VENDOME RESOURCES CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THREE MONTH PERIOD MAY 31, 2016

DATED AUGUST 4, 2016

(In Canadian dollars)

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The following Management's Discussion and Analysis (MD&A) presents the results, financial position and cash flows of Vendome Resources Corp. and should be read in conjunction with the Company's interim condensed consolidated financial statements and accompanying notes. In addition to containing an analysis of three month period ending May 31, 2016, this MD&A reports on items deemed significant that occurred between May 31, 2016 and the date on which the MD&A is approved by the Company's Board of Directors, which is August 31, 2016 inclusively.

The disclosures and values in this MD&A were prepared in accordance with International Financial Reporting Standards (IFRS) and with the current issued and adopted interpretations effective as of January 31, 2016.

Additional information, including the annual Information Form and certifications of filings for the three months ended May 31, 2016, is available on the SEDAR website at www.sedar.com. Unless otherwise indicated, all financial information presented in this document is in Canadian dollars.

Forward-looking statements and use of estimates

Any statement contained in this report that does not constitute a historical fact may be deemed a forward-looking statement. Verbs such as "believe," "foresee," "estimate" and other similar expressions, in addition to the negative form of these terms or any variations thereof, appearing in this report generally indicate forward-looking statements. These forward-looking statements do not provide guarantees as to the future performance of Vendome Resources Corp. and are subject to risks, both known and unknown, as well as uncertainties that may cause the outlook, profitability and actual results of Vendome Resources Corp. to differ significantly from the profitability or future results stated or implied by these statements. Detailed information on risks and uncertainties is provided in the "Risk Factors" section of the MD&A.

In preparing consolidated financial statements in accordance with IFRS, management must exercise judgment when applying accounting policies and use assumptions and estimates that affect the amounts of the assets, liabilities, and expenses reported in the consolidated financial statements.

Because the use of assumptions and estimates is inherent to the financial reporting process, the actual results of items subject to assumptions and estimates could differ from original assumptions and estimates. Unless otherwise indicated, all reference to "dollar" or the use of the symbol "$" are to the Canadian dollar and all references to "US dollars" or "US$" are to the United States dollar in this Management Analysis and Discussion.

ITEM 1 - Overview

The Company was incorporated on February 27, 2007 as Vendome Capital II Corp. and filed Articles of Amendments in April 2010 to change its name following the close of its Qualifying Transaction ("QT").

The Company listed its common shares on the TSX Venture Exchange (the "Exchange") for trading upon the completion of its initial public offering ("IPO") as disclosed in a prospectus filed with the regulators and dated May 25, 2007. The Company issued 3,500,000 common shares at $0.10 per common shares in conjunction with its IPO.

At the time of completing its IPO, the Company was classified as a Capital Pool Company as described in the policies of the Exchange. The following events have taken place during the last three fiscal years:

- On August 30, 2013 Vendome closed a non-brokered private placement offering, pursuant to which an aggregate of 2,000,000 units (the "Units") were sold at a price of $0.05 per Unit, raising gross proceeds of $100,000. Each Unit consisted of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one common share of the Company at a price of $0.10 per share if the warrant is exercised within the first 12 months from the closing date and at a price of $0.15 per share for an additional 6 month period.

- On October 29, 2013 the Company announced that the Board of Directors accepted Franz Kozich-Koschitzky's resignation as President and Chief Executive Officer and announced the appointment of Mr. W. John Priestner as the President and Chief Executive Officer of the company. Mr. Priestner has also been elected to the Board of Directors.

- On December 6, 2013 Vendome extended the expiry date for 5,165,166 common share purchase warrants, which were set to expire on December 6th, 2013. The new expiry date is June 6th, 2015, at an exercise price is $0.30.

- On December 20, 2013 the company reached an agreement in principal to extend its option to acquire a 50% interest in the La Diana property from Camsim Minas S.A. de C.V. (Camsim) for an additional one year period. Vendome agreed to pay the vendor 2,000,000 of its common shares to Camsim as consideration for granting an extension to the agreement.

