Pacific North West Capital Corp.
At the forefront of PGM exploration

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FORM 51-102F1

MANAGEMENT DISCUSSION AND ANALYSIS
FOR
PACIFIC NORTH WEST CAPITAL CORP.

FOR THE FISCAL YEAR ENDED 30 APRIL 2016

1. MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion and analysis is management's assessment of the results and financial condition of Pacific North West Capital Corp. (the "Company" or "PFN") for the year ended 30 April 2016 and should be read in conjunction with the corresponding consolidated financial statements and related notes. All financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts presented are Canadian dollars ("CAD") unless otherwise stated. The date of this Management Discussion and Analysis is 25 August 2016. Additional information on the Company is available on SEDAR at www.sedar.com.

2. BUSINESS OF PACIFIC NORTH WEST CAPITAL CORP.

PFN is a mineral exploration company focused on the acquisition, exploration and development of Platinum Group Metals (PGMs), precious and base metals properties. Management's corporate philosophy is to be a project generator, explorer and project operator with the objective of forming options and/or joint ventures with major mining companies through to production. PFN has begun the evaluation of several potential property acquisitions, including precious and base metal production opportunities. A wholly-owned US and Mexican subsidiary, Pacific North West Capital Corp. USA and Pacific North West Capital de México, S.A. de C.V., respectively, are being maintained for future property acquisitions.

3. FORWARD LOOKING STATEMENTS

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

4. OUTLOOK

Due to the current downtrend in the financial markets and adverse economic conditions, the Company has implemented a program of economic controls aimed at reducing current consumption. Even though current management has demonstrated its ability to raise funds in the past, with the current financial market conditions and global economic uncertainty, there can be no assurance it will be able to do so in the future. Because of these uncertainties, there is substantial doubt about the ability of the Company to continue as going concern. These financial results and discussion do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

On 14 April 2016, the formed a wholly owned subsidiary called Lithium Canada Inc. A new Lithium and Rare Earth Division, the Company's management believes that adding an additional "green metal" to its existing Platinum group metals (PGM's) division is warranted. These new age metals, Lithium, PGM's and Rare Earths, have robust macro trends with surging demands and limited supply. Going forward, this new division will explore for the minerals needed to fuel the demand for energy storage and other core 21st Century Technologies. This new direction will involve the acquisition of new projects and adding to our existing technical team.

The company's new Lithium Division will focus on the acquisition, exploration and development of Lithium Projects in Canada. In the United States the company will use its wholly owned U.S.A subsidiary to acquire and develop projects in active mining camps in Nevada, Arizona and California.

Lithium and Platinum group metal prices have improved dramatically in recent months. Lithium supplies remain in deficit relative to their demand. Both metals groups are used for the expanding worldwide automobile industry (conventional and electric). In the case of PGM's, demand is increasing for autocatalysts, a key component for reducing toxic emissions for automotive, gasoline and diesel engines. In regards to Lithium, there is an ever increasing demand for batteries in cellphones, laptops, electric cars, solar storage, wireless charging and renewable energy products.

5. PROJECT OVERVIEW:

5.1. 1 RIVER VALLEY, ONTARIO

The River Valley mineral claims are located in the Sudbury Region of Ontario (Figure 1). PFN optioned the River Valley claims following the discovery of highly anomalous PGM values in grab samples in the Dana Lake and Azen Creek areas. By an agreement dated 15 January 1999 and amended 11 March 1999 (collectively, the "Agreement"), the Company acquired a 100% interest in the River Valley claims from Bailey Resources Ltd., Luhta Resources Ltd. and Pardo Resources Ltd. by issuing 200,000 common shares of PFN and $265,000 cash (paid). The River Valley claims are subject to a total 3% Net Smelter Return Royalty ("NSR"), of which PFN can purchase up to 2% of the NSR from the vendors for $2,000,000.

On 14 July 1999, PFN entered into an unincorporated 50/50 joint venture agreement ("JV") over the River Valley property ("River Valley PGM Project") with Kaymin Resources Ltd. ("Kaymin"), a wholly-owned subsidiary of Anglo Platinum Limited ("Anglo"), whereby Kaymin was responsible for funding all exploration to completion of a feasibility study, which would give Kaymin an additional 10% interest. In addition, if Kaymin arranged financing for a mine, it would receive another 5% interest, for a total interest of 65%.

Kaymin continued to fund exploration under the terms of JV until 2007 and invested over $22,000,000 in the exploration of the River Valley PGM Project; however, as a result of capital expenditure reductions during the global financial crisis in 2008, no new funds were allocated to the River Valley PGM Project, above and beyond the minimal holding costs.

Included in the River Valley PGM Project are the following:

i) *River Valley Property, Ontario*

By agreement dated 15 January 1999 and amended 11 March 1999, the Company acquired a 100% interest in 226 claim units, known as the River Valley claims, located in the Dana and Pardo Townships, Sudbury Mining District, Ontario. As consideration, the Company paid $265,000 and issued 200,000 common shares to the optionors. In addition, minimum annual exploration expenditures of $100,000 were completed. The River Valley claims are subject to a 3% NSR. The Company, at its option, can purchase up to 2% of the NSR from the vendors for $2,000,000.

On 7 February 2012, PFN received River Valley's Mining Leases. The Mining Leases give PFN security of title on the land and the exclusive right to mine the River Valley deposit. The Mining Leases include surface rights that allow for siting of project infrastructure and processing facilities. The Mining Leases are for a period of 21 years (commencing on 1 November 2011) and are renewable.

The Mining Leases covering the River Valley claims as set out in Table 1.

Table 1. PFN mining leases covering the River Valley claims

Mining Lease/ Claims	Size (Hectares ("ha"))	Township	Recorded	Current expiry date
CLM450	4777.181	Dana	1-Nov-11	31-Oct-32
CLM451	570.308	Pardo	11-Jan-12	28-Feb-33

ii) Goldwright Property, Ontario

By agreement dated 30 June 1998 and subsequently amended, the Company earned a 25% interest in certain mineral claims known as the Janes property, located in the Janes Township, Sudbury Mining District, Ontario.

On 30 October 2015, the Company signed a Net Smelter Returns Royalty Agreement ("NSR") whereby a Production Royalty equal to 1% will be paid based on minerals produced, saved and sold from the properties on the terms and subject to the conditions specified in the NSR Agreement.

iii) Razor Property, Ontario

The Company acquired a 100% interest in certain mineral claims located in the Dana Township, Sudbury Mining District, Ontario for consideration of $30,000. The property is subject to a 2% NSR.

iv) Western Front Property, Ontario

By agreement dated 16 November 2001, the Company earned a 70% interest in certain mineral claims known as the Western Front property from a company (the "Optionor") with certain directors in common, for consideration of $55,000 and issuance of 6,667 shares. In addition, an exploration expenditure of $50,000 was completed.

The Company has the right to purchase an additional 30% interest in the property by paying $750,000 to the Optionor.

The property is subject to a 3% NSR, the first 1% of which the Company can purchase for $1,000,000; the second 1% can be purchased for $2,000,000. The Company and the Optionor will share the NSR buyout privileges in proportion to their respective interests.

5.1.2. History of the River Valley PGM Project

The exploration history of the region dated back to the 1960s, with work on the River Valley PGM Property starting in earnest in 1999. The River Valley PGM deposit (Figure 1) was discovered by prospectors in early 1998. PFN became involved in late 1998 and Kaymin entered into the JV on the River Valley PGM Property in 1999 and had earned its 50% interest by January 2002. Between 1999 and 2008, PFN, as operator of the project, in conjunction with Kaymin, carried out several phases of trenching, surface sampling and mapping, and completed eight diamond drilling programs. During this period of time Kaymin ultimately invested a total of $22,000,000 in exploration programs, including more than 110,000 metres ("m") drilled in 550 holes.

With the global financial crash and changes in Anglo's management and exploration focus in 2008, Kaymin's funding of the River Valley PGM Project was placed on hold. PFN successfully negotiated the purchase of Kaymin's 50% interest under a Mineral Interest Assignment Agreement dated 13 December 2010 and, on 6 April 2011, signed the Amendment to Mineral Interest Agreement ("Amending Agreement") closing the purchase by PFN of Kaymin's 50% JV interest in the River Valley PGM Project. Pursuant to the terms of the Amending Agreement a total of 2,705,720 fully paid and non-assessable common shares of PFN (reflecting a 12% interest in PFN based upon the issued and outstanding common shares of PFN as of 30 November 2010 (22,514,336) and three-year warrants to purchase up to 1,000,000 common shares of PFN at a price of Cdn$0.90 per common share were issued to Kaymin for its 50% interest in the JV. The transaction provided PFN with an undivided 100% interest in the River Valley PGM Project.

5.1.3. Post JV Partnership (2011-12 Exploration Programs)

In May 2011, PFN commenced a $5,000,000 exploration program on the River Valley PGM Project. The program involved 15,500 m of drilling, 140 line kilometres ("km") of three-dimensional induced-polarization surveys ("3D-IP"), and a new National Instrument 43-101, *Standards of Disclosure for Mineral Projects* ("NI43-101"), compliant mineral resource estimate. Figure 2 illustrates a simplified geology map of River Valley PGM Project.

The following is a summary of the program achievements:

<u>A - Resource Drilling - 13,500 m</u>

- Focused in the Dana North and Dana South Zones
- Infill drilling to advance inferred to indicate resources, increase grade and close gaps (Figure 3)
- Proximal targets drilled along strike and down-dip to expand current (2006) mineral resources

<u>B - Exploration Drilling - 2,000 m</u>

- Commenced on completion of the resource drilling
- Drilled one new 3D-IP chargeability target
- Drilled two under-explored targets identified from surface mineralization internally within the intrusion not drilled previously

<u>C - Geophysical Surveys</u>

- During resource drilling, 130 line km of ground 3D-IP surveys completed to generate new targets
- New targets identified, ranked and prioritized for drill testing (Figure 4)

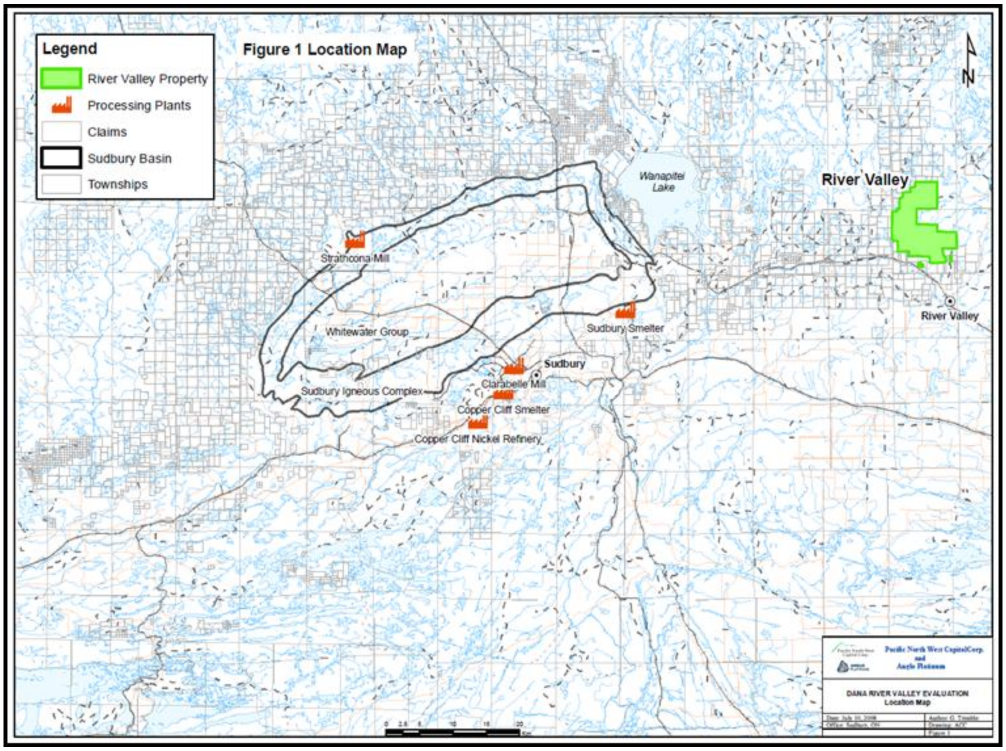


Figure 1- Location Map of River Valley PGM Project relative to the metallurgical facilities in the greater Sudbury region.

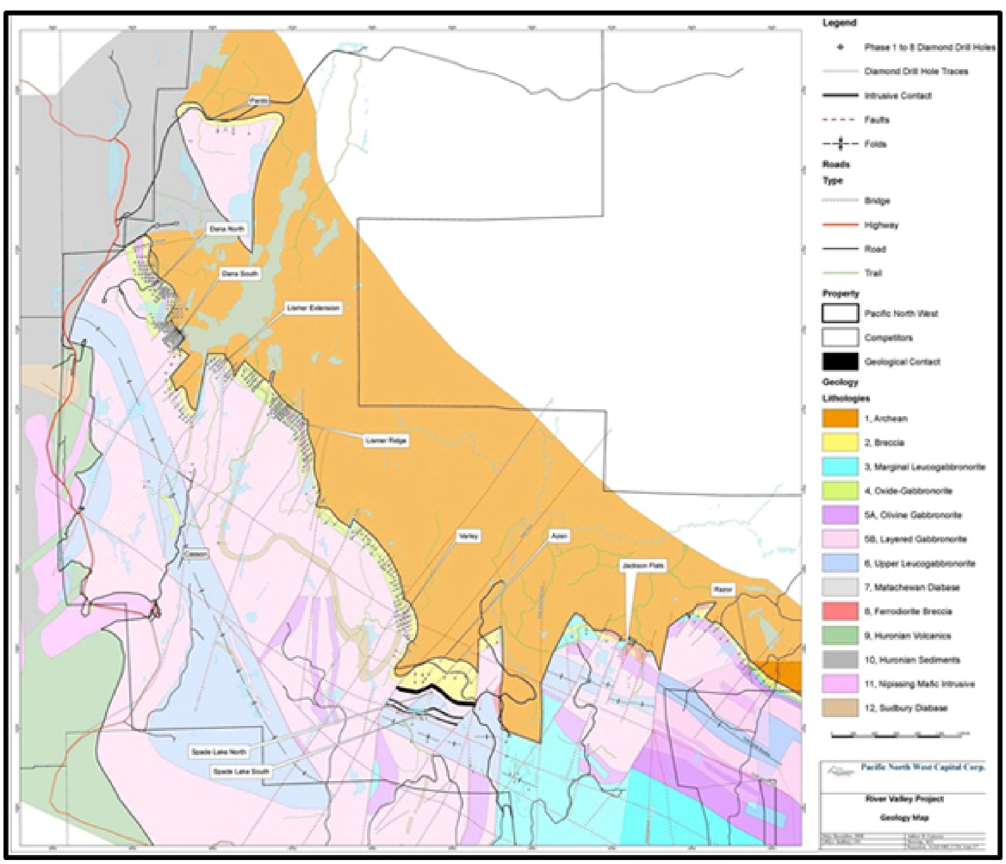


Figure 2- Geology Map of River Valley PGM Project

2011-12 Drill Results

Drilling continued to establish continuity between previously-identified mineralized intercepts on the deposit. At shallow to moderate depths, drilling encountered moderate to high-grade gold mineralization in most of the holes drilled. Low-grade gold mineralization ranging 0.5 to 1.5 grams per tonne ("gpt" or "g/t") was encountered over wide intersections in many of the holes ranging 8 to 25 m in length. In some holes, multiple wide low-grade zones were cored.

