance.

Disclosure for Venture Issuers Without Significant Revenue.

The Company has no revenue from operations since becoming a reporting issuer.

The following is a breakdown of the general operation expenses incurred during the periods noted below:

	Three Months Ended November 30, 2016	Three Months Ended November 30, 2015
General office expenses	\$ 3,060	385
Accounting, audit and legal fees	46,363	8,500
Consulting fees	21,630	-
Shareholder information	23,186	-
Stock-based compensation	301,152	-
Travel	7,637	-
Transfer agent and filing fees	13,665	2,688
	\$ 416,693	\$ 11,573

The following is a breakdown of the exploration and evaluation expenditures incurred during the periods noted below:

	Three Months Ended November 30, 2016	Three Months Ended November 30, 2015
Assessment and taxes	\$ 7,299	-
Camp costs	10,317	-
Consulting engineers	179,501	-
Fieldwork and wages	28,315	-
Permits, assaying and testing	9,690	-
Power utilities	2,330	-
	\$ 237,452	\$ 0

LIQUIDITY AND CAPITAL RESOURCES

The Company's approach to managing its liquidity is to ensure that it has sufficient resources to meet its liabilities as they come due and have sufficient working capital to fund operations for the ensuing fiscal year.

As at November 30, 2016, the Company had \$429,600 in current assets (August 31, 2016 - \$178,689) and current liabilities of \$30,729 (August 31, 2016 - \$99,022) for a working capital position of

\$398,871 compared to a working capital position of \$79,667 at August 31, 2016. As at the date of this report, the Company has adequate cash and working capital to fund its operations and planned capital expenditures for the next 12 months. Any additional material capital expenditures or commitments may require a source of additional financing, which may come from funds through equity financing.

As at November 30, 2016 the Company had a share capital balance of \$1,729,384 (August 31, 2016 - \$745,081) as a result of the completion of the private placement in October 2016 for net proceeds of \$950,700 and the exercise of stock options of \$33,604. The contributed surplus account increased by \$299,814 due to stock based compensation attributed to the granting of the stock options to the Directors and decreased by \$12,354 from the exercise of stock options for a balance of \$365,061 as at November 30, 2016.

Financing of operations has been achieved solely by equity financing.

Investing Activities

Total cash from (used in) investing activities during the period ended November 30, 2016 was (\$740,376) compared to \$14,643 at November 30, 2015. Investing activities in 2016 included \$248,995 for purchase of the Madison assets, \$197,522 (\$237,452 less prepaid \$39,930) for exploration and maintenance costs on the property and \$83,704 paid for Reclamation deposits for total cash of \$570,151. \$210,155 was invested into short-term investments for total use of cash of \$740,376. During the same period in 2015, the only investing activity was the withdrawal of \$14,643 from short-term investment for operational use.

OFF-BALANCE SHEET ARRANGEMENTS

To the best of Management's knowledge, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

CONTRACTUAL COMMITMENTS

See "Interest in Mineral Properties" for mineral property commitments.

TRANSACTIONS WITH RELATED PARTIES

For the three-month period ended November 30, 2016, the Company incurred accounting and administrative services of \$13,500 (2015: \$4,800) to a company owned by one of its directors. As at November 30, 2016, included in accounts payable and accrued liabilities is \$5,476 (2015: \$1,689) payable to this company.

For the three-month period ended November 30, 2016, the Company incurred management services of \$15,000 to a company owned by one of its directors (2015: nil). As at November 30, 2016, included in accounts payable and accrued liabilities is an aggregate of \$10,515 payable to this company for services and expenses.

For the three-month period ended November 30, 2016, the Company incurred geological and management expenses of \$15,000 to a company owned by one of its directors (2015: nil).

