MY MARIJUANA CANADA INC.

200 – 1008 Homer Street
Vancouver, BC, V6B 2X1

FORM 51-102F1

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) AS OF JANUARY 29, 2016 TO ACCOMPANY THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF MY MARIJUANA CANADA INC. (THE "COMPANY") FOR THE SIX MONTHS ENDED NOVEMBER 30, 2015.

The following Management Discussion and Analysis ("MD&A") of My Marijuana Canada Inc.(the "Company" or "My Marijuana") has been prepared by management, in accordance with the requirements of National Instrument 51-102 as of January 29, 2016 and should be read in conjunction with the unaudited condensed interim financial statements for the six months ended November 30, 2015, and the related notes contained therein which have been prepared under in accordance with International Accounting Standard ("IAS") 34 and the audited financial statements for the year ended May 31, 2015. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

This MD&A contains certain forward-looking statements based on the best beliefs, and reasonable assumptions of the management of the Company. There are many risks and uncertainties attached to the Marijuana for Medical Purposes business. Given these risks and uncertainties, the reader should not place undo reliance on these forward-looking statements. (See "Risks and Uncertainties" in this MD&A for more information).

Overall Performance and Description of Business

My Marijuana Canada Inc. (the "Company" or "My Marijuana") was incorporated pursuant to the Business Corporations Act of British Columbia ("BCABC") on July 11, 2014, under incorporation number BC1002050. The Company's head office is located at 200 - 1008 Homer Street, Vancouver, BC V6B 2X1, and the Company's registered and records office is located at 10th Floor – 595 Howe Street, Vancouver, British Columbia, V6C 2T5. The Company has three wholly owned subsidiaries, Adera Minerals Corp. ("Adera") incorporated pursuant to the BCABC on February 18, 2011 under incorporation number BC 0903363 and My Marijuana Natural Resources Inc. ("MMNR") and MYM Holdings Inc. ("MYM"), incorporated on May 14, 2014 and May 16, 2014 respectively under the BCABC.

On July 23, 2014, Salient, My Marijuana and Adera Minerals Corp. ("Adera") entered into an Arrangement Agreement and Plan of Arrangement (the "**Arrangement Agreement**"). Completion of the Arrangement as set forth in the Arrangement Agreement was approved by special meeting of the shareholders of Adera on August 11, 2014, and a final order granted by the Supreme Court of British Columbia on August 13, 2014 in accordance with Part 9 of the *Business Corporations Act* (British Columbia).

Upon the Arrangement Agreement becoming effective on September 12, 2014, My Marijuana became a reporting issuer in the jurisdictions of Alberta and British Columbia and Adera Minerals Corp. became a wholly owned subsidiary of My Marijuana Canada Inc. The CUSIP for the Common Shares of My Marijuana is 62847G101. On September 19, 2014, the Company listed its common shares for trading on the Canadian Securities exchange under the trading symbol "MYM".

Pursuant to the Arrangement Agreement, the following principal steps were completed on September 12, 2014 or shortly thereafter:

a. Adera acquired all the issued and outstanding Common Shares (10,000) of My Marijuana (Purchase Shares) from Salient for $8,000;
b. My Marijuana acquired 50,741,001 Common Shares of Adera, being all the issued and outstanding share capital, from all the shareholders of Adera through a 1-for-1 share exchange; and
c. My Marijuana issued 395,000 Common Shares of My Marijuana to Salient in exchange for $4,000 cash and 1,000 shares of Salient valued at $20. The shares of My Marijuana were subsequently distributed to the shareholders of Salient as of the record date of August 20, 2014, on a pro-rated basis according to their

shareholdings, with the controlling shareholder of Salient, agreeing to forgo 195,000 Common shares to which he would otherwise be entitled.

d. The 10,000 purchase shares were then cancelled.

As a result of the Arrangement Agreement, the former shareholders of Adera, for accounting purposes, are considered to have acquired control of the Company. Accordingly, the Arrangement has been accounted for as a reverse takeover that was not a business combination and effectively a capital transaction of the Company. As Adera is deemed to be the accounting acquirer for accounting purposes, its assets and liabilities and operations since incorporation on February 18, 2011 are included in the condensed interim consolidated financial statements at their historical carrying value. The condensed interim consolidated financial statements are a continuation of Adera in accordance with IFRS1 3, Business Combinations.