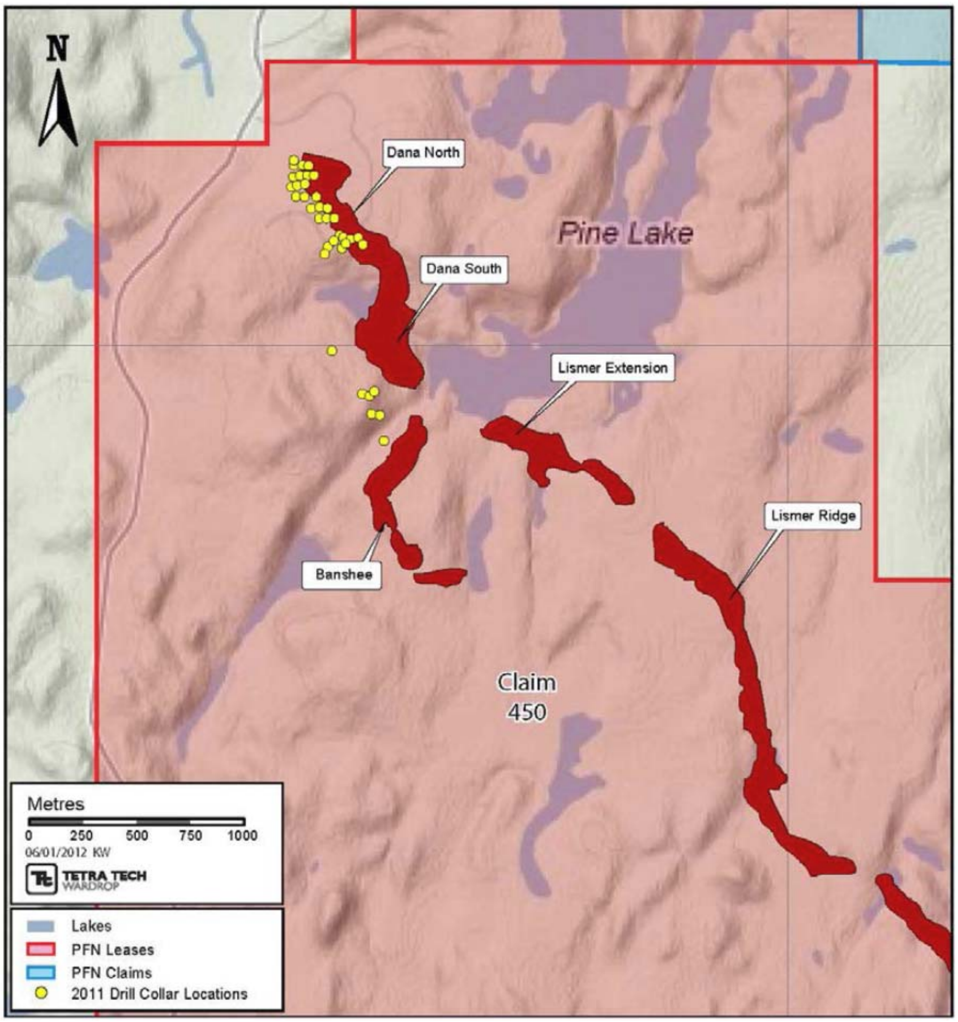


Figure 3- 2011-12 Drill Collar Locations

Discussion

Work to date at River Valley suggests that the best potential for economic accumulations of PGM-copper (Cu)-nickel (Ni) sulphide mineralization is within the Breccia Zone. This zone includes the main mineralized zone. The main zone occurs within about 20 m of the intrusive contact with country rocks. This contact zone extends for over 9 km of prospective strike length and hosts the currently defined resource (Figure 4).

Main Zone of the breccia-hosted PGM mineralization averages 20-50 m in thickness, continues to depths of greater than 200 m, and is for the most part open along strike and downdip. In addition, the drilling demonstrates predictable grade to depth with significant high-grade intersections (5-10 gpt 3E[1] over 1-5 m & 3-5 gpt 3E over 5-10 m) enveloped by broader (commonly >20 m and sometimes >100 m) lower grade (1.0-1.5 gpt 3E) intersections.

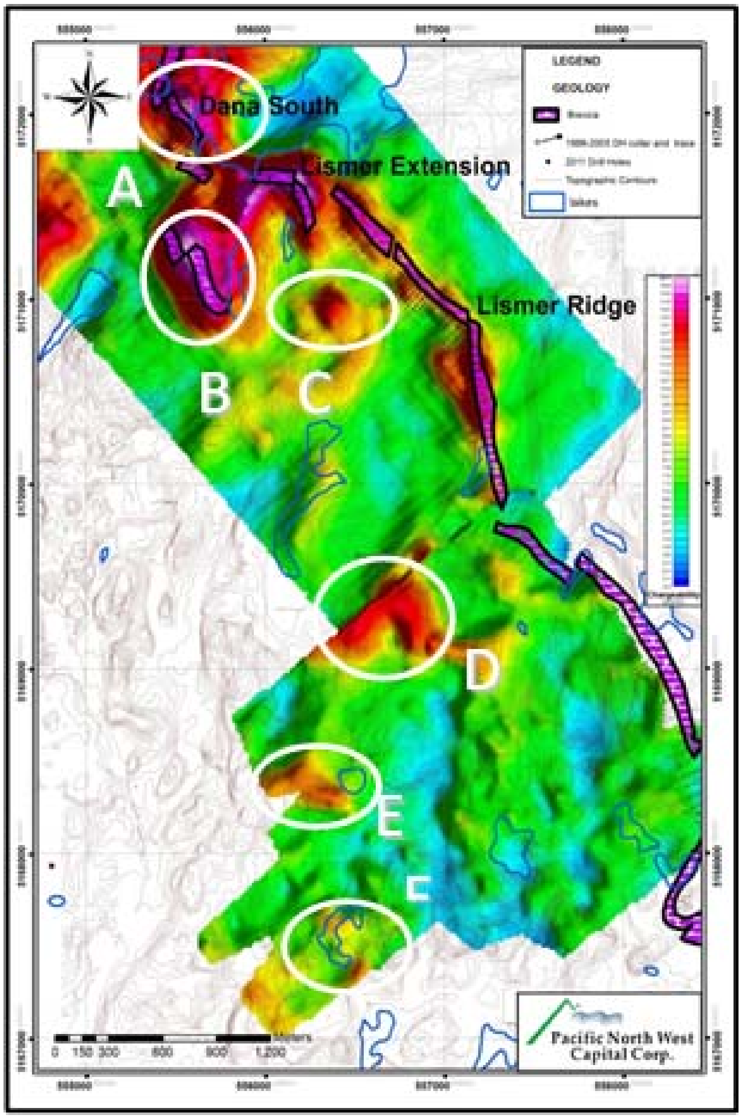


Figure 4- Target areas on IP map

The continuity of mineralization and the remarkable consistency in the geology and stratigraphy along strike and at depth, suggests that there is significant potential to increase resources on the property through further extensional drilling away from the currently defined mineralized zones. Deeper holes confirmed the presence of mineralization at depths greater than 350 m (down dip and down plunge). There is a general correlation between 3D-IP geophysical survey anomalies and PGM sulphide intersections.

The intersections for most of the holes correlate with relatively high chargeability, an indication of disseminated sulphide.

[1] 3E= Platinum+Palladium+Gold

Table 2 illustrates significant intervals in the 2011 exploration program.

Table 2- 2011 drill program significant intervals

	From (m)	To (m)	Intersect (m)	Intersect (feet)	True Thick -ness (m)	Pt (gpt)	Pt (opt)	Pd (gpt)	Pd	Au (gpt)	Rh (gpt)	3E (gpt)	3E (opt)	Ni (%)	Cu (%)
DN001	123	173	50	164.0	40.5	0.26	0.008	0.77	0.022	0.05		1.10	0.03	0.02	0.09
Including	123	134	11	36.1	8.9	0.37	0.011	1.11	0.033	0.07		1.55	0.05	0.02	0.09
Including	141	153	12	39.4	9.7	0.31	0.009	0.90	0.026	0.05		1.26	0.04	0.02	0.11
Including	159	173	13	42.7	10.5	0.28	0.008	0.83	0.024	0.06		1.18	0.03	0.03	0.12
DN002	114	179	65	213.3	46.0	0.32	0.009	0.95	0.028	0.06		1.30	0.04	0.02	0.10
Including	146	158	12	39.4	8.5	0.43	0.013	1.30	0.038	0.08		1.82	0.05	0.03	0.14
Including	173	179	6	19.7	4.2	0.74	0.022	2.34	0.068	0.12		3.20	0.09	0.02	0.12
DN003	50	115	65	213.3	46.0	0.42	0.010	1.29	0.038	0.08		1.80	0.05	0.03	0.13
Including	50	59	9	29.5	6.4	0.98	0.029	3.09	0.090	0.18		4.25	0.12	0.03	0.22
Including	72	84	12	39.4	8.5	0.59	0.017	1.76	0.052	0.11		2.47	0.07	0.04	0.16
DN004	29	63	34	111.5	24.0	0.66	0.020	2.00	0.060	0.12		2.80	0.08	0.03	0.16
Including	29	40	11	36.1	7.8	1.12	0.033	3.40	0.099	0.18		4.71	0.14	0.04	0.24
Including	43	47	4	13.1	2.8	0.69	0.020	2.06	0.060	0.11		2.86	0.08	0.03	0.16
DN005	201	209	8	26.2	6.5	0.44	0.010	1.04	0.030	0.07		1.55	0.05	0.02	0.12
And	250	256	6	19.7	4.9	0.41	0.010	1.11	0.040	0.07		1.60	0.05	0.03	0.14
Including	253	255	2	6.6	1.6	0.60	0.020	1.62	0.050	0.09		2.31	0.07	0.04	0.18
DN006	131	155	24	78.7	17.0	0.58	0.020	1.44	0.046	0.13		2.15	0.07	0.02	0.14
Including	131	137	6	19.7	4.2	0.92	0.030	2.30	0.070	0.19		3.41	0.11	0.02	0.13
Including	145	155	10	32.8	7.1	0.60	0.019	1.50	0.050	0.12		2.22	0.07	0.03	0.17
DN007	33	79	46	150.9	32.5	0.46	0.010	1.10	0.040	0.08		1.65	0.05	0.02	0.11
Including	33	56	23	75.4	16.3	0.58	0.020	1.29	0.040	0.08		1.95	0.06	0.02	0.08
Including	60	62	2	6.6	1.4	0.65	0.020	1.53	0.050	0.18		2.36	0.08	0.03	0.28
Including	76	79	3	9.8	2.1	0.46	0.010	1.41	0.050	0.10		1.97	0.06	0.03	0.18
DN008	6	14	8	26.2	5.7	0.76	0.020	2.38	0.080	0.13		3.28	0.11	0.02	0.15
Including	9	14	5	16.4	3.5	1.03	0.030	3.24	0.100	0.18		4.45	0.14	0.03	0.18
DN009	91	94	3	9.8	2.4	0.40	0.010	0.99	0.030	0.01	0.040	1.40	0.05	0.01	0.01
DN010	223	241	18	59.0	12.7	0.35	0.010	1.18	0.040	0.06	0.030	1.59	0.05	0.03	0.10
Including	223	228	5	16.4	3.5	0.49	0.020	1.61	0.050	0.06	0.030	2.16	0.07	0.04	0.12
And	233	239	6	19.7	4.2	0.40	0.010	1.40	0.040	0.07	0.030	1.87	0.06	0.04	0.10
Including	233	235	2	6.6	1.4	0.64	0.020	2.38	0.080	0.12	0.030	3.14	0.10	0.04	0.15
DN011	52	56	4	13.1	2.8	0.75	0.020	0.83	0.030	0.01	0.420	1.59	0.05	0.00	0.01
And	72	86	14	45.9	9.9	0.55	0.020	1.70	0.050	0.12	0.340	2.38	0.08	0.02	0.13
Including	72	76	4	13.1	2.8	0.97	0.030	2.93	0.090	0.18	0.950	4.09	0.13	0.02	0.12
And	134	187	53	173.8	37.5	0.83	0.030	2.52	0.080	0.15	3.340	3.50	0.11	0.03	0.18
Including	143	156	13	42.6	9.2	0.90	0.030	2.83	0.090	0.16	1.990	3.89	0.12	0.03	0.17
Including	171	182	11	36.1	7.8	1.82	0.060	5.83	0.190	0.35	1.320	8.00	0.26	0.07	0.38
And	223	231	8	26.2	5.7	0.39	0.010	1.26	0.040	0.07	0.450	1.72	0.06	0.04	0.12
Including	223	226	3	9.8	2.1	0.65	0.020	2.15	0.070	0.11	0.520	2.91	0.09	0.06	0.19
DN012	38	65	27	88.6	19.1	0.49	0.020	1.58	0.050	0.08	0.060	2.16	0.07	0.02	0.12
Including	44	51	7	23.0	4.9	1.12	0.040	3.77	0.120	0.15	0.140	5.04	0.16	0.04	0.19
And	132	140	8	26.2	5.7	0.33	0.010	1.06	0.030	0.07	0.040	1.45	0.05	0.02	0.11
DN013	172	174	2	6.6	1.4	0.47	0.020	1.55	0.050	0.04	2.050	2.06	0.07	0.02	0.13
DN014	366	396	30	98.4	26.0	0.59	0.020	1.91	0.060	0.10	0.001	2.60	0.08	0.03	0.16
Including	366	368	2	6.6	1.7	1.50	0.050	4.78	0.150	0.17	0.001	6.44	0.21	0.05	0.26
Including	378	380	2	6.6	1.7	0.89	0.030	3.04	0.100	0.16	0.001	4.08	0.13	0.03	0.24
DN015	254	261	7	23.0	6.1	0.92	0.030	2.38	0.080	0.10	0.001	3.39	0.11	0.02	0.12
Including	255	257	2	6.6	1.4	0.95	0.030	3.00	0.100	0.11	0.001	4.05	0.13	0.02	0.10
Including	258	261	3	9.8	2.1	1.00	0.030	2.92	0.090	0.14	0.001	4.06	0.13	0.03	0.19
DN016	294	303	9	29.5	7.8	0.99	0.030	3.20	0.100	0.13	0.012	4.32	0.14	0.02	0.16
Including	294	298	4	13.1	3.5	1.58	0.050	5.44	0.170	0.19	0.021	7.21	0.23	0.04	0.27
And	328	334	6	19.7	5.2	1.05	0.030	2.86	0.090	0.13	0.010	4.04	0.13	0.05	0.21
DN017	144	171	27	88.6	22.4	0.69	0.020	1.99	0.060	0.12	0.007	2.80	0.09	0.02	0.12