- On January 8, 2014 the Company announced the closing of a private placement for 2,850,000 units at $0.05 per unit for total gross proceeds of $142,500. Each unit consists of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one common share of the Company at a price of $0.10 per share if the warrant is exercised within the first 12 months from the closing date and price of $0.15 per share for an additional 6 month period.

- On January 9, 2014 the Company has announced the resignation of Messrs. Franz Kozich-Koschitzky and J. Andrew McQuire from its Board of Directors.

- On February 18, 2014 the Company announced the closing of a private placement for 650,000 units at $0.05 per unit for total gross proceeds of $32,500. Each unit consists of one common share and one share purchase warrant, each warrant exercisable into one additional common share for 18 months from the date of closing at a price of $0.10 per share if the warrant is exercised within the first 12 months from the closing date and price of $0.15 for additional 6 month period.

- On June 13, 2014 the Company has announced that it is offering a non-brokered private placement for up to 10,000,000 units ("Unit") at a price of $0.05 per Unit, for gross proceeds of up to $500,000. Each Unit consists of one common share ("Share") and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one Share of the Company at a price of $0.10 if the Warrant is exercised within the first 12 months and $0.15 for additional 6 month period.

  The private placement was not pursued and it expired without activity.

- On June 19, 2014 the Company announced the appointment of Ms. Victoria Kuklina, CPA, as its Chief Financial Officer and announced that it has moved from its Richmond Street offices in downtown Toronto to Markham, Ontario, Canada.

- On June 23, 2014 the Company announced that pursuant to the press release dated December 20, 2013, the TSXV accepted for filing, an extension to the company's earn-in option agreement for a 50% interest in the La Diana Property located in Malinaltepec, Guerro, Mexico. Camsim received 2,000,000 shares in return for the one (1) year extension.

- On July 9, 2014 the Company announced that it entered into advanced discussions with Camsim with a view to acquiring 100% of Camsim's wholly-owned "La Diana" concession.

(In Canadian dollars)

- On September 5, 2014 the Company announced that it acquired additional mining claims contiguous to its Ivanhoe Lake Property, located in the Borden Lake Gold District, Ontario Canada. The additional claims are located directly adjacent to the western boundary of the original Ivanhoe Lake claims and double the size of the footprint in the region. The claims were acquired from the vendors of our original claims pursuant to an amendment to our existing agreement. Vendome will pay $6,000.00 to the vendors and amend the existing agreement to include the claims under the same terms and conditions as in the original agreement.

- On September 2, 2014, the 50% earn-in agreement for the La Diana concession between Camsim and Vendome expired.

- On September 22, 2014, subject to regulatory approval and shareholder approval, the Company finalized an agreement with Camsim Minas S.A. de C.V., ("Camsim") of Mexico City, Mexico, to acquire a 100% interest in the 14,722 hectares "La Diana" Concession, by terminating all obligations under a previous option agreement dated September 2, 2010, in consideration for the issuance of 12,000,000 common shares, of which 2,000,000 were granted on December 20, 2013, for the net total of 10,000,000 common shares. No additional compensation, cash payments, future production royalties or any other consideration will be paid in connection with this transaction. The transaction was conditionally approved by the TSX on December 4, 2014 pending the submission of requested documentation within 30 days.

  On December 29, 2014, the Company withdrew from this agreement. Vendome and Camsim remain committed to reaching a satisfactory agreement whereby Vendome acquires 100% of the La Diana property. Negotiations are on-going.

- On October 7, 2014 the Company announced the closing of its non-brokered private placement offering, pursuant to which an aggregate of 980,000 units ("Unit") were sold at a price of $0.05 per Unit, raising gross proceeds of $49,000.

- On November 28, 2014, the 50% earn-in agreement for the San Javier property between Vendome and Camsim expired. Vendome and Camsim remain committed to reaching an agreement whereby Vendome acquires 100% of the San Javier property.