All transactions and balances are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

CAPITAL STOCK

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

The following common shares and convertible securities were outstanding as at November 30, 2016:

	Expiry Date	Exercise Price	Options Outstanding	Common Shares on Exercise
Common shares				26,575,000
Stock options	February 15, 2021	\$0.05	525,000	525,000
	October 18, 2021	\$0.25	1,350,000	1,350,000
	October 18, 2021	\$0.19	250,000	250,000
	October 19, 2021	\$0.25	500,000	500,000
Total Stock Options				2,625,000
Share purchase warrants	October 13, 2019	\$0.10	16,500,000	16,500,000

Stock Options

The Company has an incentive stock option plan (the “Option Plan”) allowing for the reservation of common shares issuable under the Plan to a maximum 10% of the number of issued and outstanding common shares of the Company at any given time. The term of any stock option granted under the Plan may not exceed five years and the exercise price may not be less than the discounted market price on the grant date. All options granted under the plan shall vest and become exercisable in full upon grant, except options granted to consultants performing investor relations activities, whose options must vest in stages over twelve months with no more than one quarter of the options vesting in any three-month period.

The purpose of the Plan is to provide directors, officers and key employees and certain other persons who provided services to the Company and its subsidiary with an increased incentive to contribute to the future success and prosperity of the Company.

Pursuant to the Option Plan, the Company had entered into agreements with its directors to grant an aggregate of 950,000 incentive stock options with a grant date of February 15, 2016, vesting immediately. Each option allows the holder to purchase one common share of the Company at an exercise price of \$0.05 per common share (equal to market price at the date of grant) for a period of five years from the date of grant. During the prior year, the Company expensed \$27,614 stock-based

compensation as the result of granting the above noted stock options. During the period ended November 30, 2016, 425,000 of the options were exercised.

On October 18, 2016, the Company granted an aggregate of 1,350,000 stock options to various directors at an exercise price of \$0.25 per share for a period of five years from the date of grant.

On October 18, 2016, the Company granted 250,000 stock options to a service provider at an exercise price of \$0.19 per share for a period of five years from the date of grant.

On October 19, 2016, the Company granted 500,000 stock options to a director at an exercise price of \$0.25 per share for a period of five years from the date of grant.

As at November 30, 2016 the Company had 2,625,000 stock options outstanding.

Share Purchase Warrants

The Company completed a private placement of 16,500,000 Units at \$0.06 per unit in October 2016. Each Unit comprised of one common share and one share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.10 per share for a period of three years, expiring October 13, 2019.

As at November 30, 2016 the Company had 16,500,000 share purchase warrants outstanding.

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

All significant accounting policies and critical accounting estimates are fully disclosed in Note 2 of the financial statements for the three months ended November 30, 2016.

FINANCIAL RISK MANAGEMENT

The Company's financial assets consist of cash and cash equivalents, short-term investments and other receivables. The estimated fair values of cash and cash equivalents, short-term investments and other receivable approximate their respective carrying values due to the short period to maturity.

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 the asset or liability either directly or indirectly; and
- c. Level 3 – inputs that are not based on observable market data.

For the periods ended November 30, 2016 and 2015, the fair value of cash and cash equivalents and short-term investment were measured using Level 1 inputs. Other receivable were measured using Level 2 inputs.

The Company is exposed to varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes, inclusive of counterparty limits, controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, it will have sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash and cash equivalents. The Company believes that these sources will be sufficient to cover the likely short-term cash requirements. The Company's cash and cash equivalents are currently invested in business accounts which are available on demand by the Company for its operations.

Interest Rate Risk

The Company invests part of the cash balance in a variable rate GIC at rate of prime minus 1.95%. Any change to market rates result in interest rate risk. The exposure to interest rate risk, however, is limited due to the short-term nature of variable rate GIC.