Including	150	162	12	39.4	9.9	0.91	0.030	2.57	0.080	0.14	0.009	3.62	0.12	0.04	0.20
DN018	132	151	19	62.3	13.4	0.50	0.020	1.56	0.050	0.09	0.005	2.15	0.07	0.03	0.13
Including	135	140	5	16.4	3.5	0.79	0.030	2.50	0.080	0.14	0.008	3.43	0.11	0.04	0.19
DN019	103	116	13	42.6	9.2	0.41	0.010	1.24	0.040	0.07	0.004	1.72	0.06	0.03	0.12
Including	105	109	4	13.1	2.8	0.41	0.010	1.27	0.040	0.08	0.003	1.76	0.06	0.02	0.11
And	129	137	8	26.2	5.7	0.30	0.010	0.90	0.030	0.04	0.002	1.24	0.04	0.02	0.07
Including	129	131	2	6.6	1.4	0.49	0.020	1.53	0.050	0.08	0.004	2.10	0.07	0.03	0.16
DN020	44	54	10	32.8	7.1	0.31	0.010	0.98	0.030	0.06	0.003	1.35	0.04	0.02	0.12
Including	51	53	2	6.6	1.4	0.46	0.010	1.50	0.050	0.07	0.005	2.03	0.07	0.02	0.13
DN021	214	249	35	114.8	30.3	0.58	0.020	1.77	0.060	0.12	0.006	2.47	0.08	0.02	0.15
Including	216	222	6	19.7	5.2	1.13	0.040	3.71	0.120	0.22	0.015	5.06	0.16	0.04	0.24
Including	226	231	5	16.4	4.3	0.72	0.020	2.25	0.070	0.16	0.007	3.12	0.10	0.03	0.20
And	304	323	19	62.3	16.5	0.47	0.020	1.45	0.050	0.09	0.004	2.01	0.06	0.04	0.17
And	331	339	8	26.2	6.9	0.59	0.020	1.72	0.060	0.08	0.006	2.39	0.08	0.04	0.19
DN022	214	249	35	114.8	27.2	0.42	0.010	1.27	0.040	0.88	0.004	2.57	0.08	0.03	0.13
Including	199	203	4	13.1	3.1	0.67	0.020	2.36	0.080	0.17	0.006	3.20	0.10	0.04	0.21
Including	208	218	10	32.8	7.8	0.64	0.020	1.96	0.060	0.12	0.006	2.71	0.09	0.04	0.17
DN023	68	110	42	137.8	29.7	0.53	0.020	1.65	0.050	1.00	0.005	3.18	0.10	0.02	0.13
Including	88	99	11	36.1	7.8	0.75	0.020	2.54	0.080	0.14	0.008	3.43	0.11	0.04	0.19
DN024	25	37	12	39.4	8.5	0.68	0.020	2.08	0.070	0.12	0.007	2.88	0.09	0.03	0.16
Including	25	31	6	19.7	4.2	0.93	0.030	2.90	0.090	0.15	0.009	3.97	0.13	0.03	0.18
And	41	56	15	49.2	10.6	0.41	0.010	1.29	0.040	0.06	0.004	1.76	0.06	0.02	0.10
Including	47	50	3	9.8	2.1	0.71	0.020	1.98	0.060	0.08	0.006	2.77	0.09	0.04	0.14
And	61	72	11	36.1	7.8	0.41	0.010	1.41	0.050	0.08	0.004	1.90	0.06	0.03	0.15
Including	67	70	3	9.8	2.1	0.39	0.010	1.36	0.040	0.08	0.005	1.83	0.06	0.03	0.16
DN025	28	38	10	32.8	7.1	0.56	0.020	1.59	0.050	0.08	0.005	2.23	0.07	0.03	0.12
Including	30	33	3	9.8	2.1	1.10	0.040	2.78	0.090	0.13	0.009	4.01	0.13	0.03	0.15
DN026	99	112	13	42.6	11.6	0.40	0.010	1.40	0.050	0.08	0.004	1.88	0.06	0.02	0.14
Including	104	109	5	16.4	4.5	0.50	0.020	1.60	0.050	0.09	0.004	2.19	0.07	0.02	0.19
And	195	198	3	9.8	2.7	0.50	0.020	1.50	0.050	0.05	0.004	2.05	0.07	0.02	0.10
DN027	73	81	8	26.2	5.7	0.40	0.010	1.10	0.040	0.03	0.004	1.53	0.05	0.01	0.06
Including	73	76	3	9.8	2.1	0.70	0.020	2.00	0.060	0.06	0.007	2.76	0.09	0.02	0.09
DN029	22	32	10	32.8	7.1	1.00	0.030	3.30	0.110	0.20	0.011	4.50	0.14	0.07	0.28
Including	23	24	1	3.3	0.7	2.20	0.070	7.00	0.230	0.20	0.023	9.40	0.30	0.12	0.46
Including	24	32	8	26.2	5.7	0.90	0.030	2.70	0.090	0.20	0.009	3.80	0.12	0.06	0.27
DN030	3.5	18	14.5	47.6	10.3	0.70	0.020	2.10	0.070	0.10	0.008	2.90	0.09	0.04	0.17
Including	6	12	6	19.7	4.2	1.01	0.030	3.23	0.100	0.15	0.012	4.39	0.14	0.04	0.20
DN032	306	320	14	45.9	12.0	0.41	0.010	1.19	0.040	0.06	0.004	1.66	0.05	0.02	0.08
Including	312	314	2	6.6	1.7	0.76	0.020	2.56	0.080	0.08	0.008	3.40	0.11	0.02	0.08
And	325	358	33	108.2	28.3	0.48	0.020	1.54	0.050	0.09	0.004	2.11	0.07	0.02	0.12
Including	332	339	7	23.0	6.0	1.17	0.040	3.82	0.120	0.18	0.011	5.17	0.17	0.04	0.21
DN033	256	310	54	177.1	38.2	0.51	0.020	1.48	0.050	0.09	0.005	2.08	0.07	0.03	0.14
Including	262	274	12	39.4	8.5	0.83	0.030	2.37	0.080	0.15	0.009	3.35	0.11	0.05	0.24
Including	291	295	4	13.1	2.8	0.59	0.020	1.81	0.060	0.11	0.006	2.51	0.08	0.03	0.16
Including	306	309	3	9.8	2.1	0.93	0.030	2.83	0.090	0.13	0.011	3.89	0.13	0.02	0.15
DN034	5	15	10	32.8	7.1	0.59	0.020	1.42	0.050	0.10		2.11	0.07	0.03	0.13
Including	7	10	3	9.8	2.1	0.72	0.020	1.99	0.060	0.13		2.84	0.09	0.03	0.16
And	67	71	4	13.1	2.8	1.00	0.030	2.87	0.090	0.18		4.05	0.13	0.03	0.17
And	219	239	20	65.6	14.1	0.63	0.020	2.03	0.070	0.11		2.77	0.09	0.05	0.20
Including	229	233	4	13.1	2.8	1.26	0.040	4.22	0.140	0.24		5.72	0.18	0.08	0.38
And	281	297	16	52.5	11.3	0.51	0.020	1.47	0.050	0.08		2.06	0.07	0.03	0.15
Including	282	287	5	16.4	3.5	0.82	0.030	2.51	0.080	0.12		3.45	0.11	0.04	0.19
DN035	74	115	41	134.5	29.0	0.41	0.010	1.33	0.040	0.07		1.81	0.06	0.03	0.15
Including	90	102	12	39.4	8.5	0.67	0.020	2.20	0.070	0.12		2.99	0.10	0.47	0.22
And	209	223	14	45.9	9.9	0.75	0.020	2.25	0.070	0.11		3.11	0.10	0.03	0.16
And	249	269	20	65.6	14.1	0.37	0.010	1.11	0.040	0.06		1.54	0.05	0.03	0.12
Including	249	250	1	3.3	0.7	1.45	0.050	4.78	0.150	0.19		6.42	0.21	0.06	0.26
DN038	171	198	27	88.6	19.1	0.42	0.010	1.37	0.040	0.08		1.87	0.06	0.03	0.13
Including	171	175	4	13.1	2.8	0.64	0.020	2.20	0.070	0.11		2.95	0.09	0.03	0.17

Mineral	Symbol		Mineral	Symbol
Cobalt	Co		Palladium	Pd
Copper	Cu		Platinum	Pt
Gold	Au		Rhodium	Rh
Pd+Pt+Au	3E		Silver	Ag
Nickel	Ni			

2012 Mineral Resource Estimate (NI43-101 compliant):

The detailed results of the new mineral resources estimate for the River Valley PGM Project are presented in Table 3 below. This NI43-101 compliant mineral resource estimate was completed by Tetra Tech, Inc., an environmental engineering and consulting firm in Sudbury, Ontario. The new estimate incorporates the 13,140 m in 46 holes drilled in the Dana North and Dana South Zones since the May 2006 estimate. All 462 holes were drilled at a nominal drill section spacing of 25 m to 100 m on the eight separate mineralized zones shown in Figure 5.

The estimated NI43-101 compliant **Measured** and **Indicated** mineral resources at a cut-off grade of 0.80 g/t Palladium Equivalent ("PdEq") have increased by 470% from the previous mineral resource estimate (Technical Report by GeoSIMS filed on SEDAR, May 2006) to 91,339,500 tonnes ("t") grading 0.84 g/t Pd+Pt+ Au, 0.06% Cu, 0.02% Ni and 0.002% Co. The compliant **Inferred** mineral resources have increased by >1000% to 35,911,000 Mt grading 0.53 g/t Pd+Pt+Au, 0.06% Cu, 0.03% Ni and 0.002% Co.

The mineral resources were estimated using Datamine Studio3(c) software and are reported at a cut-off grade of 0.8 PdEq. The 0.8 g/t PdEq cut-off was used pending future assessment of the economics and development potential of River Valley as an open pit mining project. The Company considers the 0.8 g/t cut-off value to be appropriate because: 1) the PdEq grade is 1.38 gpt for Measured and Indicated and 1.07 g/t for Inferred resources; and 2) Rh and Ag are not included in the PdEq calculation.

Comparisons are made above to the previous NI43-101 compliant River Valley mineral resource estimate of May 2006 (Technical Report by GeoSIMS available on PFN's SEDAR profile at http://sedar.com and on the Company's website). The large increase in the mineral resources reported herein is explained by the combined effects of:

1. Incorporation of the 2011 resource drilling results;
2. Inclusion of three mineralized zones that were previously overlooked;
3. Use of PdEq rather than Pd+Pt cut-off grades; and
4. Use of a length-weighted average Specific Gravity value of 2.94 measured for River Valley rather than the previous value of 2.89.

Table 3 - NI43-101 Compliant Mineral Resources for the River Valley PGM Project, Sudbury, Ontario

Measured												**Contained Metal**	
Zone	**PdEq Cut-off**	**TONNES**	**Pd**	**Pt**	**Rh**	**Au**	**Ag**	**Cu**	**Ni**	**Co**	**PdEq**	**PGM+Au**	**PdEq**
	(g/t)		**(g/t)**	**(g/t)**	**(g/t)**	**(g/t)**	**(g/t)**	**(%)**	**(%)**	**(%)**	**(g/t)**	**(oz)**	**(oz)**
Azen	0.80	-	-	-	-	-	-	-	-	-	-	-	-
Banshee	0.80	-	-	-	-	-	-	-	-	-	-	-	-
Dana North	0.80	9,622,180	0.66	0.24	0.023	0.05	0.70	0.07	0.02	0.003	1.56	295,747	468,612
Dana South	0.80	5,980,550	0.79	0.26	0.027	0.05	0.56	0.06	0.01	0.003	1.68	210,735	313,237
Lismer	0.80	9,982,120	0.50	0.20	0.018	0.04	0.40	0.05	0.02	0.003	1.24	235,646	386,598
Lismer Extension	0.80	-	-	-	-	-	-	-	-	-	-	-	-
Razor	0.80	-	-	-	-	-	-	-	-	-	-	-	-
Varley	0.80	-	-	-	-	-	-	-	-	-	-	-	-
Total Measured		**25,584,850**	**0.63**	**0.23**	**0.022**	**0.04**	**0.55**	**0.06**	**0.02**	**0.003**	**1.46**	**742,127**	**1,168,447**
Indicated												**Contained Metal**	
Zone	**PdEq Cut-off**	**TONNES**	**Pd**	**Pt**	**Rh**	**Au**	**Ag**	**Cu**	**Ni**	**Co**	**PdEq**	**PGM+Au**	**PdEq**
	(g/t)		**(g/t)**	**(g/t)**	**(g/t)**	**(g/t)**	**(g/t)**	**(%)**	**(%)**	**(%)**	**(g/t)**	**(oz)**	**(oz)**
Azen	0.80	-	-	-	-	-	-	-	-	-	-	-	-
Banshee	0.80	-	-	-	-	-	-	-	-	-	-	-	-
Dana North	0.80	14,076,300	0.60	0.22	0.021	0.04	0.52	0.07	0.02	0.003	1.45	392,562	635,796
Dana South	0.80	8,040,000	0.70	0.24	0.024	0.04	0.59	0.05	0.01	0.003	1.49	252,029	373,248
Lismer	0.80	16,300,300	0.48	0.19	0.018	0.04	0.05	0.06	0.02	0.003	1.25	371,212	638,230
Lismer Extension	0.80	13,690,300	0.57	0.23	0.021	0.04	0.12	0.06	0.02	0.002	1.37	365,153	586,774
Razor	0.80	-	-	-	-	-	-	-	-	-	-	-	-
Varley	0.80	13,647,800	0.53	0.21	0.019	0.03	0.17	0.05	0.01	0.002	1.27	339,978	540,424
Total Indicated		**65,754,700**	**0.56**	**0.21**	**0.020**	**0.04**	**0.26**	**0.06**	**0.02**	**0.002**	**1.35**	**1,720,935**	**2,774,470**
Measured+Indicated												**Contained Metal**	
Zone	**PdEq Cut-off**	**TONNES**	**Pd**	**Pt**	**Rh**	**Au**	**Ag**	**Cu**	**Ni**	**Co**	**PdEq**	**PGM+Au**	**PdEq**
	(g/t)		**(g/t)**	**(g/t)**	**(g/t)**	**(g/t)**	**(g/t)**	**(%)**	**(%)**	**(%)**	**(g/t)**	**(oz)**	**(oz)**
Azen	0.80	-	-	-	-	-	-	-	-	-	-	-	-
Banshee	0.80	-	-	-	-	-	-	-	-	-	-	-	-
Dana North	0.80	23,698,480	0.63	0.23	0.022	0.04	0.59	0.07	0.02	0.003	1.49	688,309	1,104,408
Dana South	0.80	14,020,550	0.74	0.25	0.025	0.04	0.58	0.05	0.01	0.003	1.57	462,764	686,484
Lismer	0.80	26,282,420	0.49	0.19	0.018	0.04	0.18	0.06	0.02	0.003	1.25	606,858	1,024,827
Lismer Extension	0.80	13,690,300	0.57	0.23	0.021	0.04	0.12	0.06	0.02	0.002	1.37	365,153	586,774
Razor	0.80	-	0.00	0.00	-	0.00	0.00	0.00	0.00	-	0.00	-	-
Varley	0.80	13,647,800	0.53	0.21	0.019	0.03	0.17	0.05	0.01	0.002	1.27	339,978	540,424
Total Measured+Indicated		**91,339,550**	**0.58**	**0.22**	**0.021**	**0.04**	**0.34**	**0.06**	**0.02**	**0.002**	**1.38**	**2,463,062**	**3,942,917**
Inferred												**Contained Metal**	
Zone	**PdEq Cut-off**	**TONNES**	**Pd**	**Pt**	**Rh**	**Au**	**Ag**	**Cu**	**Ni**	**Co**	**PdEq**	**PGM+Au**	**PdEq**
	(g/t)		**(g/t)**	**(g/t)**	**(g/t)**	**(g/t)**	**(g/t)**	**(%)**	**(%)**	**(%)**	**(g/t)**	**(oz)**	**(oz)**
Azen	0.80	16,095,000	0.37	0.15	0.014	0.03	0.08	0.05	0.03	0.001	1.11	285,081	559,956
Banshee	0.80	3,320,000	0.35	0.19	0.015	0.03	-	0.05	0.01	-	1.00	61,659	103,387
Dana North	0.80	-	-	-	-	-	-	-	-	-	-	-	-
Dana South	0.80	-	-	-	-	-	-	-	-	-	-	-	-
Lismer	0.80	303,000	0.31	0.13	0.012	0.03	-	0.06	0.02	0.002	0.92	4,584	8,747
Lismer Extension	0.80	-	-	-	-	-	-	-	-	-	-	-	-
Razor	0.80	16,163,000	0.36	0.12	0.013	0.02	0.16	0.06	0.03	0.003	1.05	262,468	528,164
Varley	0.80	30,000	0.30	0.15	0.012	0.03	-	0.07	0.01	0.002	0.94	459	882
Total Inferred		**35,911,000**	**0.36**	**0.14**	**0.014**	**0.03**	**0.11**	**0.06**	**0.03**	**0.002**	**1.07**	**614,252**	**1,201,137**

Note: due to rounding, some totals may not appear to total properly

Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, socio-political, marketing, or other relevant issues.

Notes to Mineral Resources in Table:

1. The mineral resource estimates use the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by CIM Standing Committee on Reserve Definitions and adopted by CIM Council on November 27, 2010. The mineral resource estimates provided in this report are classified as "measured", indicated", or "inferred" as defined by CIM. According to the CIM definitions, a Mineral Resource must be potentially economic in that it must be "in such form and quantity and of such grade or quality that it has reasonable prospects for economic extraction".

2. For the River Valley PGM Project, a PdEq cut-off grade was assigned based on economic assumptions from comparisons to other projects, and was used in the resource estimations. Resources reported in this press release use a cut-off of 0.80 g/t PdEq. Grades have assumed 100% recoveries. The parameters used to generate the PdEq value are provided below:

PdEq=((Au grade$Au*Factor1)+(Pt grade*$Pt*Factor1)+(Pd grade*$Pd*Factor1)+(Ni grade*$Ni*Factor2)+(Cu grade*$Cu*Factor2)+(Co grade*$Co*Factor3))/($Pd*Factor1)*

$Au = US$1271 per oz.

$Pt = US$1885 per oz.

$Pd = US$896 per oz.

$Ni = US$ 9.74 per lb.
$Cu = US$3.00 per lb.
$Co = US$15.90 per lb.
Factor1 = 0.0321508 (converts ounce per tonne to grams per tonne)
Factor2 = 22.04622 (converts pounds to grade percent)
Factor3 = 0.002205 (converts pounds to ppm)

3. The mineral resources were estimated using a block model with parent blocks of 10m x 10m x 5m and using ordinary kriging (OK) methods for grade estimation. A total of eight individual mineralized domains were identified. The determination technique of the mineral resource is based on the combination of geological modelling, geostatistics and conventional block modelling using the OK method of grade interpolation. The block model resource estimate prepared by the Tetra Tech, Inc., was based on more than 96,980 m of diamond drilling in 462 diamond drill holes. The assay data was reviewed and a composite interval of 2.0 m was used. Statistical and Variogram analyses were performed to determine the "nugget effect".

4. Rhodium grades were not estimated by the OK methodology. Rh values were determined using a regression formula based on the Pt and Pd grades. Rh values are not incorporated into the PdEq value. The PdEq value also does not include Ag.

5. The QAQC protocols and corresponding sample preparation and shipment procedures for the River Valley Project have been reviewed and approved by Tetra Tech, Inc.

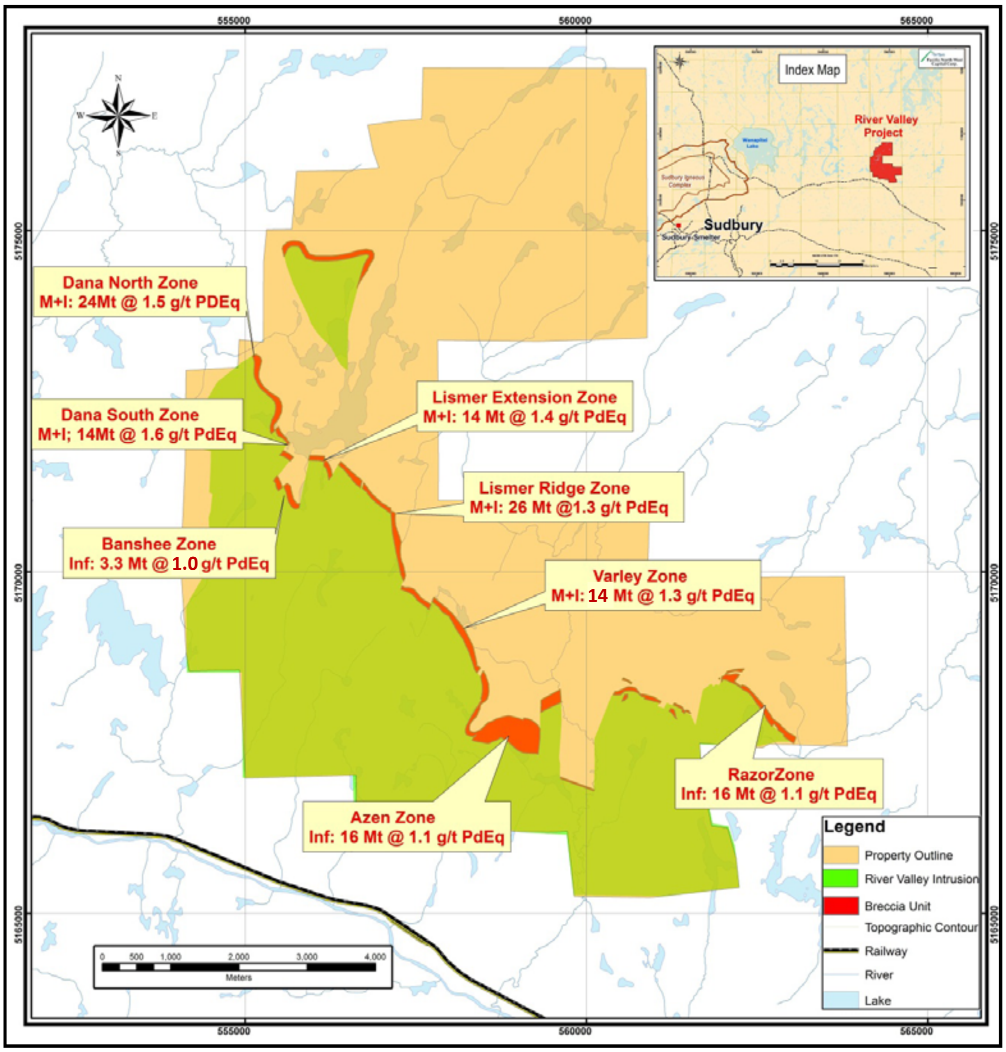


Figure 5 illustrates the distribution of the 2012 PGM mineral resources in the River Valley deposit.

D - Environmental baseline studies:

The Company commissioned DST Consulting Engineers of Thunder Bay, Ontario to complete a preliminary environmental baseline study in the area of the River Valley deposit.

The project is expected to require the completion of provincial and federal environmental assessments and permits prior to development. Environmental baseline studies are the foundation for the overall achievement of the environmental assessment under provincial and federal regulatory requirements. Baseline data collected in project development becomes important in facilitating future mine permitting such as meeting the requirements of the Metal Mining Effluent Regulations.

The Environmental Impact studies will be instrumental in moving the River Valley PGM Project through Preliminary Assessment studies with a view to advancing the project. More particularly, the studies are intended to assess the environmental impacts of the construction and operation of the possible mine site and related facilities.

The first component of the environmental baselines studies has been initiated, and covered the fourth quarter (Q4) of 2011. Aquatic baseline sampling performed in November 2011 for surface water, sediment quality and benthic invertebrates. Long-term monitoring of water quality, sediment, benthos, and fish are typical aspects of environmental effects monitoring (Environment Canada, 2002).

E - Metallurgical Studies

In September 2012 two diamond drill holes were drilled inside the River Valley PGM Project; one at Dana North Zone and the other 600 m to the south at Dana South Zone. The holes were planned to validate the geological models and maximize amount of mineralized sample material for the metallurgical test-work study. Dana North and Dana South Zones were selected for drill sampling because they are the most accessible and best understood of the eight known PGM mineralized zones, and therefore the likely starting location of any potential mining operation at River Valley. The hole at Dana North was drilled for 300 m obliquely down-dip where the zone shows a consistent orientation laterally. The Dana South hole was drilled vertically for 300 m in deference to its relatively more irregular orientation laterally.

The two drill holes each intersected PGM mineralization throughout their entire length. Dana North hole DNZ2012-MET1 intersected 298 m grading 1.9 g/t Pd+Pt+Au, 0.125% Cu and 0.024% (i.e., 2.9 g/t PdEq) Ni from 2 m down-hole. This long intersection included: 23 metres grading 2.5 g/t Pd+Pt+Au, 0.151% Cu and 0.033% Ni from 126 m down-hole (i.e., 3.8 g/t PdEq); and 144 m grading 2.6 g/t Pd+Pt+Au, 0.156% Cu and 0.028% Ni (i.e., 3.9 g/t PdEq) from 156 m down-hole. The hole ended in PGM mineralization.

In the Dana South zone; hole number DSZ2012-MET1 intersected 299 m grading 1.2 g/t Pd+Pt+Au, 0.076% Cu and 0.016% Ni (i.e., 1.9 g/t PdEq) from 1 m down hole (Table 4). This intersection included: 1) 46 m grading 2.8 g/t Pd+Pt+Au, 0.168% Cu and 0.031% Ni (i.e., 4.2 g/t PdEq) from 1 m down-hole; and 2) 90 m grading 1.8 g/t Pd+Pt+Au, 0.096% Cu and 0.018% Ni (i.e., 2.6 g/t PdEq) from 149 m down-hole. Lithologically the Dana South hole intersected more rock types than the Dana North hole, but it also ended in PGM mineralization.

Each hole provided approximately 700 kilograms “(kg”) of core material, allowing for: 1) extensive test work on a single composite sample from each zone plus an overall composite sample of the two zones; and 2) comprehensive assaying and Quantitative Evaluation Of Minerals By Scanning Electron Microscopy (“QEMSCAN™”) studies to follow the PGM during the test work.

The holes were drilled in July 2012 using a single drill rig operated by Major Drilling Group International Inc. After logging, each of the drill cores was cut into equal halves with a diamond saw. Half of the core was sent to SGS Canada Inc.’s processing facilities at Lakefield, Ontario (“SGS Lakefield”) for the metallurgical testwork. The remaining half was cut into equal halves, one of which was kept in storage for reference and the other half sampled at 1 m intervals and shipped to SGS Lakefield for sample preparation and assay. In total, 567 samples from the two drill holes were assayed (plus 63 quality assurance/quality control (“QAQC”) samples).

The metallurgical testwork samples were received by SGS Lakefield in early August. A total weight of 713 kg was received for the Dana North hole and 710 kg for the Dana South hole. Composite samples for each of the holes (Dana North and Dana South) and for both holes (Dana North plus Dana South) were prepared, for a total of three samples. The prepared composite samples are stored in freezer storage.

Mr. Al Hayden, P.Eng. and Associate of NordPro Mine & Project Management Services (Thunder Bay) was hired by PFN as its metallurgical consultant to supervise the study and review results.

The testwork completed by SGS Lakefield in April 2013 and involved Bond grindability and abrasion studies, sample compositing, physical and chemical analyses, and bench scale flotation tests to make high-grade sulphide concentrate. Results show that the PGMs float with Cu-Ni sulphides, and therefore demonstrate potential for a sulphide concentrator to effectively process River Valley deposit material. SGS Lakefield recommends additional testwork to determine the optimal grind size for PGM separation and further improve concentrate grade and metal recovery. A copy of the SGS Lakefield report is available for viewing on the Company’s website.

Metallurgical Testwork Results

Metallurgical testwork was carried out on an Overall Composite sample prepared from half-core intervals from the Dana North Zone and the Dana South Zone of the River Valley PGM deposit. Testwork involved mineralogical and chemical analysis, Bond Rod and Ball mill grindability, and Bond abrasion testing on each of the Dana North and Dana South Zone composites. Mineralogical analysis determined that the main minerals are amphibole/pyroxene and plagioclase, consistent with gabbro-norite intrusive host rock type. Chalcopyrite is the sole copper mineral phase and pentlandite the primary nickel sulphide phase. However, sulphides hold only 35% to 45% of the total nickel; the remaining percentage is held in silicates and therefore unrecoverable. The Bond rod mill grindability tests at 14 mesh of grind (1180 micrometres) identified each of the two composites as very hard, with Rod Mill Work Index at ~20.0 kWh/t. A Bond ball mill grindability test at 150 mesh (106 micrometres) identified each of the two composites as hard to very hard, with a Ball Mill Work Index of 18.8 kWh/t for DNZ and 19.5 kWh/t for Dana South Zone. The Bond Abrasion tests determined each composite to be in the moderate to hard abrasive range.

Flotation testwork was completed on the Overall Composite in order to: 1) develop a viable flowsheet; 2) evaluate parameters such as primary grind and regrind fineness, reagents and dosages; and 3) generate a concentrate that targeted a grade of ~200 g/t PGM. Eleven rougher kinetics tests were performed to evaluate effective reagents, dosages, flotation time and primary grind fineness. Cleaner tests were undertaken to investigate cleaner circuit configuration, depressants and regrind fineness. The best test produced a concentrate grading 8.94% Cu, 1.22% Ni and 109 g/t PGM at recoveries of 86.8% for Cu, 26.7% for Ni and 73.1% for PGM.

A single locked cycle test (“LCT”) was completed applying the flowsheet and conditions of the final cleaner test (Figure 6). The primary grind was at P80 = 71 µm and the regrind at P80 = 19 um. The LCT produced a concentrate grading 15.5% Cu, 1.67% Ni and 189 g/t PGM at recoveries of 84.4% Cu, 22.2% Ni and 68.7% PGM (Table 5). The 3rd cleaner concentrate from the LCT was submitted for multi-element analysis. In addition to Pt, Pd, Au, Cu and Ni, which would all be payable, Rh, Co and AG are present a levels which are likely also be payable. Conversely, contents of magnesium, arsenic, antimony, bismuth, and selenium are all below the problematic limits for marketability.

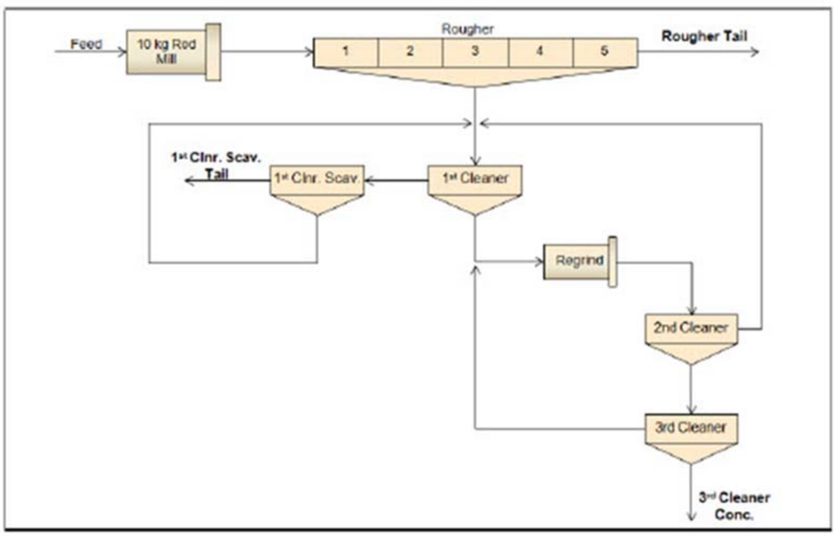


Figure 6. Flow sheet for Locked Cycle Test by SGS.

Table 4- Metallurgical Drill Hole Intersections

Hole	Zone	From (m)	To (m)	Interval (m)	Pd (g/t)	Pt (g/t)	Au (g/t)	3E (g/t)	Cu%	Ni%	PdEq (g/t)*
DNZ2012-MET1	Dana North	2	300	**298**	1.397	0.449	0.086	1.932	0.125	0.024	2.929
including	**Dana North**	**126**	**149**	**23**	**1.780**	**0.599**	**0.130**	**2.509**	**0.151**	**0.033**	3.817
including	**Dana North**	**156**	**300**	**144**	**1.894**	**0.595**	**0.109**	**2.598**	**0.156**	**0.028**	3.867
DSZ2012-MET1	Dana South	1	300	**299**	0.874	0.292	0.052	1.218	0.076	0.016	1.856
including	**Dana South**	**1**	**47**	**46**	**2.001**	**0.652**	**0.125**	**2.778**	**0.168**	**0.031**	4.167
including	**Dana South**	**149**	**239**	**90**	**1.295**	**0.399**	**0.061**	**1.755**	**0.096**	**0.018**	2.576

**PdEq=((Au grade*$Au*0.03215)+(Pt grade*$Pt*0.03215)+(Pd grade*$Pd*0.03215)+(Ni grade*$Ni*22.046)+(Cu grade*$Cu*22.046)) /($Pd*0.03215)*

where $Au US$1271/oz, $Pt = US$1885/oz, $Pd = US$896/oz/, $Ni = US$9.74/lb, $Cu = US$3.00/lb

Table 5. Metallurgical results for the Locked Cycle Test by SGS.

		Assays				Distribution			
Product	**Weight%**	**Cu%**	**Ni%**	**S%**	**PGM g/t**	**Cu%**	**Ni%**	**S%**	**PGM%**
Head Grade*	100	0.11	0.043	0.25	1.58	100	100	100	100
Rough Conc	6.6	1.44	0.230	3.30	18.70	89.3	35.1	87.4	77.5
Rougher Tail	93.4	0.012	0.030	0.03	0.38	10.7	64.9	12.6	22.5
1st Cleaner Scav Tail	6.0	0.09	0.093	0.81	2.32	4.9	12.9	19.6	8.8
3rd Cleaner Conc	**0.6**	**15.50**	**1.670**	**29.10**	**189.00**	**84.4**	**22.2**	**67.7**	**68.7**
*Head grade of the Overall Composite for the Dana North and Dana South Zones									

Metallurgical Testwork Recommendations;

SGS Lakefield make the following recommendations for further testwork on River Valley:

1. Further investigate the effect of primary grind size on flotation recovery;
2. Flotation optimization testing in order to achieve further improvement of concentrate grade and metal recovery; and
3. Flotation and grindability variability testing on the composite samples in order to identify the variability of flotation performance. Subsequently, variability testing should be extended to investigate a broader range of samples from each of the mineralized zones at the River Valley PGN Project, to investigate the effect of feed grade and rock type on metallurgy.

5.1.4. Exploration & Development Plans

Plans for the foreseeable future include Phase 2 Metallurgical Studies and execution of the exploration drill program. A detailed plan is in preparation with SGS Lakefield for Phase 2 Metallurgical Studies. The testwork will involve an expanded range of samples, grades, rock types and depths for the River Valley deposit. The exploration drill program will consist of up to twenty drill holes, carefully designed to test the best two or three drill targets. Some of the holes will be selected for down-hole IP surveys in order to detect and model the location of off-hole mineralization for subsequent drilling.

PFN's technical team seized the opportunity afforded by the slowdown in exploration to reassess the potential exploration upside of the River Valley PGM Project. Compilation and integration of high quality geophysical and drilling datasets produced numerous drill-ready targets along strike, down-dip and in the immediate footwall to the main PGM mineralized zones. The targets have been ranked and prioritized for drill testing. A formal application for an exploration program, including drilling and geophysics, has won approval from the provincial government with input for local communities and Aboriginal Peoples, as mandated under the new mining laws of Ontario.

Figure 7 illustrates hundreds of anomalies that have been identified internally within River Valley Intrusion (reefs), adjacent country rocks (possible magmatic embayment and feeder features) and newly discovered River Valley like intrusions.

Potential exists for expanding the size of the PGM resources even more through extensional and additional drilling along strike, across strike and down-dip of the mineralized zones as currently defined. Inferred resources can be advanced to indicated and measured resources through denser drilling at the Banshee, Azen and Razor zones. Furthermore, exploration of new targets (i.e., reef-style mineralization) generated internally within the River Valley Intrusion) and in the adjacent country rocks (i.e., magmatic feeder zones) could result in discovery of new resources.

With regard to project development, the next logical steps are for proper metallurgical testing of fresh mineralized rock by an independent laboratory, continued baseline environmental studies, and development of a community relations program. Pending results, these steps would ultimately lead a Preliminary Economic Assessment (aka Scoping Study) of the economics and development potential of the River Valley PGM Project as a large open pit mine and mill operation.

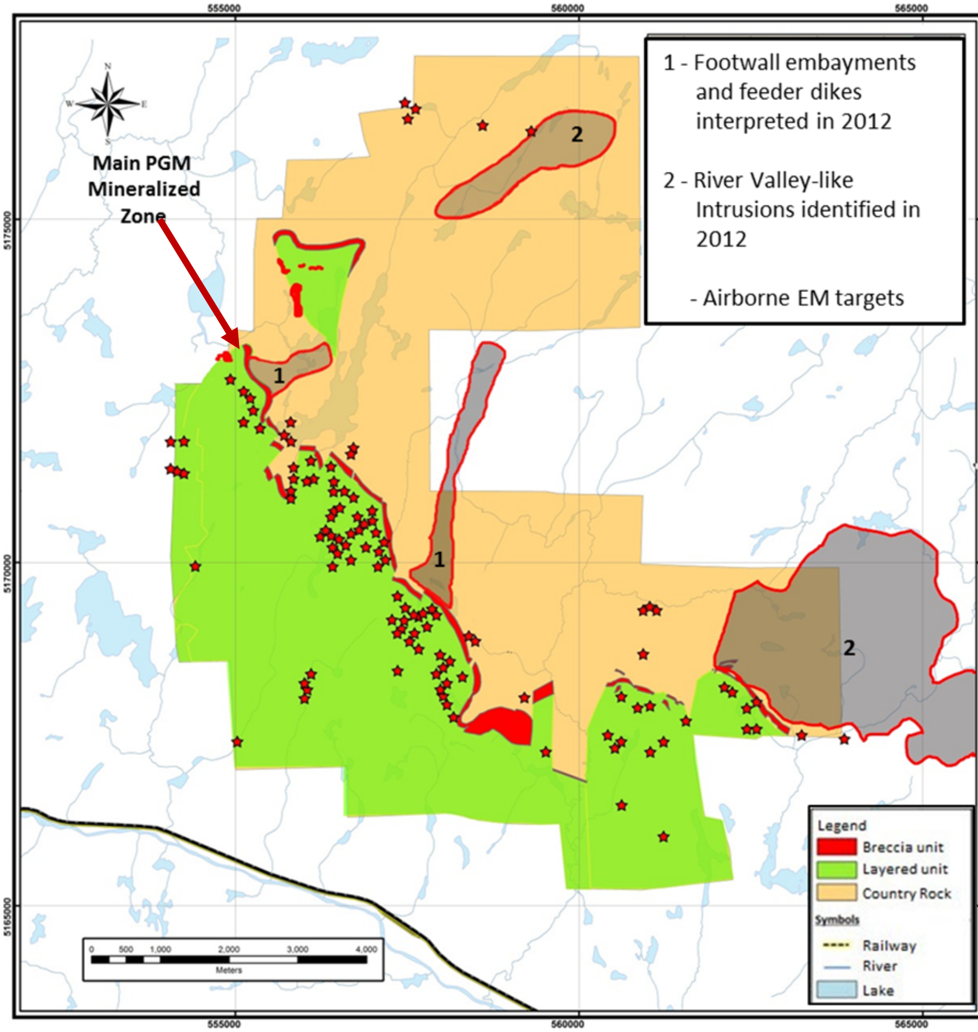


Figure 7. Location of hundreds of anomalies that has been identified in the River Valley Project

2011 and 2012 Quality Assurance and Quality Control (QA/QC)

All diamond drill core samples were submitted to SGS Laboratories, Toronto, Ontario and assayed for Pt, Pd, Au, Cu and Ni and a 33 element ICP (inductively coupled plasma) suite. Concentrations of Pt-Pd-Au were determined using standard lead fire assay, followed by dissolution with acqua-regia, and measurement with an ICP finish. Lower limited of detection (30 g sample) are 1 parts per billion ("ppb") for Au and Pd and 10 ppb for Pt; upper limits are 10,000 ppb by ICP. Concentrations of Cu-Ni were determined by ICP methods with detection limit of 0.5 parts per million ("ppm") for Cu and 1 ppm for Ni; upper limit for both Cu and Ni is 1 %.

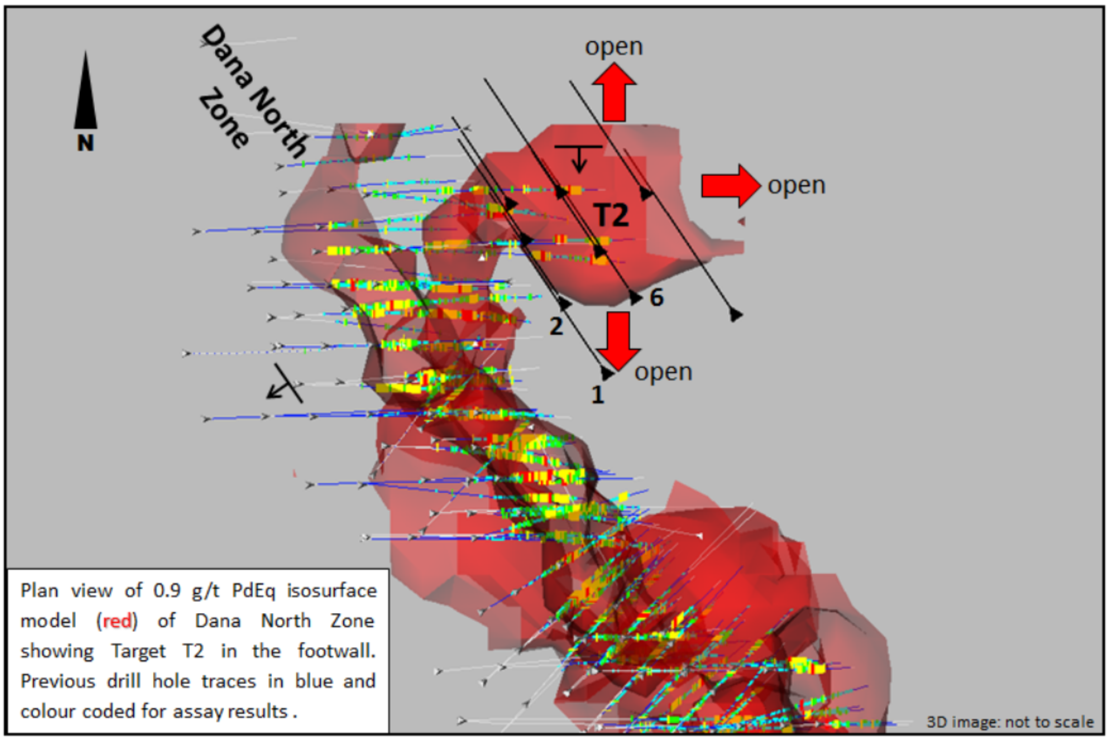
One standard and one blank were inserted every 40 samples into the sample stream. Duplicates were taken each twentieth sample. This practice continued throughout 2011 Phase IA drilling and included the preparation and insertion of new and necessary standards at the cut-off grade and at the mean grade of the deposits. All sample preparation has been conducted and directed on site by contract geologists and samplers hired by PFN.

2015 Exploration Program

Following the Company's strategy of exploring and developing a new primary PGM mining camp in Canada, the company announced that a drilling is anticipated to commence in late January. The 2015 drill program aimed at targeting shallow, high-grade PGM mineralization and extending the River Valley deposit farther to the east, along the trend of a surface induced polarization (IP) chargeability anomaly, dubbed Target T2. The main objectives of the T2 Drill Program are two-fold: 1) drill test for the presence of high-grade mineralization that was previously drilled obliquely down-dip; and 2) drill test a new geological model for this part of the host River Valley Intrusion. Two-to three new holes are planned to be drilled from south to north (rather than from east to west) orthogonally across the dip of the T2 target. Targeted depths are 150m to 200m vertically below surface. The drill results will provide more accurate data on the true nature and thickness of the PGM mineralization in the target area. Three-dimensional modelling results for the current exploration database suggest that the T2 portion of the River Valley Intrusion rotated during movement along Grenville age faults. Such deformation-related rotations have not previously been recognized at River Valley and present new opportunities for targeting high grade PGM mineralization.

Approximately 500 metres of diamond drilling is planned for the Program (Phase 1), with potential to increase the amount up to at least 2000 metres (Phase 2), depending on success. Within the scope of an increased Program, PFN also plans to carry out new surface and borehole induced polarization. (BHIP) surveys above, within and under T2. Permits required for the drilling have been received and preparations are underway.

Figure 8. Location and plan for drill testing Target T2 at Dana North Zone, River Valley PGM deposit near Sudbury,



Ontario. Design holes 1 and 2 ± 6 are prioritized for drilling (Phase 1). Success could trigger drilling the remaining 6-7 planned holes (Phase 2)

On 11 March 2015, the Company announced results from the winter 2015 Drill Program on its 100% owned River Valley platinum group metal ("PGM") deposit near Sudbury, Ontario. Two diamond holes drilled to test a new target area each returned significant intersections of PGM-Cu sulphide mineralization hosted in favourable River Valley Intrusion rocks.

Highlights

- Hole 2015-DN002 intersected **18 metres grading 2.786 grams per tonne ("g/t") palladium plus platinum (Pd+Pt), 0.095 g/t Au, 0.217% Cu** from 137 metres downhole, including **9 metres grading 3.909 g/t Pd+Pt, 0.121 g/t Au and 0.264% Cu** from 145 metres downhole.

- Hole 2015-DN001 intersected **16 metres grading 2.054 g/t Pd+ Pt, 0.091 g/t Au and 0.179% Cu** from 184 metres downhole, including **5 metres grading 2.442 g/t Pd+Pt, 0.092 g/t Au and 0.166% Cu** from 184 metres downhole and **5 metres grading 2.752 g/t Pd+Pt, 0.123 g/t Au and 0.259% Cu** from 193 metres downhole.

- PGM-Cu Mineralization appears to be structurally offset from the Dana North Zone

- Host rocks and inverted stratigraphy confirm new geological model for north part of the River Valley PGM deposit

- Additional drilling planned to expand this new mineralized zone and to test similar exploration targets elsewhere at River Valley

<u>Drill Results</u>

Assay results from the winter 2015 Drill Program are tabulated below:

Table 6. Assay Results from winter 2015 Drill Program at River Valley PGM Project near Sudbury, Ontario

Hole ID	Interval	From (m)	To (m)	Length (m)	Pd (g/t)	Pt (g/t)	Au (g/t)	Cu%	Ni%	Co%	S%	Pd+Pt (g/t)
2015-DN001	1	153	155	2	2.185	0.610	0.118	0.132	0.028	0.004	0.29	2.795
2015-DN001	2	184	200	16	1.554	0.501	0.091	0.179	0.037	0.004	0.46	2.054
2015-DN001	incl	184	189	5	1.846	0.596	0.092	0.166	0.034	0.004	0.41	2.442
2015-DN001	incl	193	198	5	2.100	0.652	0.123	0.259	0.054	0.005	0.72	2.752
2015-DN001	3	213	214	1	1.210	0.700	0.043	0.033	0.009	0.002	0.06	1.910
2015-DN002	1	129	134	5	1.180	0.404	0.065	0.153	0.036	0.004	0.54	1.584
2015-DN002	incl	129	132	3	1.537	0.527	0.082	0.196	0.196	0.005	0.67	2.063
2015-DN002	2	137	155	18	2.117	0.668	0.095	0.217	0.048	0.006	0.63	2.786
2015-DN002	incl	145	154	9	2.990	0.919	0.121	0.264	0.059	0.006	0.72	3.909

Note: Intersections listed may not be true thicknesses, which are generally estimated to be about 80% of downhole lengths.

The high grade assay results and near-surface occurrence of the mineralization indicate that the north part of the River Valley deposit is the most prospective of the entire property. PFN plans to follow-up aggressively with additional drill holes designed to expand and define extents of the new zone.

The PGM-Cu deposit at River Valley is hosted in a distinctive gabbro Breccia Unit on or near the contact of the Paleoproterozoic age River Valley Intrusion with footwall rocks of the Grenville Province. The Breccia hosted PGM-Cu deposit has been traced in outcrops, trenches and drill holes for 12 km along strike on PFN's property and drilled to an average depth of only 220 metres below surface. The deposit consists of 10 mineralized zones separated by faults with apparent offsets of up to at least 1 km. The northernmost mineralized zone, Dana North, appears in map view to be truncated to the north by a Grenville fault. The Winter 2015 Drill Program was designed to test the target (dubbed T2) for evidence of right-angle rotation of the Dana North Zone into structural coincidence with that fault below a surface IP chargeability anomaly (Figure 9).