The Company is in the business of acquiring and developing natural remedies and currently holds the rights to various intangible assets including intellectual property, domain names and copyrights, customer lists, and a Marijuana for Medicinal Purposes Regulation ("MMPR") Licensing application through its wholly owned subsidiaries.

The Company is in the process of becoming a licensed producer of medical marijuana in Canada (a "Licensed Producer"). The Company has begun the process of applying to Health Canada for a medical marijuana production and distribution license (a "Production License" or "License") under the recently enacted Marijuana for Medical Purposes Regulations ("MMPR"), which came into effect on April 1, 2014.

The business of the Company is based around the acquisition of medicinal marijuana business assets from Medicann Corp. ("Medicann"), an established distributor of medicinal marijuana in Vancouver, B.C. Through an asset purchase agreement entered into with Medicann on May 28, 2014, the Company received assets for the development of its business, including:

- exclusive access to the patient list of Medicann's current medical marijuana clients of approximately 1000 past and current customers;
- intellectual property associated with Medicann's business, such as domain names;
- and, the marijuana growing and industry expertise of Medicann's two owners and cofounders.

As at May 31, 2015, the Company has purchased land in Maple Ridge, BC and has expended funds on the design of production facilities. During the year ended May 31, 2015 the Company determined that the MMRP license application may be impaired as Health Canada implemented changes in its practice of granting licenses. The new requirements include a significant investment in building of facilities, development of security operations and quality control procedures. The Company's ability to raise the required capital to complete the requirements is impaired by the current capital market conditions. As a result, the company recognized an impairment loss on the intangible assets. As at the date of this MD&A, the property in Maple Ridge has been listed for sale.

Although the Company has started to invest resources for a medical marijuana business, there is no guarantee the Company will be awarded a license to grow medical marijuana nor is there a time frame available as to when the Company will be notified of the success of its application. As such, the company does not yet have a viable business plan.

Results of Operations

Results of Operations – For the three months ended November 30, 2015

For the three months ended November 30, 2015 the Company incurred a loss of $105,519 as compared to $151,006 for the same period in 2014. Decreased losses are mainly due to lower advertising, promotion, printing, consulting fees, management fees and professional fees. Corporate filing fees and professional fees are reduced in 2015 as the initial cost of a public listing was incurred in 2014.

Management fees for the period were $26,500 as a new fee structure was implemented. The prior year credit is due to the cancellation of fees that were payable to a former director and the return of shares. Consulting fees were reduced to $9,750 as compared $17,357 in the same period in the prior year. Professional fees were reduced to $8,895 as compared to $33,835 in the same period of the prior year. The larger amount in the prior year was directly related to the legal fees paid to assist with taking the Company public. A charge of $36,568 for options issued during the quarter was recorded as Stock based compensation.

Results of Operations – For the six months ended November 30, 2015

For the six months ended November 30, 2015 the Company incurred a loss of $151,006 as compared to $249,019 for the same period in 2014. Increased losses are due to the expending of resources for becoming a publicly traded reporting issuer. Management fees for the period were increased to $38,500 as compared to $24,906 for the same period in the prior year and included a charge of $30,000 for past services due to a director and an officer of the Company. Significant expenses during the period include $19,500 (2014: $52,453) in consulting fees, $11,843 (2014: $74,689) for professional fees, the 2014 fees mostly for legal services in relation to the Planned Arrangement, $29,345 ($2014: 24,380) in interest on loans and $36,568 for Stock based compensation.

Summary of quarterly results in $

	Q2 November 30 2015	Q1 August 31 2015	Q4 May 31 2015	Q3 February 28 2014	Q2 November 30 2014	Q1 August 31 2014	Q4 May 31 2014	Q3 February 28 2013
Net Loss	(105,519)	(45,487)	(403,101)	(60,564)	(94,051)	(154,968)	(152,810)	(51,627)
Loss per share	0.00	0.00	(0.01)	0.00	0.00	0.00	0.00	0.00

The main factors causing significant fluctuations in Net Loss from quarter to quarter were as follows:

- *Management fees.* During the quarter ended November, 2014, to conserve cash resources and in conjunction with a management change, compensation for key management personnel was discontinued. Effective, the quarter ended May 31, 2015, management fees were reinstated for certain key management.
- *Writedown of Assets.* During the quarter ended May 31, 2015 the Company recorded a writedown on intangible assets, incorporation costs, and construction assets for a total of $342,519.
- *Professional Fees* During the quarters ended May 2014, August 2014 and November 2014, the Company used the services of a law firm and prepared its first annual financial statements. Professionals fees spend during these quarters was significantly more than previous or subsequent quarters.
- *Stock Based Compensation* During the quarter ended November 30, 2015, a stock based compensation charge of $36,568 was recorded

Selected Annual Information

The following tables show selected summary consolidated financial information which have been derived from the consolidated annual financial statements of the Company at May 31, 2015, 2014 and 2013, which have been prepared in accordance with IFRS.