- On January 23, 2015, the company accepted the resignation of Ms. Victoria Kuklina as CFO. Ms. Kuklina resigned to pursue other interests. Mr. Victor Dario, an Independent Director for the Company, took over the position as CFO, on an interim basis. This event places the Company in a position where it does not satisfy TSXV rules as having at least two (2) independent members on its Board of Directors. The Company has until August 5, 2015 to find one additional independent Director. The search is on-going.

- On January 23, 2015, Mr. Robert Chisholm resigned from the Board of Directors.

- On February 6, 2015, subject to regulatory approval and shareholder approval, the Company finalized an agreement with Camsim Minas S.A. de C.V., ("Camsim") of Mexico City, Mexico, to acquire a 100% interest in the 14,722 hectares "La Diana" Concession, by terminating all obligations under a previous option agreement dated September 2, 2010, in consideration for the issuance of 12,000,000 common shares. No additional compensation, cash payments, future production royalties or any other consideration will be paid in connection with this transaction. The transaction was conditionally approved by the TSX on February 12, 2015 pending the submission of a financial plan and a satisfactory geological report within 30 days. The Company has been unable to meet the 30 day deadline and may be compelled to withdraw from the Agreement.

- In the year ended February 28, 2015 the Company wrote down its La Diana and San Javier properties to $Nil and wrote down its San Miguel Property to a nominal amount.

- On June 18, 2015, Vendome and Camsim Minas S.A. de C.V. agreed to terminate all agreements for the San Javier and La Diana properties in Mexico. No consideration was paid as both agreements had previously expired.

- On August 5, 2015, the company announced the appointment of Mr. Rodney Ireland to its Board of Directors. Mr. Ireland brings over 15 years of capital markets experience to Vendome, highlighted by strong connections to capital market teams and retail brokerages. Based in Toronto's financial district, he has brought his business development skills to several TSX, ASX, TSXV and CSE companies. These companies cover a wide range of industries, including extensive experience with mining and mineral exploration firms. Mr. Ireland studied Agricultural Economics at the University of Guelph where he honed his business skills operating in real estate and appliance rental businesses.

- With our deepest sympathies to his family, we announce that on January 15, 2016, Mr. Thomas R. Sutherland passed away. Tom was an integral part of our team as a Director and we are deeply saddened by this news. His insights and experience will be missed. Tom's passing leaves the Company without a second independent director and our search is underway to find a new Director.

- On March 8, 2016, the Company announced that it has entered into an agreement to acquire a 100% interest in the Clinton Manganese Project owned by Geomap Exploration Inc. ("Geomap") near Clinton, British Columbia (the "Proposed Transaction"). The 3 claims comprising the acquired property are located approximately 3-6 kilometers to the south of the village of Clinton, British Columbia and cover 954.53 hectares of land. In exchange for 100% interest in the Clinton Manganese Project, Geomap and Larry Nemeth will each receive 200,000 common shares of Vendome on a post-30:1-Share Consolidation basis and will each receive a cash payment of $10,000. In addition, Geomap will retain a 2% net smelter return on the project which may be reduced on payment of $1million per 1%.

- On March 31, 2016, the Company applied its work credits to the original five (5) Ivanhoe Lake claims to maintain the claims in good standing.

- On March 31, 2016, the Company filed an Application for Extension of Time to Perform Work on the Ivanhoe Lake claims acquired by the Company on September 5, 2014. The application was subsequently denied by the Ministry of Northern Development and Mines. It is probable that the Company will not proceed with any work on the new claims and will let the claims expire.

Exploration Properties

- ***Ivanhoe, Ontario Property***

  The Ivanhoe Property is host to a 9 to 10 channel Geotem EM conductor associated with a strong magnetic high. The anomaly is circular in morphology with an approximate diameter of 250 to 300 meters. The Ivanhoe Lake Cataclastic Zone, a major structural feature in the area borders the western margin of the anomaly. A secondary fault strikes northeast through the approximate anomaly center. According to Ontario Geological Survey ("**OGS**") regional mapping, the anomaly may coincide with a leucogabbro intrusive unit that hosts pyrite, pyrrohtite and chalcopyrite mineralization. The OGS reported no surface grab assay values.

  On September 9, 2014, the Company announced that it has acquired additional mining claims contiguous to its Ivanhoe Lake Property, located in the Borden Lake Gold District, Ontario Canada. The additional claims are located directly adjacent to the western boundary of the Company's original Ivanhoe Lake claims and double the size of the footprint in the region. The claims were acquired from the vendors of the Company's original claims pursuant to an amendment of the existing agreement. Vendome paid $6,000.00 to the vendors and amended the existing agreement to include the claims under the same terms and conditions as in the original agreement.

(In Canadian dollars)

- ***San Miguel, Mexico Property***

  In August 2011, The Company expanded its Mexican area play in the southern Sierra Madre del Sur precious metal belt by acquiring a 100% interest in the San Miguel property from Santa Claws Minas S.A., de C.V.

  The San Miguel property is approximately 2,000 hectares in size and is surrounded by the 14,722 hectare La Diana property. No modern systematic exploration work has ever been conducted at the San Miguel property. As is the case for the La Diana property, ASTER remote sensing imagery indicates that zones of potential hydroxyl bedrock alteration favorable for epithermal polymetallic mineralization are found throughout the San Miguel property.

  At year ended February 28, 2015, the Company decided not to pay the semi-annual property tax levy to the Mexican authorities. Without an agreement to acquire both the San Javier and La Diana property concessions, continued investment in San Miguel is without merit. Therefore, the Company has written down its investment in the San Miguel property to a nominal amount.

ITEM 2 - Results of Operations

For the three-month period ended May 31, 2016, the Company incurred operational expenses of $25,901 versus $15,547 for an increase of $10,354, or 67%.

During the year, general and administrative expenditures have increased by $12,354 (102%) mainly due to filing fees paid in the quarter, professional fees decreased by $2,000 (57%). The decrease is due to the Company's continuous efforts of reducing overhead costs.

The net comprehensive loss for the three-month period ended May 31, 2016 was $25,901 (2015 - $15,547). The loss per share was $0.00 based on 53,566,133 weighted average shares outstanding for the period versus a loss of $0.00 based on 53,566,133 weighted average shares outstanding for the period ended May 31, 2015

ITEM 3 - Summary of Quarterly Results

The following table sets forth, for each quarter ended on the date indicated since incorporation, information relating to the Company's revenue, net loss and loss per common share:

	Revenues	**Net Loss**	**Loss/ share: basic and diluted**
May 31, 2016	$-	25,901	$0.00
February 28, 2016	-	$49,246	0.00
November 30, 2015	-	86,499	0.00
August 31, 2015	-	24,707	0.00
May 31, 2015	-	15,547	0.00
February 28, 2015	-	2,929,616	0.06
November 30, 2014	-	52,630	0.00
August 31, 2014	-	49,167	0.00

ITEM 4 - Liquidity

As at May 31, 2016 and February 28, 2016 the Company had the following working capital deficiency:

	May 31,2016	**February 28, 2016**
Cash and Cash equivalents	$25,315	$315

(In Canadian dollars)

HST receivable	7,645	4,848
Accounts payable and accrued liabilities	(341,250)	(307,552)
Demand loan payable	(35,000)	-
	($343,290)	**($302,389)**

As at August 4, 2016 holds a balance of $15,279 in cash and cash equivalents and may not be able to meet its immediate financial obligations.

ITEM 5 - Capital Resources

In order to finance the Company's future development and expansion, management will be seeking to raise additional funds primarily by way of the issuance of common shares from the treasury. The timing and ability to fulfill these objectives will depend on the liquidity of the financial markets as well as the willingness of investors to finance junior exploration companies operating with limited operating history.

To date, the following financings have been completed by the Company:

	Gross Proceeds	Type of Transaction
October 7, 2014	$49,000	Private Placement
February 18, 2014	32,500	Private Placement
January 3, 2014	142,500	Private Placement
August 30, 2013	100,000	Private Placement
December, 2012	291,250	Private Placement
June, 2011	774,775	Private Placement
August, 2010	54,000	Debt Settlement
July, 2010	600,000	Private Placement
May, 2007	350,000	Initial Public Offering
April, 2007	10,000	Private Placement
February, 2007	50,000	Private Placement

At May 31, 2016 and August 31, 2016 the Company had 53,566,133 common shares outstanding.

As at May 31, 2016 and August 4, 2016, the Company has the following stock options issued and outstanding:

Exercise Price	Number of Options	Expiry Date	Weighted Average Remaining Life (in years)
0.20	550,000	October 3, 2016	.35
0.25	600,000	February 1, 2018	1.68
	1,150,000		

As at May 31, 2016 and August 4, 2016 the Company had NIL warrants issued and outstanding. The warrants outstanding at February 28, 2016 expired unexercised on April 6, 2016.

Exercise Price	Number of Warrants	Warrant Type	Issuance Date	Expiry Date	Fair Value
0.10	980,000	Investors	October 7, 2014	April 6, 2016	-
	980,000				

(In Canadian dollars)

ITEM 6- Off-Balance Sheet Arrangement

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

ITEM 7 - Transactions With Related Parties

Amounts due from and to the related parties, are a result of transactions with entities controlled by shareholders, officers or directors of the Company. These amounts are non-interest bearing, unsecured and not subject to specific terms of repayment unless stated.

The Company had the following transactions and balances with related parties:

	31-May-16		31-May 2015	
	Key Management Personnel	Other	Key Management Personnel	Other
Transactions				
Management fees	$12,000	$-	$12,000	$-
Consulting fees paid to directors	-	-		
Expense reimbursement	2,879	-	-	-
Outstanding balances				
Payable to directors/officers	88,000	72,621	30,000	-
Non-interest bearing, unsecured, demand loans from shareholders	8,000	8,000 5,0005,000	- -	- -
Amounts payable to companies with common ownership or directors	47,337	44,458 - -	26,918 -	- -

Amounts due from and to the related parties, are a result of transactions with entities controlled by shareholders, officers or directors of the Company. These amounts are non-interest bearing, unsecured and not subject to specific terms of repayment unless stated.

ITEM 8 - Proposed Transactions

Subsequent Financing:

On July 27 and August 2, 2016 the Company closed a private placement of 59,008,331 units at a price of $0.0075 per unit for gross proceeds of $442,562.48 and 13,333,331 "flow-through" shares at a price of $0.0075 per share for gross proceeds of $99,999.98. Each unit consisted of one common share and one half of one share purchase warrant. Each whole warrant is exercisable into a common share at a price of $0.01 for a period of three years following closing. The finder under the offering will be paid finders' fees consisting of $54,256.25 in cash and 7,234,166 broker warrants ("Broker Warrants") These fees will be paid to the Agent upon meeting the conditions of the TSX Venture Exchange. Each Broker Warrant is convertible into one broker warrant unit (a "BW Unit") at a price of $0.0075 per BW Unit for a period of two years from the date of issuance. Each BW Unit consists of one Share (a "BW Share") of the Company and one-half Warrant of the Company (each whole warrant, a "BW Warrant"). Each BW Warrant will entitle the holder to purchase one Share (a "BW Warrant Share") of the Company for a period of 36 months following the date of issuance of the BW Warrants at a price of $0.01 per BW Warrant Share. The Closing has been completed under escrow, principally, to meet the conditions of the TSX Venture Exchange and allow the Company to proceed with the consolidation of its shares, post-closing, on the basis of one (1) common share for each ten (10) existing common shares (the "Consolidation"). All securities issued pursuant to the Offering are subject to a statutory hold period expiring four months and one day after closing. The Company intends to use the net proceeds (net of all fees and commissions) of the offering for working capital purposes, business development, and general and administrative purposes. The Company is awaiting approval, as of the date hereof, for TSX Venture Exchange final approval for the above noted financing.

Mineral Property Acquisition

The Company entered into an agreement to acquire 100% interest in the Clinton Manganese Project, located near Clinton, British Columbia. Pursuant to the agreement, the Company had agreed to issue up to 12 million shares of its share capital and pay $20,000 in order to acquire a 100% interest in the property. The Company has received approval for this acquisition from the TSX Venture Exchange and approval for issuing 1,400,000 shares as a finder's fee. On July 27, 2016 the Company issued the 12 million shares to the vendors of the property, along with the 1,400,000 finder's fee shares. The payment of $20,000 will be made from the proceeds of the financing once the TSX Venture Exchange provides final approval.

There are no other proposed transactions at this time.

ITEM 9 - Risk Factors

Investment in the Company must be considered highly speculative due to the nature of the Company's business, its formative stage of development, its current financial position and its lack of an earnings record. An investment in any securities of the Company should only be considered by those persons who can afford a total loss of their investment. The following is a summary of the risk factors to be considered:

- *Exploration Risks*: exploration for minerals is a speculative venture necessarily involving substantial risk.
- *Mining Risks: mineral resource exploration and development is a speculative business and involves a high degree of risk.*
- *Uninsurable Risks: mining operations generally involve a high degree of risk, which it cannot insure or against which it may elect not to insure due to prohibitive costs or otherwise in accordance with standard industry practice.*
- *Calculation Risks: there is a degree of uncertainty attributable to the calculation of mineral reserves, mineral resources and corresponding grades being dedicated to future production.*
- *No Assurance to Title or Boundaries: title to the Company's properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects.*
- *Competition: the mineral exploration and mining business is competitive in all of its phases.*
- *Permits and Licenses: the planned operations of the Company, including mineral exploration and development activities and commencement of production on its properties, require permits from various levels of government.*
- *Governmental Regulation and Policy Risks: failure to comply with applicable laws, regulations and permit requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.*

(In Canadian dollars)

- *Environmental Risks: mineral exploration and development, like many other extractive natural resource industries, is subject to potential risks and liabilities associated with the pollution of the environment and the disposal of waste products.*

- *Price Volatility of Publicly Traded Securities: in recent years and especially in the recent months, the securities markets in Canada and the United States have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies.*

- *Possible Failure to Realize Anticipated Benefits of Future Acquisitions: the Company may complete acquisitions to strengthen its position in the mineral exploration industry and to create the opportunity to realize certain benefits including, among other things, potential cost savings. Achieving the benefits of any future acquisitions depends, in part, on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as the Company's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with its own.*

- *Operational Risks: mineral exploration operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion and contaminant spills, each of which could result in substantial damage to mining properties, producing facilities, other property and the environment or in personal injury.*

- *Substantial Capital Requirements; Liquidity: the Company may have to make substantial capital expenditures for the acquisition, exploration, development and production of mineral resources in the future.*

- *Issuance of Debt: from time to time the Company may enter into transactions to acquire assets or shares of other Companies. These transactions may be financed partially or wholly through debt, which may increase debt levels above industry standards.*

- *Dilution: the Company's common shares, including incentive stock options, rights, warrants, special warrants, subscription receipts and other securities to purchase, to convert into or to exchange into common shares of the Company, may be created, issued, sold and delivered on such terms and conditions and at such times as the board of the Company may determine.*

- *Net Asset Value: the Company's net asset value will vary dependent upon a number of factors beyond the control of the Company's management, including commodity prices.*

- *Reliance on Management: Shareholders of the Company will be dependent on the management of the Company in respect of the administration and management of all matters relating to the Company and its properties and operations.*

- *Conflicts of Interest: Certain of the directors and officers of the Company are also directors and officers of other reporting issuers involved in mineral exploration and development, and conflicts of interest may arise between their duties as officers and directors of the Company, as the case may be, and as officers and directors of such other companies.*

- *No Dividends: to date, the Company has not paid any dividends, and it is not anticipated that the Company will pay any dividends in the near future.*

- *Changes in Legislation: it is possible that the Canadian federal and provincial government or regulatory authorities could choose to change the Canadian federal income tax laws, royalty regimes, environmental laws* *or other laws applicable to mineral exploration companies and that any such changes could materially adversely affect the Company and the market value of the Company securities.*

(In Canadian dollars)

- *Early Stage Development Risks: the Company has no history of operations and the Company is in the early stage of development and must be considered a start-up.*

- *Future Financing Requirements: the Company may need additional financing to continue in business and there can be no assurance that such financing will be available or, if available, will be on reasonable terms.*

ITEM 11 - Critical Accounting Estimates

This section is not required as the Company is a Venture Issuer, as the term is defined in National Instrument 51-102.

ITEM 11 - Changes in Accounting Policies

The Company would like to direct readers to its interim condensed consolidated financial statements for the period ending May 31, 2016, which are incorporated by reference and can be found on the regulator's web site at www.sedar.com.

Future accounting changes

Explanations and descriptions of future accounting changes are presented in Note 5 to the interim condensed consolidated financial statements for the period ended May 31, 2016.

ITEM 12 - Financial Instruments and Other Instruments

The Company is not a party to any financial instrument, as the term is defined in National Instrument 51-102F1 paragraph 1.14.

ITEM 13 - Capital Structure

The Company is authorized to issue an unlimited number of common shares, where each common share provides the holder with one vote. As of the date of this Management Discussion and Analysis there were 53,566,133 common shares issued and outstanding as well as the following securities:

Type	Quantity	Exercise Price	Expiry Date
Incentive stock option	550,000	$0.20	October 3, 2016
Incentive stock option	600,000	$0.25	February 1, 2018

ITEM 14 – Subsequent events

1) Subsequent Financing:

On July 27 and August 2, 2016 the Company closed a private placement of 59,008,331 units at a price of $0.0075 per unit for gross proceeds of $442,562.48 and 13,333,331 "flow-through" shares at a price of $0.0075 per share for gross proceeds of $99,999.98. Each unit consisted of one common share and one half of one share purchase warrant. Each whole warrant is exercisable into a common share at a price of $0.01 for a period of three years following closing. The finder under the offering will be paid finders' fees consisting of $54,256.25 in cash and 7,234,166 broker warrants ("Broker Warrants") These fees will be paid to the Agent upon meeting the conditions of the TSX Venture Exchange. Each Broker Warrant is convertible into one broker warrant unit (a "BW Unit") at a price of $0.0075 per BW Unit for a period of two years from the date of issuance. Each BW Unit consists of one Share (a "BW Share") of the Company and one-half Warrant of the Company (each whole warrant, a "BW Warrant"). Each BW Warrant will entitle the holder to purchase one Share (a "BW Warrant Share") of the Company for a period of 36 months following the date of issuance of the BW Warrants at a price of $0.01 per BW Warrant Share. The Closing has been completed under escrow, principally, to meet the conditions of the TSX Venture Exchange and allow the Company to proceed with the consolidation of its shares, post-closing, on the basis of one (1) common share for each ten (10) existing common shares (the "Consolidation"). All securities issued pursuant to the Offering are subject to a statutory hold period expiring four months and one day after closing. The Company intends to use the net proceeds (net of all fees and commissions) of the offering for working capital purposes, business development, and general and administrative purposes. The Company is awaiting approval, as of the date hereof, for TSX Venture Exchange final approval for the above noted financing.

2) Mineral Property Acquisition:

The Company entered into an agreement to acquire 100% interest in the Clinton Manganese Project, located near Clinton, British Columbia. Pursuant to the agreement, the Company had agreed to issue up to 12 million shares of its share capital and pay $20,000 in order to acquire a 100% interest in the property. The Company has received approval for this acquisition from the TSX Venture Exchange and approval for issuing 1,400,000 shares as a finder's fee. On July 27, 2016 the Company issued the 12 million shares to the vendors of the property, along with the 1,400,000 finder's fee shares. The payment of $20,000 will be made from the proceeds of the financing once the TSX Venture Exchange provides final approval.