Credit Risk

Credit risk is the risk of a loss in a counterparty to a financial instrument that fails to meet its contractual obligations. The Company's exposure to credit risk is limited to its cash and cash equivalents and short-term investments. The Company limits its exposure to credit risk by holding its cash and cash equivalents and short-term investments in deposits with high credit quality Canadian financial institutions.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. A portion of the Company's financial assets and liabilities is denominated in United States dollars. Consequently, certain financial assets and liabilities are exposed to currency fluctuations. Most of the Company's operations are conducted in Canadian dollars. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

FUTURE ACCOUNTING STANDARDS AND INTERPRETATIONS

New accounting standards issued

The Company has evaluated the following new and revised IFRS standards and has determined there to be no material impact on the financial statements upon adoption:

- 1) IAS 24 – Related party disclosures
- 2) IFRS 2 – Share-based payment
- 3) IFRS 7 and IAS 32 – Financial Instruments: Disclosures and Presentation
- 4) IFRS 11 – Joint Arrangements

5) IFIC 21 - Levies

New and Revised IFRS Issued but Not Effective

The following standards or amendments are effective for annual periods beginning on or after September 1, 2016:

- 1) IFRS 9 – Financial Instruments (annual periods beginning March 1, 2018)
- 2) IFRS 15 – Revenue from Contracts with Customers Issued (annual periods beginning March 1, 2017)

RISKS RELATED TO OUR BUSINESS

The Company is 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 mineral properties (which are primarily early stage exploration properties with no known resources or reserves), the following risk factors, among others, will apply:

The Company's ability to continue to conduct exploration and development depends upon the Company's ability to obtain additional financing. The business of mineral exploration and extraction involves a high degree of risk with very few properties that are explored ultimately achieving commercial production. As a mining company in the exploration stage, the future ability of the Company to conduct exploration and development will be affected principally by its ability to raise adequate amounts of capital through equity financings, debt financings, joint venturing of projects and other means. In turn, the Company's ability to raise such funding depends in part upon the market's perception of its management and properties, but to a great degree upon the price of gold and the marketability of securities of speculative exploration and development mining companies.

The Company has no history of earnings and no foreseeable earnings. The property in which the Company has acquired an interest has not been determined to be commercially feasible and hence may not have any commercial production. The Company has no history of profits and has a deficit. The Company receives no revenues from production or otherwise and is entirely dependent on raising additional equity and loan financing.

The Company has no mineral producing properties, and the Company has not demonstrated that any mineralized material on the property in which it may acquire an interest constitutes proven or probable reserves of ore. It is uncertain what level, if any, of recovery of gold or other minerals from mineralized material will in fact be realized. Identified mineralized deposits may never qualify as commercially mineable (or viable) reserves, and even if they do qualify, they may fail to yield the estimated level of copper or other minerals. Estimates of mineralized deposits and production costs can also be affected by such factors as metals prices, availability of capital for development, permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of mineralization ultimately mined (if any) may differ from that indicated by drilling results. Short term factors relating to mineralized material, such as the need for orderly development or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. Gold and other minerals recovered in small scale laboratory tests may fail to be duplicated in large scale tests under on-site conditions. Material changes in mineralized material, grades, stripping ratios or recovery rates may affect the economic viability of projects. Mineralized

deposits are reported as general indicators of mine life and should not be interpreted as assurances of mine life or of the profitability of current or future operations.

As mineral prices are volatile, a profitable market may not develop for any commercial quantities of mineral resources discovered by the Company. Mineral prices are subject to fluctuation. The effect of these factors cannot accurately be predicted. The mining industry in general is intensely competitive and, even if commercial quantities of mineral resources are discovered, a profitable market may not develop for the sale of the same. Factors beyond the control of the Company may affect the marketability of any gold or any other materials discovered. The price of precious metals is 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.

Competition. The resource industry is intensively competitive in all of its phases, and the Company competes with many other companies possessing much greater financial and technical resources. Competition is particularly intense with respect to the acquisition of desirable undeveloped properties. The principal competitive factors in the acquisition of prospective properties include the staff and data necessary to identify and investigate such properties, and the financial resources necessary to acquire and develop the projects. Competition could adversely affect the Company's ability to acquire additional suitable prospects suitable for exploration.

The Company's share price is volatile. Publicly quoted securities are subject to a relatively high degree of price volatility. The quoted market for the common shares of the Company may be subject to market trends generally, notwithstanding any potential success of the Company in creating sales and revenues.