		Year ended		
		May 31, 2015	**May 31, 2014**	**May 31, 2013**
Operating Revenue	$	0	0	0
Net income (loss)	$	(712,684)	(268,605)	(4,770)
Income (Loss) per share	$	(0.01)	(0.10)	(4,770)
Share capital	$	1,446,600	1,211,847	1
Common shares issued		47,370,001	48,056,001	1
Weighted average shares outstanding		48,524,960	2,620,823	1
Total Assets	$	1,347,225	1,202,223	1,247
Net Assets	$	504,390	1,005,123	(5,421)

Project Summaries and Activities

Intangible Assets

During the year ended May 31, 2014, the Company entered into an asset purchase agreement to acquire certain assets. The agreement was finalized on May 28, 2014 and as such are recorded at the exchange amount with no amortization for the current year. The purchased assets are recorded to the following classes of assets as determined by the Company after consultation with the seller.

Patient, supplier, and contacts list	$ 432,200
Domain Names	3,350
Documentation and other	1,500
Total intangible assets	**$ 437,050**

During the year ended May 31, 2015, the Company determined that the MMRP license application portion of the intangible assets was impaired, as Health Canada has implemented changes in its practice of granting licenses. The new requirements include a significant investment in building of facilities, development of security operations and quality control procedures. The Company's ability to raise the required capital to complete the requirements is impaired by the current capital market conditions. As a result, the Company recognized an impairment loss of $199,580 leaving the intangible asset with a carrying value of $437,050.

Production Facility

During the year ended May 31, 2015, the company completed the purchase of a property located in Maple Ridge BC. The total purchase price including closing costs was $864,448 and was allocated to land and buildings pro rata based using the assessed value of the property. Due to the delay in obtaining a production license, the property has been listed for sale.

	Cost	Amortization	Book Value
Land	$ 722,019	$ -	$ 722,019
Buildings	142,429	4,244	138,185
	$ 864,448	**$ 4,244**	**860,204**

Land Development
The Company has entered into a letter of intent (LOI) in connection with a potential land development project in Washington State. The Company has invested USD$65,000 to secure the LOI. Definitive agreement negotiations are to begin in the first quarter of 2016.

Other initiatives (May contain forward looking statements)

The management team has already identified and accumulated several prospective investments that would help the Company move forward in the areas of land development, product research and development. The following are a few examples of investments (the "**Prospective Investments**") that we are currently considering:

An emerging real estate holdings company
The Company has concluded our first meeting and are conducting a due diligence review of a company that provides a fully-integrated business platform for licensed growers in Washington State.

An emerging hemp producer
The Company has identified an emerging hemp producer that is set to produce industrial hemp for the manufacturing of goods and products based out of British Columbia. The hemp producer has several brands looking to purchase its raw material. The Company has had several meetings with the hemp producer and may consider entering into a letter of intent with this company in 2016.

An emerging cosmetics company
The Company has identified an established cosmetics manufacturer with distribution in major retail stores. We have had several meetings with the cosmetics manufacturer regarding the emerging hemp industry and its potential in the multi-billion-dollar skin care market. The cosmetics manufacturer is interested in establishing a partnership to produce and sell a line of high end life style brand products.

Conclusions
Until the Company successfully obtains a license from Health Canada to produce medical marijuana or the laws in Canada change to permit the use of cannabis for recreational purposes, we will continue to engage in business activities that can generate revenue in related markets. The Company will focus on the development of hemp products to ensure an easy transition into cannabis products. The Company will continue to build on its existing relationships while building new relationships with other small emerging companies. The Company believes there are other companies who share our same vision and are willing to unite to help form a collective that can pool resources and contacts to produce formidable businesses in the cannabis space. We look forward to meeting these companies.