2015-DN001 (drilled at -60 degrees towards 325 degrees for 258 metres). This drill hole was designed to test: 1) the new geological model for this part of the host River Valley Intrusion; and 2) the presence of high grade mineralization that was previously drilled obliquely down-dip (see PFN press release dated 27 January 2015).

The hole was drilled from southeast to northwest (rather than from east to west) to cut more orthogonally across the dip of the T2 Target. The hole intersected River Valley rocks immediately below overburden, the favourable Breccia Unit from 146 metres to 220 metres, Huronian (younger) sedimentary rocks from 220 metres to 224 metres, Grenville fault from 224 metres to 225 metres, and Huronian sedimentary rocks again from 225 metres to end of hole (Figure 9). The hole intersected three intervals of PGM-Cu mineralization (Table 6) within the favourable Breccia Unit.

2015-DN002 (drilled at -60 degrees towards 325 degrees for 216 metres). This drill hole was collar 60 metres along azimuth 325 degrees from hole 2015-DN001 in order to achieve the same objectives as the latter, but farther up-dip on the same cross section (Figure 9). This hole intersected River Valley Intrusion below overburden, the favourable Breccia Unit from 89 metres to 170 metres, younger Huronian sedimentary rocks from 170 metres, Grenville fault from 203 metres, and Huronian sedimentary rocks again from 207 metres to end of hole. The hole intersected two intervals of PGM-Cu mineralization (Table 6) within the favourable Breccia Unit.

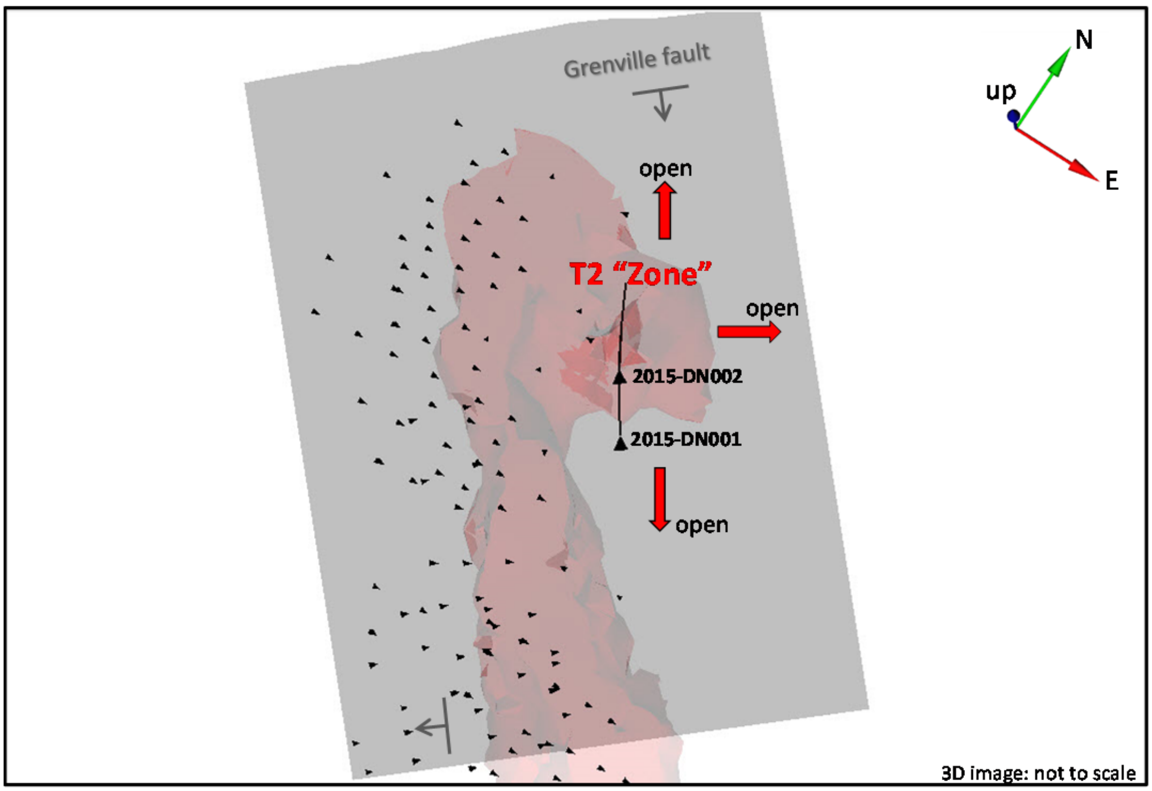


Figure 9. Surface drill collar locations and hole traces (black) with River Valley deposit shell shown in red and underlying Grenville fault in grey.

Dr. Bill Stone, Chief Consulting Geoscientist, indicates: "Intersection of high PGM grades in favourable host rocks below a surface IP chargeability anomaly definitely warrants further exploration. The inverted stratigraphy in drill holes 2015-DN001 and 2015-DN002 is consistent with rotation of the River Valley Intrusion in this area during ductile deformation along the Grenville fault. The fact that the mineralization appears to be structurally transposed from the Dana North Zone meets the criteria established at River Valley for designation of a new mineralized zone. PFN plans to follow-up with geophysical surveys and drill holes designed to expand the high grade mineralization up-dip toward surface, down-dip to depth, and along strike to the east. Furthermore, confirmation of the new geological model means that the entire north part of the River Valley PGM deposit (2 km long) will be evaluated for more such exploration targets.

Figure 10. Orthogonal cross section view looking towards 235° showing drill collar locations (**black**) and hole traces with River Valley deposit shell shown in **red** and underlying Grenville fault in **grey**. The drill hole traces are colour coded for lithology and PGM assay results. Note the deposit shell is ***not*** clipped to the fault pending data from additional drilling.

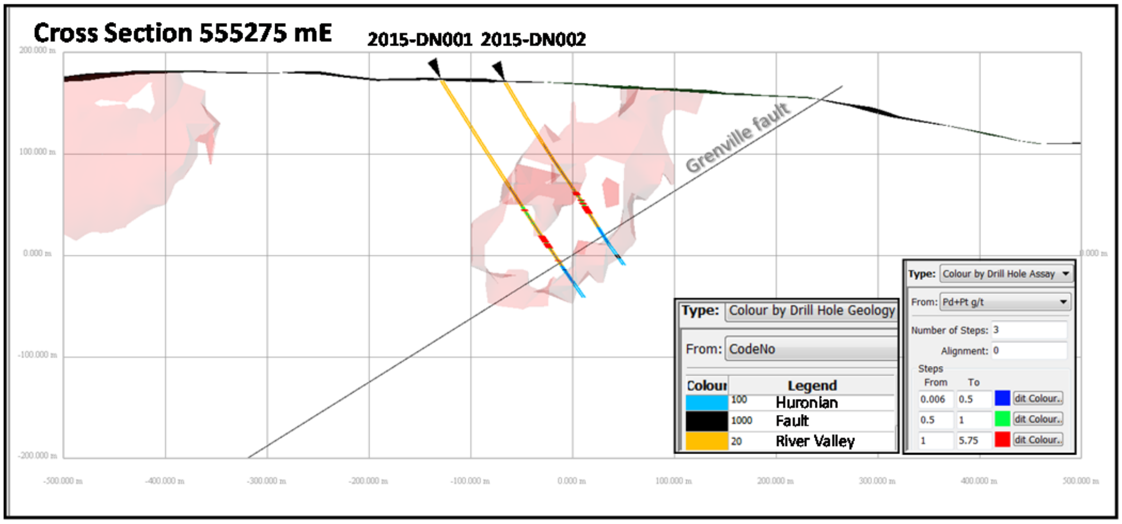
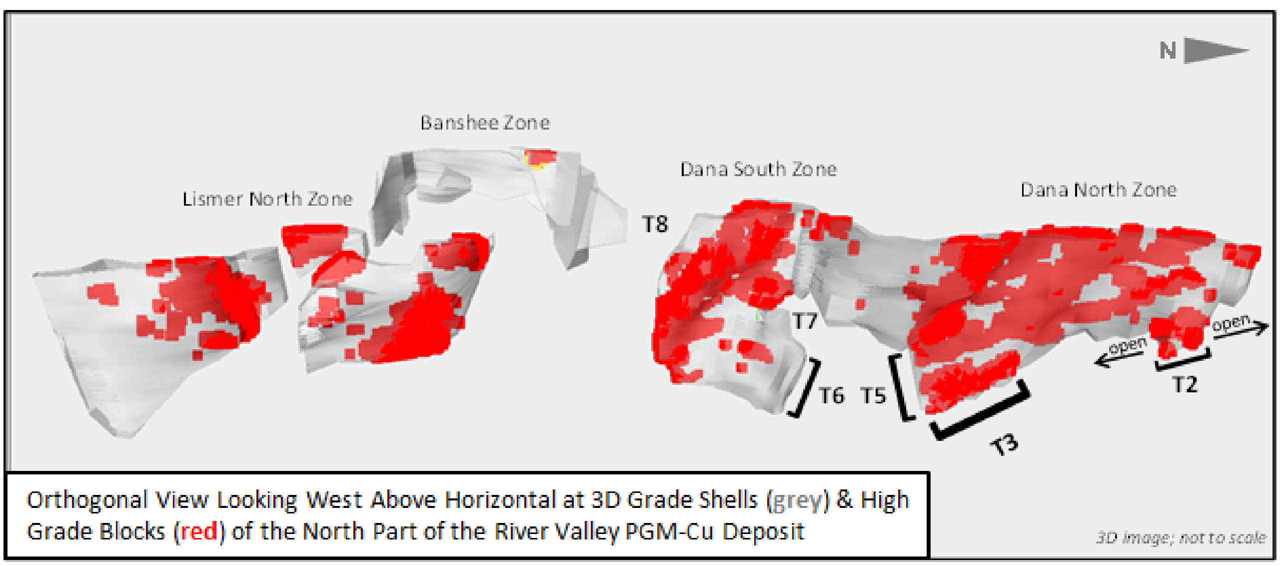


Figure 11. Exploration targets along structural offsets of the four known PGM-Cu mineralized zones in the north part of the River Valley Deposit.

5.2. RIVER VALLEY EAST AND WEST PGM PROJECT, ONTARIO



The River Valley West Property is comprised of a contiguous group of 944 mining claims units in 72 mining claims and is located in Davis, Janes, Loughrin and Henry townships. The River Valley East Property claim group consists of 532 mining claims units in 35 claim units that sprawl over parts of Dana, Pardo, Hobbs and McWilliams Townships, Sudbury Mining Division. These claims were staked in May of 2011 (Figure 8). The property is situated to the east of the Sudbury Basin and north of Highway 17. It covers two rock groups that host significant concentrations of PGM mineralization; the River Valley-East Bull Lake Suite of rocks and the Nipissing Gabbro.

River Valley West claims cover branches of the River Valley Intrusion from the main intrusive body that hosts the River Valley PGM resource and intrude Huronian sediments to the west. These units are under explored making them attractive exploration targets. The East Bull Lake Suite has the potential to contain at least two different styles of sulphide mineralization: 1) brecciated contact style mineralization (similar to PFN's River Valley PGM Project); and 2) reef style mineralization in the interior of these intrusive bodies, at the interface or zone of mixing of magmas of differing composition. The Nipissing Gabbro has been explored for PGM on some areas of the property. Public sector geochemical data from the newly acquired claims indicate widespread anomalous PGM, gold and base metals. Hypersthene-bearing gabbro and contact breccia appear to be the most favourable lithologies within the Nipissing for hosting significant PGM mineralization.

The Company completed a Geo-referencing program over selected claims as outlined in Geo-referencing *Standards for Unpatented Mining Claims*, Ministry of Northern Development and Mines. This undertaking was initiated on 1 March 2013 and it was completed on 21 March 2013.

In March 2014, the Company applied for an extension of time for the performance and reporting of assessment work on River Valley West and was granted a six months extension to perform exploration work on this project. After the extension time; part of the River Valley West claims were allowed to lapse. Additionally all River Valley East claims were expired on May 2014.

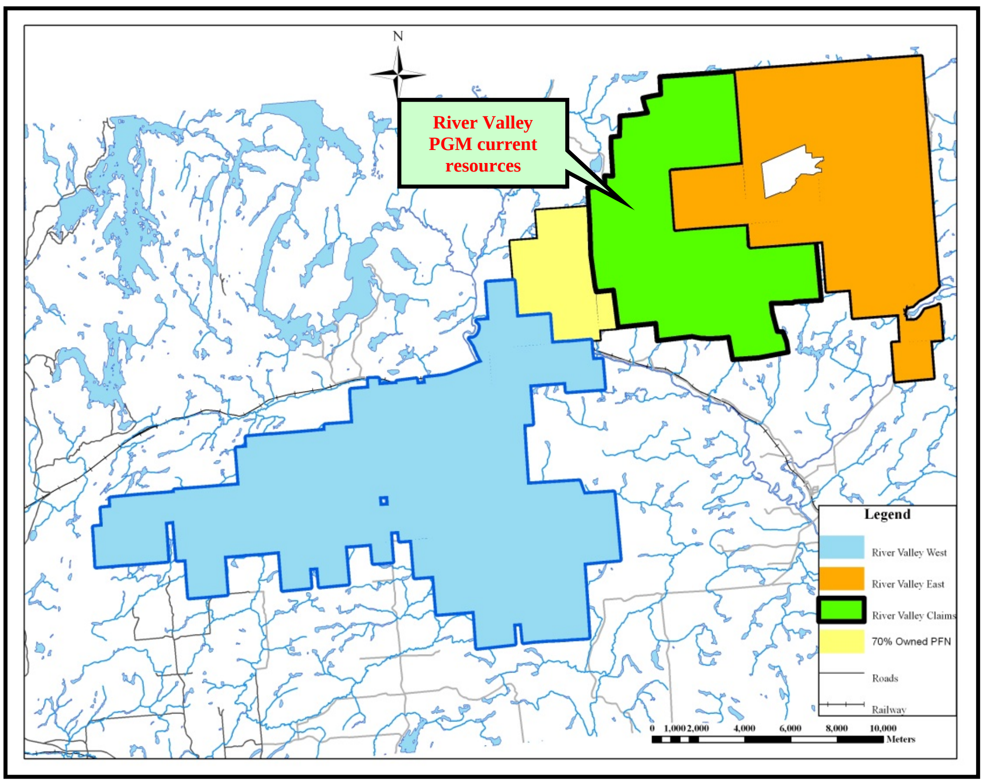


Figure 12- Location of the River Valley East and West Properties

5.3. HEAVEN LAKE PGM, GOLD PROJECT, ONTARIO

On 13 June 2011, the Company staked 220 square km 10 km north of Lac des Iles Mine, north of Thunder Bay, Ontario.

The Heaven Lake property is located 130 km north of the city of Thunder Bay and 15 km north of the Lac des Iles PGM Mine. Access is by all-season paved highways, logging gravel roads and bush trails (Figure 7). The roads and trails link to the access road system for the Lac des Iles Mine. The Heaven Lake claim group consists of 88 contiguous 16-unit claims on Crown Lands (1408 units), encompassing an area of 22,528 ha and owned 100% by PFN.

The Heaven Lake Property lies near the boundary of the Archean Superior Province to the west and the Mesoproterozoic Nipigon Embayment to the east (Figure 9). The property is underlain by metamorphosed and deformed Archean volcanic-sedimentary rocks and intermediate to felsic intrusions of the Wabigoon Terrane. The Archean rocks are disconformably overlain by Mesoproterozoic sedimentary rocks and intruded by Nipigon diabase sills. The latter bodies are related to the ~1100 million-year-old Midcontinent Rift (MacDonald et al., 2005).