Title to Property. Although the Company has exercised the usual due diligence with respect to title of its properties, there is no guarantee that title to the properties will not be challenged or impugned as a result of prior unregistered agreements or transfers, aboriginal land claims, government expropriation and undetected defects.

Government Regulations and Environmental Risks and Hazards. The Company's conduct is subject to various federal, provincial, state laws, rules and regulations, including environmental legislation. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the resource property interests, the potential for production on the property may be diminished or negated. The Company has adopted environmental practices designed to ensure that it continues to comply with environmental regulations currently applicable to it. All of the Company's activities are in compliance in all material respects with applicable environmental legislation.

Licenses and Permits. The operations of the Company require licenses and permits from various government authorities. The Company believes that it holds all necessary licenses and permits under applicable laws and regulations for work in progress and believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in various circumstances. There can be no guarantee that the Company will be able

to obtain or maintain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities or to maintain continued operations that economically justify the cost.

CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital and cash equivalents.

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company has historically relied on equity financing to fund its activities. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended November 30, 2016.

EVALUATION OF DISCLOSURE CONTROLS AND POLICIES

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in reports filed with or submitted to the various securities regulators is recorded, processed, summarized and reported within the time periods specified. This information is gathered and reported to the Company's management, which includes the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), so that timely decisions can be made regarding disclosure.

The Company's management, under the supervision of, and with the participation of, the CEO and CFO has designed the Company's disclosure controls and procedures. As at November 30, 2016, the CEO and CFO evaluated the design and operation of the Company's disclosure controls and procedures. Based on that evaluation, the CEO and CFO concluded that the Company's disclosure controls and procedures were effective as at November 30, 2016.

EVALUATION OF INTERNAL CONTROLS OVER FINANCIAL REPORTING

Designing, establishing and maintaining adequate internal control over financial reporting is the responsibility of the Company's management. Internal control over financial reporting is a process designed by, or under the supervision of management, and affected by the Board of Directors, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements in accordance with IFRS.

These controls include policies and procedures that: pertain to the maintenance of records that, in reasonable detail, accurately reflect transactions pertaining to its assets, provide reasonable assurance that all transactions are recorded to permit the preparation of its financial statements in accordance with IFRS, and that expenditures are being made only in accordance with authorizations of management of the Company, and provide reasonable assurance regarding prevention or timely

detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on its financial statements.

Management is responsible for establishing and maintaining internal control over financial reporting and has designed and implemented such controls to ensure that the required objectives of these internal controls have been met. The management of the Company applied its judgment in evaluating the cost-benefit relationship to controls and procedures. The result of which was, because of the inherent limitations in all control systems, that no evaluation of the controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

As at November 30, 2016, the officers of the Company evaluated the design and implementation of the Company's internal control over financial reporting ("ICFR"). Based on this evaluation of the design and operating effectiveness of the Company's ICFR, the CEO and CFO concluded that the Company's ICFR was effective as at November 30, 2016.

OUTLOOK

Our objective is to maximize the value of the Company for our shareholders and our strategy to obtain this result is to focus on project evaluations and project generation.

To proceed with this strategy, in July 2016, the Company entered into an agreement to purchase 100% right, title and interest in 450 acres of land with a 192 acre ranch, buildings, mine equipment and fixtures and 6 patented and 35 unpatented mineral claims situated in Madison County, Montana. Final TSX approval for the closing of the transaction was received on September 30, 2016.

The Company paid an aggregate of C\$248,995 for the Assets of which \$199,197 was allocated to Land, \$29,880 to mining equipment including vehicles and \$19,918 to buildings.

During the period ended November 30, 2016, \$237,452 was expended as exploration and evaluation expenditures and \$83,704 paid for Reclamation deposits for total cash outlay of \$570,151.

Subsequent to the end of the period, in January 2017, the Company completed a second financing for gross proceeds of \$2,313,164.95. The Company intends to complete the Phase 1 exploration program as initiated and will commence with a Phase 2 program thereafter.

ADDITIONAL INFORMATION

Additional information relating to the Company can also be found on SEDAR at www.sedar.com.