Outstanding Share Data

Subsequent to November 30, 2015, the Company issued the following shares in a private placement that closed on December 4, 2015:

- 3,145,000 shares were issued at a price of $0.04 per unit for gross proceeds of $125,800. Each unit will consist of one common share and one non-transferable share purchase warrant. Each whole warrant will entitle the holder to acquire one additional common share exercisable for a period of 24 months following the closing of the private placement at a price of $0.08 per warrant share. No finders' fees or warrants were paid in connection with this placement. The proceeds for the placement were received prior to November 30 and were recorded as shares to be issued.

The Company has an authorized share capital of an unlimited number of common shares, of which 52,015,001 were issued and outstanding as at the date of this report. In addition, the company has 3,540,000 share purchase warrants and 3,450,000 incentive stock options outstanding.

The Company has entered into stock restriction agreements with various directors and officers of the Company who have agreed that they will not transfer or otherwise dispose of their Common Shares without our prior written consent from the Company, except that such restriction will not apply to proportions of the shares vesting as follows:

As at November 30, 2015 there are 13,409,400 shares under the stock restriction agreement to be released as follows:

March 19, 2016	1/4 of the remainder of the Stock
September 19, 2016	1/3 of the remainder of the Stock
March 19, 2017	1/2 of the remainder of the Stock
September 19, 2017	The remainder of the Stock

And a further 1,125,000 shares have the following release schedule

February 1, 2016	1/4 of the remainder of the Stock
May 1, 2016	1/4 of the remainder of the Stock
August 1, 2016	1/4 of the remainder of the Stock

Related Party Transactions

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

Transactions With Key Management Personnel	SIX MONTHS ENDED NOVEMBER 30			
		2015		2014
Consulting Fees	**$**	**19,500**	$	22,300
Management Fees	**$**	**38,500**	$	24,906
Total Salaries and other short term benefits	**$**	**58,000**	$	47,206

Key management personnel are the persons responsible for planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, certain senior officers, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

As at November 30, 2015, $55,311 (May 31, 2015 - $45,561) were owing to key management personnel or to a company controlled by a director or key management personnel and the amounts were included in due to related parties. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

During the six months ended November 30, 2015, the Company was charged $Nil (2014 - $5,735) under a shared services arrangement for rent by a Company controlled by a former director. As at November 30, 2015, $849 (May 31, 2015 - $849) were due and included in due to related parties. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

Liquidity and Solvency

The following table summarizes the Company's cash on hand, working capital and cash flow:

As at	**November 30, 2015**	**May 31, 2015**

Cash	$ 24,586	$ 22,181
Working capital (deficiency)	(849,947)	(794,280)

Six months ended	**November 30, 2015**	**November 30, 2014**
Cash provided by (used in) operating activities	$ (23,574)	$ (169,119)
Cash provided by (used in) investing activities	(89.821)	(957,463)
Cash provided by financing activities	115,800	719,312
Change in cash	$ 2,405	$ (407,270)

The Company is dependent on the borrowing of cash and the sale of shares to finance its activities, property acquisition payments and general and administrative costs. The Company will have to raise additional funds in the future to continue its operations. There can be no assurance, however, that the Company will be successful in its efforts. If such funds are not available or other sources of financing cannot be obtained, then the Company will be forced to curtail its activities.

Capital Resources

The Company has no operations that generate cash flow and its long term financial success is dependent on the Company's ability to obtain equity financing.

The Company's next immediate step in development is to raise the capital required to continue its due diligence on the (LOI) in connection with a potential land development project in Washington State and to pay down some of its current liabilities. The Company will continue to explore the other initiatives management has or may identify.

The Company has not pledged any of its assets as security for loans, or otherwise is not subject to any debt covenants.

Off-Balance Sheet Arrangements

NA

Proposed Transactions

The Company does not have any proposed transactions

Accounting Policies

a) Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries: Adera Minerals Corp., My Marijuana Natural Resources, Inc. (a wholly owned Subsidiary of Adera), and MYM Holdings Ltd. (a wholly owned subsidiary of My Marijuana Natural Resources Inc.) Intercompany transactions and balances have been eliminated on consolidation.

b) Financial Instruments

Financial assets and financial liabilities are recognized on the statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument. The Company does not have any derivative financial instruments.

<u>Financial assets</u>

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in net income/loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest rate method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in net income/loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is recognized in the statements of comprehensive income/loss.

Transaction costs associated with fair value through profit or loss financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in net income/loss.

Other financial liabilities - This category includes promissory notes, amounts due to related parties and accounts payables and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified cash as fair value through profit or loss and amounts receivable as loans and receivables. Accounts payable and accrued liabilities, due to related parties, and notes payable are classified as other financial liabilities.