Indicative Exploration Program

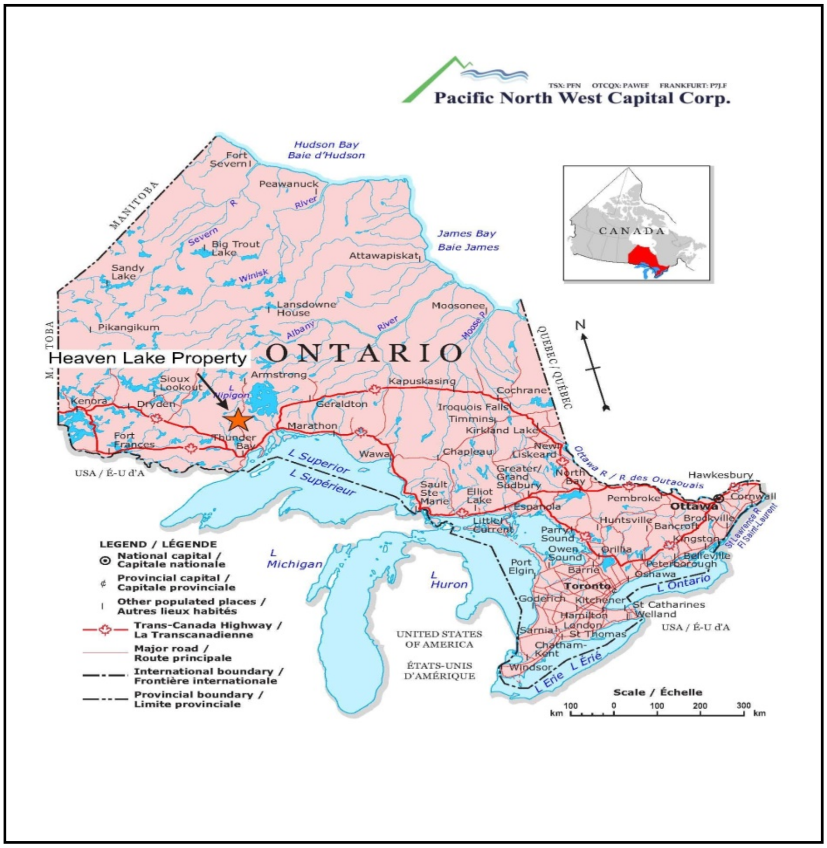
The exploration targets most commonly noted in the provincial assessment reports are Lac des Iles style PGM mineralization and, more recently, Thunder Bay North style Cu-Ni-PGM mineralization. At Heaven Lake, however, Ni-Cu-PGM mineralization near the base of the gabbro-pyroxenite intrusion could possibly indicate different target type. This target area should be ranked highly for IP and time-domain EM surveys on grids with 100 m line spacing and, pending results, drill testing. Elsewhere on the Heaven Lake property, geophysical surveys and mapping and prospecting surveys by experienced personnel should be carried out to find and explore other prospective mafic intrusions. An additional focus for exploration should be the unexplained airborne electro-magnetic ("EM") anomalies about Whitton Lake.

The presence of thick overburden and the flat-lying Nipigon Diabase unit hinders ground geophysical surveys and surface mapping and prospecting work. A modern airborne geophysical survey with higher resolution and increased depth penetration combined with inversion modelling of EM and magnetic anomalies of interest could better focus follow-up exploration activities on the ground. Indeed, OFR 6164 (MacDonald et al., 2005) reports the presence of a magnetic anomaly at depth beneath the northeastern part of the Heaven Lake Property. Gabbro has been reported in the area, but also present are thick horizons of magnetic massive pyrrhotite associated with chert. The significance of that magnetic anomaly remains to be determined. Inversion modelling combined with physical property studies warrants consideration, as a means of evaluating the potential of the Heaven Lake Property area to hold large mafic to ultramafic intrusions which do not outcrop.

Several exploration companies have recently staked properties around the Heaven Lake Property. These companies include Platinum Group Metals Ltd. and HTX Minerals Corp., which are known to have interest in Cu-Ni-PGMs.

In June 2013 the Heaven Lake property claims expired.

Figure 13- Location of the Heaven Lake Property, northwestern Ontario



5.2 GLITTER LAKE, QUÉBEC

The Company entered into an option agreement dated 15 August 2003, and amended 30 April 2006, with CanAlaska Uranium Ltd. (“CanAlaska”) whereby the Company could earn a 50% interest in the mineral claims known as the “Glitter Lake Property”, located in Québec.

The Glitter Lake Property consists of 63 unpatented mining claims totaling 1,008 ha. The claims are owned 100% by PFN. Work requirements are $750 per claim. The claims are situated along the trend of the gabbroic sill that hosts the Horden Lake Cu-Ni deposit and form two groups, one situated to the southwest of the Horden Lake property, the other to the northeast.

The Glitter Lake claims surround, and extend along strike from, the Horden Lake Cu-Ni deposit, which hosts an indicated resource of 8.8 million tonnes (“Mt”) at 0.88% Cu and 0.21% Ni, and an inferred resource of 7.8Mt at 0.87% Cu and 0.25% Ni (Southampton Ventures Inc., Press Release, 2 March 2009).

The principal exploration target on the Glitter Lake Property is remobilized magmatic Cu-Ni sulphide mineralization along the contact of the metagabroic intrusion that hosts the Horden Lake deposit. Of particular interest is the potential for relatively high-grade Cu mineralization that could be used to augment the high grade, but relatively low tonnage portion (indicated resource of 2.4 Mt at 1.37% Cu, 0.25% Ni, and inferred resource of 2.0 Mt at 1.34% Cu, 0.34% Ni) of the Horden Lake deposit.

On 1 April 2008 the Company signed an amended agreement with CanAlaska whereby, in order to maintain the option, a total of $200,000 was to be spent by 15 April 2009 with an additional $300,000 to be spent by 15 April 2010. PFN has completed exploration expenditures in the amount of $248,891 fulfilling its 2003 and 2007 exploration commitments.

On 30 January 2009, PFN and CanAlaska signed an amendment to the option agreement whereby CanAlaska has assigned a 100% interest in the Glitter Lake Property to PFN in consideration of PFN assuming CanAlaska’s remaining lease obligation of approximately $83,600 with respect to its office location to the end of the lease term in November 2010. CanAlaska retains a 0.5% NSR interest in the property along with the existing royalty agreement with the original prospectors of 1.5%. The original option agreement has thus been terminated.

On 24 April 2012, the Company entered into an agreement to provide El Condor Minerals Inc. (“LCO”) an option to earn a 100% interest in the Glitter Lake Property. In order to exercise the option, LCO shall make the cash payments and issue shares as set forth below:

			Payments		Shares
On directors and regulatory approvals	*(received)*	$	50,000		350,000
On or before 24 April 2013			50,000		350,000
On or before 24 April 2014			50,000		300,000
Total		$	150,000		1,000,000

Upon completion of the option, the Company will retain a 2% NSR. A 1% NSR can be purchased from the Company for $1,000,000.

5.3 LITHIUM ONE PROJECT, MANITOBA

The company entered into an option agreement dated 18 April 2016, acquiring claims in southeast Manitoba with historical pegmatite lithium mineralization and assays from spodumene returning values of 2.90 to 8.20% Li2O (from Manitoba Inventory File No 190). The historic assays have not been confirmed in the field. These claims will be a part of the company’s Lithium One Project.

The Company is developing a Lithium and Rare Earth Division, management believes that adding an additional “green metal” to its existing Platinum group metals (PGM’s) division is warranted. These new age metals, Lithium, PGM’s and Rare Earths, have robust macro trends with surging demands and limited supply. Going forward, this new division will explore for the minerals needed to fuel the demand for energy storage and other core 21st Century Technologies.

The option on the Lithium One Project was acquired from Cliff Allbutt of Winnipeg, Manitoba, the optionor. The project area is part of the Winnipeg River Pegmatite Field. This pegmatite field is host to the world-class Tanco Mine, which has been one of the world’s richest mines for tantalum, cesium and spodumene (a major source of lithium). The mine began operations in 1969 and is still producing today.

The Company has a two year option to purchase 100% interest in the 11 unpatented contiguous mining claims. The claim area is 2,272 hectares (5,614 acres) and is situated 8.5 kilometres southeast of the Tanco Mine Site. Management believes that from the historic work on the surface pegmatites and the reported assays from that time period, that there is economic potential for further lithium (Li) mineralization.

The Lithium One Project is located approximately 125 kilometres northeast of Winnipeg, Manitoba. Historically the area is known for the presence of over 40 surface pegmatites of various dimensions and compositions. Past exploration in the region has focused on the lithium, beryllium and tantalum potential of the pegmatites. Bulk samples were removed from the pegmatites in the 1930's but no large scale mining was undertaken due changes in the market conditions and commodity prices after the war. Lithium minerals were previously considered for the medical and ceramic industry, however in recent years lithium has seen an increased usage in the “green energy sector”. There has been limited recent exploration in the region.

Management’s technical team is presently planning a 2016 exploration program for the Lithium One Project.

The company’s new Lithium Division will focus on the acquisition, exploration and development of Lithium Projects in Canada. In the United States the company will use its wholly owned U.S.A subsidiary to acquire and develop projects in active mining camps in Nevada, Arizona and California.

Lithium and Platinum group metal prices have improved dramatically in recent months. Lithium supplies remain in deficit relative to their demand. Both metals groups are used for the expanding worldwide automobile industry (conventional and electric). In the case of PGM’s, demand is increasing for autocatalysts, a key component for reducing toxic emissions for automotive, gasoline and diesel engines. In regards to Lithium, there is an ever increasing demand for batteries in cellphones, laptops, electric cars, solar storage, wireless charging and renewable energy products.

5.4 LITHIUM BRINE PROJECT, CLAYTON VALLEY, NEVADA

The company entered into an option agreement dated 18 April 2016, acquired claims through option, a lithium brine project in Clayton Valley, Esmeralda County, Nevada.

Clayton Valley is located in Esmeralda county of Nevada host to the Albemarle Corporation’s Silver Peak Lithium Mine and brine processing operations. The mine has been in operation since 1967 and remains the only brine based Lithium Producer in North America. The new project acquisition in Nevada will allow the company a project in an area that is well known for its Lithium Carbonate Production. Clayton Valley is a centralized location in Nevada with highway access, power infrastructure, water and local labor. The company's new lithium brine project will be approximately 3.5 hours away from Tesla's Gigafactory, which has a planned annual lithium-ion battery production capacity of 35 gigawatt-hours per year by 2020. The company's new project is also 3 hours north of the Faraday Electric Car Factory to be operated in Las Vegas, Nevada.

Clayton Valley was one of the few locations globally known to contain commercial-grade lithium-enriched brines.

The company is planning a detailed exploration program on its Clayton Valley lithium project for upcoming exploration season.

The Nevada government is actively embracing the Lithium Energy market and future ventures. In March 2016 the Nevada Board gave final approval to the Faraday Futures $1 Billion dollar electric car factory in North Las Vegas. Once this plant is operating it is estimated that it will create over 4500 jobs for the area. Tesla received over $1.25 Billion in tax incentives from the Nevada government to start up their $5 Billion Giga-factory in Reno, Nevada. The Nevada government is backing the new growth in the lithium-ion battery and electric car market. Future projected market growth will also increase the need for lithium-ion batteries. At present, the Clayton Valley area produces 4% of the world's Lithium Carbonate production.

QUALIFIED PERSON STATEMENT

"Project Overview" section of this report have been reviewed and approved for technical content by Ali Hassanalizadeh MSc. P.Geo, Senior Geologist Advisor of PFN and a Qualified Person under the provisions of NI 43-101.

SELECTED ANNUAL AND QUARTERLY FINANCIAL INFORMATION

Selected Annual Financial Information

Unless otherwise noted, all currency amounts are stated in Canadian dollars. The following table summarizes selected financial data for PFN for each of the three most recently completed financial years. These information set forth below should be read in conjunction with the consolidated audited financial statements, prepared in accordance with IFRS, and related notes.

	Years Ended 30 April (audited)		
	2016	2015	2014
Total revenues	$ -	$ 15	$ 1,484
General and administrative expenses	232,472	784,268	1,186,973
Mineral property cash costs incurred	37,759	130,402	106,554
Income (loss) before other items in total	(232,472)	(784,268)	(1,186,973)
Net income (loss)	(1,637,824)	(11,178,686)	(899,967)
Net Loss per share – Basic & fully diluted	(0.030)	(0.236)	(0.024)
Totals assets	855,844	356,320	9,643,866
Total long term liabilities	1,729,380	1,729,380	Nil
Cash dividends declared per share	Nil	Nil	Nil

Selected Quarterly Financial Information

The following selected financial information is derived from the unaudited interim consolidated financial statements of the Company. The figures have been prepared in accordance with IFRS.

	For the Quarters Ended (unaudited)							
	30 Apr	31 Jan	31 Oct	31 Jul	30 Apr	31 Jan	31 Oct	31 Jul
	2016	2016	2015	2015	2015	2015	2014	2014
Total revenues	-	-	-	-	-	-	7	8
Net income (loss)	(1,648,879)	62,581	(14,982)	(36,544)	(10,397,072)	(272,613)	(170,738)	(338,263)
Net loss per share	(0.030)	0.001	(0.000)	(0.001)	(0.219)	(0.006)	(0.004)	(0.009)
Total assets	855,844	599,544	366,274	329,514	356,320	9,026,468	9,162,691	9,174,011

6. RESULTS OF OPERATIONS

For the year ended 30 April 2016 compared to the year ended 30 April 2015.

The year ended 30 April 2016 resulted in a loss from operations of $1,637,824 which compares to loss of $11,178,686 for the same period in 2015. The decrease in loss of $9,540,862 was mainly attributable to net effect of the following:

- Increase of $7,353.00 in accounting and audit. $25,000 for the year ended 30 April 2016 compared to $17,647 for the same period in 2015.
- Decrease of $81,837 in consulting fees. $78,058 for the year ended 30 April 2016 compared to $159,895 for the same period in 2015.
- Decrease of $29,186 in depreciation, $2,000 for the year ended 30 April 2016 compared to $31,186 for the same period in 2015.
- Decrease of $20,737 in insurance, license & fees, $862 for the year ended 30 April 2016 compared to $21,599 for the same period in 2015.
- Decrease of $15,055 in management fees, $22,745 for the year ended 30 April 2016 compared to $37,800 for the same period in 2015.
- Decrease of $51,004 in marketing and communications, $16,782 for the year ended 30 April 2016 compared to $67,786 for the same period in 2015.
- Decrease of $23,007 in office and miscellaneous, $23,484 for the year ended 30 April 2016 compared to $46,491 for the same period in 2015.
- Decrease of $212,168 in rent, $2,769 for the year ended 30 April 2016 compared to $214,937 for the same period in 2015.
- Decrease of $24,996 in salaries and benefits. $Nil for the year ended 30 April 2016 compared to $24,996 for the same period in 2015.
- Decrease of $81,887 in share-based payments, $16,576 for the year ended 30 April 2016 compared to $98,463 for the same period in 2015.
- Decrease of $5,518 in telephone and utilities, $1,039 for the year ended 30 April 2016 compared to $6,557 for the same period in 2015.
- Decrease of $6,410 in transfer agent and regulatory fees, $29,329 for the year ended 30 April 2016 compared to $35,739 for the same period in 2015.

- Decrease of $6,971 in travel, lodging & food, $10,993 for the year ended 30 April 2016 compared to $17,964 for the same period in 2015.
- Decrease of $119,271 in loss on sale of short term investment, $3,315 for the year ended 30 April 2016 compared to $122,586 for the same period in 2015.
- Increase of $1,106,712 in unrealized loss on short term investments, $1,106,712 for the year ended 30 April 2016 compared to $Nil for the same period in 2015.
- Decrease of $7,965,950 in write-down of exploration and evaluation properties, $Nil for the year ended 30 April 2016 compared to $7,965,950 for the same period in 2015.
- Increase of $58,303 in recovery of written-down exploration and evaluation properties, $58,303 for the year ended 30 April 2016 compared to $Nil for the same period in 2015.
- Decrease of $108,866 in write-down of property and equipment, $Nil for the year ended 30 April 2016 compared to $108,866 for the same period in 2015.
- Increase of $77,359 in gain on fair value recognition on short term investments, $77,359 for the year ended 30 April 2016 compared to $Nil for the same period in 2015.
- Decrease of $324,730 in loss on revaluation of share purchase warrants, $Nil for the year ended 30 April 2016 compared to $327,730 for the same period in 2015.
- Increase of $324,205 in loss on the issuance of units, $324,205 for the year ended 30 April 2016 comparted to $Nil for the same period in 2016
- Increase of $84,217 in write-down of amounts receivable, $105,223 for the year ended 30 April 2016 compared to $21,006 for the same period in 2015.
- Decrease of $22,290 in flow-through share income, $Nil for the year ended 30 April 2016 compared to $22,290 for the same period in 2015.
- Decrease of $142,985 in net loss from associate, $Nil for the year ended 30 April 2016 compared to $142,985 for the same period in 2015.
- Decrease of $1,729,380 in lease provision, $Nil for the year ended 30 April 2016 compared to $1,729,380 for the same period in 2015.

7. LIQUIDITY, CAPITAL RESOURCES AND CAPITAL RISK MANAGEMENT

During the year ended 30 April 2016, the Company's working capital, defined as current assets less current liabilities, was $728,381 compared with working capital of $276,576 as at 30 April 2015. The Company has a total of 82,696,067 common shares issued and outstanding as at 30 April 2016 (2015: 48,515,738). The Company has a portfolio of investments with a book value of $1,287,360 and a market value of $197,161 as at 30 April 2016.

The Company's objectives are to safeguard the Company's ability to continue as a going concern in order to support the Company's normal operating requirements, continue the development and exploration of its mineral properties.

The Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for general administration costs, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company is not subject to any externally imposed capital requirements. There were no significant changes in the Company's approach or the Company's objectives and policies for managing its capital.

8. CONTRACTUAL COMMITMENTS

By agreement effective 1 December 2005, the Company entered into a five-year management agreement with a company controlled by a director and Chairman of the Company. Compensation is $7,350 per month for the first year, with a 5% increase on each anniversary date plus benefits. The director and Chairman is also entitled to receive up to 20% of all stock options granted during the period that the agreement is in place. This agreement is automatically renewable for two-year periods. The Company may terminate the agreement at any time but will be responsible to pay the greater of the remaining amount under the contract or two years' compensation.

By amended agreement effective 1 December 2008, the Company amended the 1 December 2005 agreement. The compensation under the original agreement was amended from $7,350 per month to $14,104 per month. The 5% increase under the original agreement was waived until 1 December 2009. All terms of the original agreement remained the same.

By amended agreement effective 1 April 2011, the Company amended the 1 December 2005 agreement as amended on 1 December 2008. The compensation under the amended agreement was further amended from $15,550 per month to $20,833 per month. The term of the amended agreement is for five years terminating on 31 March 2016. All other terms of the original agreement remained the same.

Effective 1 April 2012, Mr. Barr agreed to a 50% reduction in compensation per month until such time the Company is in more positive financial position and another 50% reduction effective 1 December 2013.

9. CONTINGENCIES

The Company had a lease agreement dated 1 April 2012 for leasing an office premise. On 12 February 2015, the Company was served with a notice of termination by the landlord due to default on rental payments for the months of January and February 2015.

Upon the notice of termination, all rent payable under the lease agreement became due and the prepaid rent deposit in the amount of $158,356 was forfeited to the landlord. The lease agreement and the termination notice reserves the right of the landlord to proceed against the Company for all outstanding amounts, costs and damages, as well as all prospective losses and damages, arising from the unexpired portion of the lease term, and other losses arising from the landlord's failure to carry on business. The Company is also liable to the landlord for expenses of the landlord in connection with the terminating, re-entering, re-letting or collection of sums due or payable by the Company on demand. Unpaid amounts bear interest from the due date to the date of payment at the rate of the greater of 18% per annum or the prime rate, plus 5% per annum calculated on a daily basis and compounded monthly.

During the previous year, the Company has recorded a provision of $1,729,380 (2014 - $Nil) related to the termination of the lease agreement. The Company is in the process of negotiating the terms of the obligation with the landlord. The terms of the lease provide that in the event that the premises are either sublet or a new lease is entered into with a third party at any time during the remainder of the term, the amount owing by the Company will be reduced proportionately by the amount received under the new lease arrangement for the premises. The Company currently has contracted a commercial lease broker to assist in leasing the premises and the Company is confident that it will be able to do so.

As at 30 April 2016, the Company owns various exploration and evaluation properties. Management does not consider that any amounts related to decommissioning liabilities are payable although there is no assurance that a formal claim will not be made against the Company for some or all of these obligations in the future.

10. OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

11. CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments and share-based payments, the recognition and valuation of provisions for decommissioning liabilities, the carrying value of exploration and evaluation properties, the valuation of all liability and equity instruments including warrants and stock options, the recoverability and measurement of deferred tax assets and liabilities and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

Determining whether to test for impairment of mineral exploration properties and deferred exploration assets requires management's judgment regarding the following factors, among others: the period for which the entity has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amounts of the exploration assets are unlikely to be recovered in full from successful development or by sale.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined. Identifying the cash-generating units requires management judgment. In testing an individual asset or cash-generating unit for impairment and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit. This requires management to make several assumptions as to future events or circumstances. These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Company's assets and earnings may occur during the next period.

The Company allocates values to share capital and to warrants according to their fair value using the proportional method when the two are issued together as a unit. The Company uses the binomial valuation model to determine the fair value of warrants issued.

These consolidated financial statements have been prepared on a basis which assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether this assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company's own resources and external market conditions.

A detailed summary of all of the Company's significant accounting policies is included in Note 3 to the consolidated financial statements for the year ended 30 April 2016.

12. GOVERNMENT LAWS, REGULATION & PERMITTING

Mining and exploration activities of the Company are subject to both domestic and foreign laws and regulations governing prospecting, development, production, taxes, labour standards, occupational health, mine safety, waste disposal, toxic substances, the environment and other matters. Although the Company believes that all exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company.

The operations of the Company will require licenses and permits from various governmental authorities to carry out exploration and development at its projects. There can be no assurance that the Company will be able to obtain the necessary licences and permits on acceptable terms, in a timely manner or at all. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.

13. ESTIMATES OF MINERAL RESOURCES

The mineral resource estimates contained in this MD&A are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified resource will ever qualify as a commercially mineable (or viable) deposit which can be legally or commercially exploited. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material.

If the Company's exploration programs are successful, additional funds will be required in order to complete the development of its properties. There is no assurance that the Company will be successful in raising sufficient funds to meet its obligation or to complete all of the currently proposed exploration programs. If the Company does not raise the necessary capital to meet its obligations under current contractual obligations, the Company may have to forfeit its interest in properties or prospects earned or assumed under such contracts.

14. KEY MANAGEMENT AND COMPETITION

The success of the Company will be largely dependent upon the performance of its key officers, consultants and employees. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. The success of the Company is largely dependent on the performance of its key individuals. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success.

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself with respect to the discovery and acquisition of interests in mineral properties, the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.

15. TITLE TO PROPERTIES

Acquisition of rights to the mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated the title to all of the properties for which it holds concessions or other mineral leases or licenses or in respect of which it has a right to earn an interest, the Company cannot give an assurance that title to such properties will not be challenged or impugned.

16. COMMODITY PRICES

The profitability of the Company's operations will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable. The Company's revenues and earnings also could be affected by the prices of other commodities such as fuel and other consumable items, although to a lesser extent than by the price of copper or gold.

17. FINANCIAL INSTRUMENTS

The Company classifies all financial instruments as either available-for-sale, financial assets or liabilities at fair value through profit or loss ("FVTPL"), loans and receivables or other financial liabilities. Loans and receivables and other financial liabilities are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in accumulated other comprehensive income. These amounts will be reclassified from shareholders' equity to net income when the investment is sold or when the investment is impaired and the impairment is considered less than temporary. Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized on the statement of profit or loss.

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, advances and deposits, available-for-sale securities, share purchase warrants, trade payables and due to related parties.

Fair Values

	Fair value hierarchy	**FVTPL, at fair value**	**Loans and receivables, at amortized cost**	**Available-for-sale, at fair value**	**Other liabilities, at amortized cost**
Cash and cash equivalents	Level 1	440,800	-	-	-
Amounts receivable	N/A	-	83,535	-	-
Available-for-sale securities	Level 1	-	-	197,161	-
Short term investments - warrants	Level 2	-	-	-	-
Trades payable	N/A	-	-	-	17,293
Due to related parties	N/A	-	-	-	33,478

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Company's cash and cash equivalents and amounts receivable. The Company manages its credit risk relating to cash and cash equivalents by dealing with only with highly-rated financial institutions. For the year ended 30 April 2016, amounts receivable was mainly comprised of Goods and Services Tax/Harmonized Sales Tax receivable and other receivables from related parties.

Currency Risk

For the years ended 30 April 2016 and 2015, the Company's operations were mainly in Canada. The Company considers its currency risk to be insignificant.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has no source of revenue and has obligations meet its administrative overheads, maintain its mineral investments and to settle amounts payable to its creditors. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future. As at 30 April 2016, the Company had working capital of $728,381 (2015: $276,576).

Other risks

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate risk and commodity price risk arising from financial instruments.

18. RELATED PARTY TRANSACTIONS

The remuneration of directors and other members of key management were as follows:

	30 April 2016	30 April 2015
	$	$
Management and consulting fees	81,792	238,578
Directors fees	-	-
Share-based payments	16,576	60,454
	98,368	**299,032**

The assets and liabilities of the Company include the following amounts due from/to related parties:

	30 April 2016	**30 April 2015**
	$	**$**
El Niño	83,535	185,149
NTI	-	16,221
NEM	-	4,311
CEO	-	20,120
Total amount due from related parties	**83,535**	**225,801**
CEO	33,478	-
CGR	-	10,937
Company controlled by form COO	-	2,825
OneStar	-	5,250
CFO	-	5,600
Corporate Secretary	-	6,300
Former COO	-	417
Total amount due to related parties	**33,478**	**31,329**

All related party transactions are in the normal course of operations and measured at the exchange amount agreed to between the related parties.

19. OUTSTANDING SHARE DATA

The Company is authorized to issue unlimited common shares without par value. As at 30 April 2016, there were 82,696,067 issued and outstanding common shares (2015: 48,515,738).

Share Purchase Options

Directors, officers, employees and contractors are granted options to purchase common shares under the Company stock option plan. The terms and outstanding balance are disclosed in the table below:

Number outstanding 30 April 2015	Granted	Exercised	Expired	Forfeited	Number outstanding 30 April 2016	Exercise price per share	Expiry date
100,000	-	-	(100,000)	-	-	$0.75	1 February 2016
548,334	-	-	(548,334)	-	-	$0.90	24 February 2016
200,000	-	-	-	-	200,000	$0.81	7 September 2016
50,000	-	-	-	(50,000)	-	$0.75	14 February 2017
155,000	-	-	-	(38,344)	116,666	$0.75	18 May 2017
10,000	-	-	-	-	10,001	$0.75	11 October 2017
1,075,000	-	-	-	-	1,075,000	$0.12	19 March 2019
65,000	-	-	-	-	65,000	$0.12	28 April 2019
-	1,000,000	-	-	-	1,000,000	$0.05	18 September 2020
2,203,334	**1,000,000**	**-**	**(648,333)**	**(88,334)**	**2,466,667**		

20. DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported on a timely basis to senior management, so that appropriate decisions can be made regarding public disclosure. As at the end of the period covered by this management’s discussion and analysis, management has evaluated the effectiveness of the Company’s disclosure controls and procedures as required by Canadian securities laws.

Based on the evaluation of the disclosure controls performed to date, the Company is determined to strengthen internal controls over financial reporting. Management has engaged the services of an additional external accounting firm to obtain more specific and detailed advice as to increasing the effectiveness of the Company’s internal control.

21. INTERNAL CONTROLS AND PROCEDURES

Internal controls and procedures are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with the IFRS. As at the end of the year covered by this management’s discussion and analysis, management had designed and implemented internal controls and procedures as required by Canadian securities laws.

The Company has evaluated the design of its internal controls and procedures over financial reporting for the year ended 30 April 2016. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Management continues to review and refine its internal controls and procedures.

22. RISKS AND UNCERTAINTIES

The mineral industry is intensely competitive in all its phases. The Company competes with many other companies who have greater financial resources and experience. The market price of precious metals and other minerals is volatile and cannot be controlled. Exploration for minerals is a speculative venture.
There is no certainty that the money spent on exploration and development will result in the discovery of an economic ore body.

The Company's activities outside of Canada make it subject to foreign currency fluctuations and this may materially affect its financial position and results.

The Company has limited financial resources, no source of operating cash flows and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its projects or to fulfill its obligations under the terms of any option or joint venture agreements. If the Company's generative exploration programs are successful, additional funds will be required for development of one or more projects. Failure to obtain additional financing could result in the delay or indefinite postponement of further exploration and development or the possible loss of the Company's properties.

23. NEW PROJECT ACQUISITION PROGRAM

The current downturn in the metals market provides an excellent opportunity to acquire high quality projects under agreeable terms. The Company is reviewing properties for acquisition on an ongoing basis.

24. SUBSEQUENT EVENTS

3 May 2016, the Company closed the 1st tranche of its private placement raising $461,490 by way of combined flow-through and non flow-through units. Issued 7,258,545 non flow-through units at a price of $0.055 per unit and 958,000 flow-through units at a price of $0.065 per unit. Each non flow-through and flow-through unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.10 per share during the first year and $0.20 per share during the second year, for a period of two years from closing.

The proceeds of the private placement will be used for working capital and for the acquisition and exploration for Lithium projects in Canada and the USA. The proceeds of this private placement will also be used for funding advanced stage exploration on the Company's 100% owned River Valley Platinum Group Metals project ("PGM") near Sudbury, Ontario. The River Valley PGM project is one to the largest undeveloped primary PGM resource in Canada. Finder's fees were paid in connection with the private placement in the amount of $12,639.20 cash, 31,850 broker units and 219,520 broker warrants. The warrants to be issued on behalf of the broker units and the broker warrants are on the same terms as the financing warrants. All securities issued in connection with the private placement are subject to a four month and a day hold period expiring on 4 September 2016.

17 May 2016, the Company issued 275,000 common shares in relation to the Lithium One Project option agreement.

20 May 2016, the Company issued 400,000 common shares in relation to the Lithium Brine Project option agreement.

29 June 2016, the Company closed the 2nd tranche of its private placement raising $409,765. Issued 7,450,289 non flow-through units at a price of $0.055 per unit. Each Unit consists of one common share and one non-transferable share purchase warrant. Each Warrant entitles the holder to purchase one additional common share of the Company at a price of $0.10 per share during the first year and $0.20 per share during the second year, for a period of two years from closing.

The proceeds of the private placement will be used for working capital and for the acquisition and exploration for Lithium projects in Canada and the USA. The proceeds of this private placement will also be used for funding advanced stage exploration on the Company's 100% owned River Valley Platinum Group Metals project ("PGM") near Sudbury, Ontario. Finder's fees were paid in connection with the private placement in the amount of $2,194.50 in cash and 39,900 broker warrants. The broker warrants are on the same terms as the financing warrants. All securities issued in connection with the private placement are subject to a four month and a day hold period expiring on 30 October 2016.

15 July 2016, the Company granted 4,500,000 stock options to officers, directors and consultants.