The fair value hierarchy that prioritizes the inputs used to measure fair value is as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 - Inputs that are not based on observable market data.

c) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash at banks and on hand and short term investments with maturities of three months or less from the date of acquisition. As at November 30, 2015, the Company did not have any cash equivalents.

d) Property, Plant, and Equipment

Recognition and Measurement
Items of property, plant and equipmet are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition or development of the asset including cost of materials and direct labour and any other costs attributable to bringing the assets to a working condition for their intended use.

Where parts of an item or property have different useful lives, they are accounted for as separate items of property, plant, and equipment.

The gain or loss on disposal of an item of property, plant or equipment is determined by comparing the proceeds from disposition with the carrying values and the net gain or loss is presented as a gain/loss on disposal of assets on the statement of income or loss.

Amortization
Amortization is provided using the declining balance method at the following annual rates:

Building	4%

Additions during the year are amortized based on the half year rule.

Impairment of assets
Long lived assets including plant, equipment, are classified according to the nature of the expenditures and are carried at cost less accumulated depreciation, amortization and accumulated impairment losses. The assets are tested for impairment when there are indicators that the carrying value may exceed the recoverable amount. To test for impairment, assets are allocated to appropriate cash-generating units. Impairment losses are recognized, as identified, in net income/loss.

Research and Construction Costs
Research costs are expensed as incurred. Construction In Progress reflects the costs of assets under construction and are not depreciated until placed into service.

Asset Exchanges
For exchanges or parts of exchanges that involve property, plant, equipment or intangible assets, the exchange is accounted for at fair value, unless the exchange transaction lacks commercial substance or the fair value of the assets given up or the assets received cannot be reliably estimated. The cost of the acquired asset is measured at the fair value of the asset given up, unless the fair value of the asset received is more reliable. Where fair value is not used, the cost of the acquired asset is measured at the carrying amount of the asset given up. Any gain or loss on de-recognition of the asset given up is recognized in net income/loss.

Intangible assets
Finite life intangible assets are comprised of domain names, MMRP Licensing Application, and other items which are recorded at cost less accumulated amortization and accumulated impairment losses. The estimated useful life and amortization method are reviewed at the end of each reporting period, and the effects of any changes are reported on a prospective basis.

e) Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity. Share issue costs incurred in advance of share subscriptions are recorded as non-current deferred assets. Share issue costs related to uncompleted share subscriptions are expensed in the period they are incurred.

f) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares issued and outstanding during the reporting period.

The Company uses the treasury stock method to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, only instruments with exercise amounts less than market prices impact the diluted calculations. In computing diluted loss per share, no shares were added to the weighted average number of common shares outstanding during the periods ended November 30, 2015 and 2014, for the dilutive effect of warrants as they were all anti-dilutive. No adjustments were required to the reported loss in computing diluted per share amounts.

g) Provisions

A provision is recognized in the financial statements when all of the following criteria are satisfied:

- the Company has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made as to the amount of the obligation.

The amount recognized as a provision is the "best estimate" of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are determined by discounting the risk-adjusted expected future cash flows to take into consideration risks and uncertainties involving the transaction. The discount rate used is a pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the liability, if those risks have not already been reflected as an adjustment to cash flows. The unwinding of the discount is recognized as a finance expense.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits will be required, the provision is reversed.

Changes in Accounting Policies

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for accounting periods beginning after January 1, 2015, or later periods. Updates that are not applicable or are not consequential to the Company have been excluded in the standards listed below.

The Company anticipates that the application of these standards, amendments, revisions and interpretations will not have a material impact on the results and financial position of the Company.

Applicable to annual periods beginning on or after January 1, 2015

Amendments to IAS 32 Financial Instruments: Presentation

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) amends to clarify certain aspects because of diversity in application of the requirements on offsetting focused on four main areas:

- The meaning of "currently has a legally enforceable right of set-off";
- The application of simultaneous realization and settlement;
- The offsetting of collateral amounts;
- The unit of account for applying the offsetting requirements.

Applicable to annual periods beginning on or after January 1, 2016

IFRS 9 Financial Instruments (2009)

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

- Debt instruments meeting both a "business model" test and a "cash flow characteristics" test are measured at amortized cost (the use of fair value is optional in some limited circumstances);
- Investments in equity instruments can be designated as "fair value through other comprehensive income" with only dividends being recognized in profit or loss;

- All other instruments (including all derivatives) are measured at fair value with changes recognized in profit or loss;
- The concept of "embedded derivatives" does not apply to financial assets within the scope of the standard and the entire instrument must be classified and measured in accordance with the above guidelines.

This standard is only applicable if it is optionally adopted for annual periods beginning before August 1, 2015. For annual periods beginning on or after August 1, 2015, the Company must adopt IFRS 9 (2011).

IFRS 9 Financial Instruments (2011)

This is a revised version incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing de-recognition requirements from IAS 39 Financial Instruments: Recognition and Measurement.

The revised financial liability provisions maintain the existing amortized cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss; in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

This standard applies to annual periods beginning on or after August 1, 2015 and supersedes IFRS 9 (2009). However, for annual reporting periods beginning before August 1, 2015, the Company may early-adopt IFRS 9 (2009) instead of applying this standard.

Financial Instruments

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks and has no designated hedging transactions. The Board approves and monitors the risk management processes. The Board's main objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the continuation of the Company's exploration activities, and limited exposure to credit and market risks. There were no changes to the objectives or the process from the prior period.

The types of risk exposure and the way in which such exposures are managed are as follows:

a) Credit Risk

Credit risk primarily arises from the Company's cash and cash equivalents and amounts receivable. The risk exposure is limited to their carrying amounts at the statement of financial position date. Cash and cash equivalents are held as cash deposits or invested in guaranteed investment certificates with various maturity dates. The Company does not invest in asset-backed deposits or investments and does not expect any credit losses. The Company periodically assesses the quality of its investments and is satisfied with the credit rating of the bank and the investment grade of the guaranteed investment certificates. Amounts receivable primarily consists of Goods and Services Tax (GST) credits and other receivables.

b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company ensures there is sufficient capital to meet short term business requirements. One of management's goals is to maintain an optimal level of liquidity through the active management of assets, liabilities and cash flows.

The Company's cash and cash equivalents are deposited in major banks or invested in guaranteed investment certificates, which are available on demand to fund the Company's operating costs and other financial demands.

c) Market Risk

The significant market risks to which the Company is exposed are currency and interest rate risk.

i) Currency Risk

The operating results and financial position of the Company are reported in Canadian dollars. As the Company is exploring opportunities in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to currency risk.

The majority of the Company's costs are incurred in Canada and are denominated in Canadian dollars. Foreign currency transactions are booked at historical cost in Canadian dollars.

The Company has not entered into any agreements or purchased any foreign currency hedging instruments to hedge possible currency risks at this time. Management believes the foreign exchange risk derived from currency conversions is not significant, and therefore, does not hedge its foreign exchange risk.

As at November 30, 2015, the Company is not exposed to any currency risk.

ii) Interest Rate Risk

The Company's policy is to invest excess cash in guaranteed investment certificates at fixed or floating rates of interest and cash equivalents are to be maintained in floating rates of interest in order to maintain liquidity, while achieving a satisfactory return for shareholders. As at November 30, 2015 no cash was held in interest bearing deposits. Fluctuations in interest rates impact the value of cash and cash equivalents. The Company manages risk by monitoring changes in interest rates in comparison to prevailing market rates.

Currently, the Company believes that it is not exposed to significant interest, currency or credit risks arising from its financial instruments.

Risks and Uncertainties

Although the Company believes it is a good candidate for a Production License, it is uncertain and not foreseeable whether the Company will be able to meet the new requirements and be granted such a license. Denial of the Company's application for a Production License is reasonably expected to materially affect the Company's business, financial condition and operations.

Subsequent Events

On January 27, 2016, the Company announced a non-brokered private placement of up to 6,000,000 units at a price of $0.035 per unit. Each unit will consist of one common share and one non-transferable share purchase warrant. Each whole warrant will entitle the holder to acquire one additional common share exercisable for a period of 24 months following the closing of the private placement at a price of $0.05 per warrant share. As at the date of filing of this MD&A, a total of $15,500 in share subscriptions has been received.

Other

Additional information relating to the Company's operations and activities can be found by visiting: www.sedar.com.

Cautionary Statement

This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration plans and our other future plans and objectives are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, (i) estimates of exploration investment and scope of exploration programs, and (ii) estimates of stock-based compensation expense. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statement. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date of statements are made, and the Company endeavours to update corporate information and material facts on a timely basis. Forward-looking statements are subject to risks, uncertainties and other actors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks.