ALDRIN RESOURCE CORP.
FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
THREE MONTHS ENDED – FEBRUARY 29, 2016

This management discussion and analysis of financial position and results of operations ("MD&A") is prepared as of April 29, 2016 and should be read in conjunction with the financial statements for the period ended February 29, 2016 of Aldrin Resource Corp. ("Aldrin" or the "Company") with the related notes thereto. All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted. Readers may also want to refer to the November 30, 2015 audited financial statements and the accompanying notes.

Forward looking statements

Certain statements contained in this document constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

Description of Business

The Company is an exploration company engaged in the acquisition and exploration of resource properties. The Company is a reporting issuer in British Columbia, Alberta and Ontario. The Company trades on the TSX Venture Exchange under the symbol "ALN".

Risks and Uncertainties

The Company's principal activity is resource exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, fluctuating resource price, social, political, financial and economical. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable.

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not listed in order of importance nor are they inclusive of all the risks and uncertainties the Company may be subject to as other risks may apply.

- Any resource property interests of the Company are or will be, in the near term, in the exploration stage only and consequently, exploration of the Company's resource property interests may not result in any discoveries of commercial levels of resources. If the Company's efforts do not result in any discovery of commercial resource level, the Company will be forced to look for other exploration projects or cease operations.

- The Company's current assets and activities are subject to extensive Canadian federal, provincial, territorial and local laws and regulations. The costs associated with compliance with these laws and regulations are substantial and possible future laws and regulations, changes to existing laws and regulations or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expenses, capital expenditures, restrictions on or suspensions of the Company's operations and delays in the development of its properties.

Risks and Uncertainties (cont'd…)

- In the ordinary course of business, the Company is required to obtain and renew governmental permits for existing operations and any ultimate development, construction and commencement of new resource or mining operations. The Company may not be able to obtain or renew permits that are necessary to its operations, or the cost to obtain or renew permits may exceed what the Company believes it can recover from a given resource property once in production. Any unexpected delays or costs associated with the permitting process could delay the development or impede the operation of a resource or mine, which could adversely impact the Company's operations and profitability.

- The Company competes with many companies possessing greater financial resources and technical abilities than itself for the acquisition of resource properties including mineral concessions, claims, leases, other mineral interests, and equipment required to conduct its activities as well as for the recruitment and retention of qualified employees.

- Substantial expenditures are required to be made by the Company to establish mineral reserves and the Company may not either discover minerals in sufficient quantities or grade to be economically feasible, or may not have the necessary required funds. Estimates of mineral reserves and mineral resources can also be affected by environmental factors, unforeseen technical difficulties and unusual or unexpected geological formations. Material changes in mineral reserve or mineral resource estimates, grades, stripping ratio or recovery rates may affect the economic viability of any project.

- The lack of available infrastructure may adversely affect the Company's operations and profitability. If adequate infrastructure is not available in a timely manner, there can be no assurance that the development of the Company's projects will be commenced or completed on a timely basis, if at all; the Company's operations will achieve anticipated results; or the construction costs and ongoing operating costs associated with the development of the Company's advanced stage exploration projects will not be higher than anticipated. In addition, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations and profitability.

- The Company currently has limited insurance covering its assets or operations and as a consequence, could incur considerable costs. As a result of having limited insurance, the Company could incur significant costs that could have a materially adverse effect upon its financial condition and even cause the Company to cease operations. To date, the Company has not experienced any material losses due to hazards arising from its operations.

- Although the Company has sought and received such representations as it has been able to achieve from vendors in connection with the acquisition of or options to acquire an interest in its mining or resource properties and has conducted limited investigations of legal title to each such property, the resource and /or mining properties in which the Company has an interest may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects.

- The price of uranium or other metals may adversely affect the economic viability of any of the Company's resource and/or mineral properties. The price of uranium is affected by numerous factors beyond the control of the Company including producer hedging activities, the relative exchange rate of the U.S. dollar with other major currencies, demand, political and economic conditions and production levels. In addition, the price of uranium has been volatile over short periods of time due to speculative activities. The price of other metals and mineral products that the Company may explore for have the same or similar price risk factors.

Risks and Uncertainties (cont'd…)

- The Company is authorized to issue an unlimited number of common shares without par value. It is the Company's intention to issue more common shares. Sales of substantial amounts of common shares (including shares issuable upon the exercise of stock options and the exercise of warrants), or the perception that such sales could occur, could materially adversely affect prevailing market prices for the common shares and the ability of the Company to raise equity capital in the future.

- The Company's future performance on the development of any mineral properties is dependent on key personnel. The loss of the services of any of the Company's executives or directors could have a material adverse effect on the Company's business.

Exploration Projects

Triple M Property

The Triple M Uranium Property is located in the Athabasca Basin region of northern Saskatchewan, near Patterson Lake. The property consists of 6 claim blocks totaling 12,001 hectares, adjacent to and on trend with the high-grade Fission Energy/Alpha Minerals Inc. uranium discovery at Patterson Lake. The Triple M Property is 9km south to 11km west of Fission Uranium's new resource.

Assessment work in amounts sufficient to keep all claims in good standing until at least their next review date in 2017 has been filed and accepted by the Saskatchewan government.

The Company retained consulting geologist Dr. Harrison Cookenboo, Ph.D., P.Geo. to author a technical report describing the Triple M Uranium Property to the standards of National Instrument 43-101 and to report his findings and recommendations for further development work. Dr. Cookenboo presented his technical report to the Company for filing with the exchange with an effective date of April 25, 2013. This report is filed on SEDAR (www.sedar.com) and should be consulted for detailed information the describing the property, historical work, geological setting and interpreted exploration potential. The report recommended exploration work on the Triple M Uranium Property in two phases. Phase 1 work was recommended in the amount of $296,000, comprising compilation of historical data, completion of airborne geophysical and ground geochemical (radon) surveys, as well as uranium prospecting and surficial geology. Work in the amount of $728,000 was recommended to follow as Phase 2, comprising mostly ground geophysics and drilling, dependent on positive results from Phase 1.

The Phase 1 exploration work was completed, and resulted in identification of encouraging drill targets. The airborne geophysical surveys were most significant advances from Phase 1. The helicopter-borne magnetic and electromagnetic geophysical survey was flown by contractor Geotech, using their high-resolution, time domain electromagnetic VTEM-plus system and magnetic gradiometer at 200 m line spacing. Aldrin identified encouraging bedrock conductors from the VTEM survey. Because of the encouragement from these conductive anomalies, Aldrin completed infill lines between the original 200 m spaced lines while the helicopter was still on-site, bringing the final data density over the conductors to 100 m. Advanced geophysical interpretation defines the anomalies as two parallel basement conductive trends, analogous to conductors associated with the adjacent Fission Energy/Alpha Minerals Patterson Lake discovery (see Alpha Minerals Inc's 43-101 technical report on www.sedar.com). The conductive trends on the Triple M Property parallel the mineralized Patterson Lake conductors and fault. One of Triple M Property's conductive trends is 3.5 km in length, and the other is 2 kms. Aldrin's 3.5 km conductor trend models as a steeply south dipping plane, and closely parallels a magnetic linear consistent with a basement fault. The 2 km conductor trend appears even stronger, and has sharp magnetic contacts flanking the conductive centre. Similar features are associated with the Patterson Lake discovery, as well as most high-grade uranium mineralization from the Athabasca Basin.

Exploration Projects (cont'd…)

Aldrin then contracted Goldak Airborne Surveys, based in Saskatoon, Saskatchewan to fly an airborne radiometrics survey at 100 m line spacing using an extra-sensitive detector system. The airborne radiometrics survey provided sensitive maps of uranium, thorium and potassium over the Property assisting definition of surficial geology units.

A field program began in September 2013, focusing on surface radon sampling over the basement conductive anomalies, as identified by the VTEM survey. The radon survey identified anomalies associated with the basement conductors which are helping prioritize drill collar locations for the planned drill program. The Company follow-up with a ground gravity at the end of 2013 that identified gravity low anomalies marking potential areas of hydrothermal fluid alteration of the basement that are coincident with the VTE and radon anomalies. Such gravity lows are associated with high-grade uranium mineralization elsewhere in the Athabasca Basin.

Following the successful completion of VTEM, radiometrics, granity and radon surveys, Aldrin identified coincident geophysical, geochemical and geological drill targets. Aldrin further refined these targets with infill radon sampling and additional ground gravity before commencing a drill program in early 2014.

On January 15, 2014 Aldrin announced its winter uranium exploration program plans for the 12,000 hectare Triple M Uranium Property. The center-piece of the program was10 drill holes totaling 2743 m in length testing Aldrin's priority basement conductors. These basement conductor targets are located within the southeast block of the Triple M Property, which covers 1984 hectares. Aldrin's SE block is located adjacent to the south boundary of Fission Uranium's PLS discovery property at Patterson Lake, in the newly prospective southwestern region of the Athabasca Basin.

On March 25, 2014 Aldrin announced the commencement of drilling on its Triple M Property. The targets were previously established through a helicopter VTEM survey (magnetic and electromagnetic data) which yielded strong basement conductor anomalies precisely parallel to the high-grade mineralization at Patterson Lake discovered by Fission Uranium Corp. Those VTEM conductors were augmented by Aldrin with a surface radon and gravity surveys that returned anomalies over the conductors.

On April 22, 2014 Aldrin announced that the initial four (4) drill holes on its Triple M Property intersected alteration, structures, and breccias zones within a metasedimentary rock succession including elevated radioactivity counts in a graphitic fault zone. The encouraging results are consistent with possible nearby mineralization. Following completion of the fourth hole Aldrin temporarily suspended the drill program for snow melt.

On May 29, 2014 the Company announced intersection of significant intervals of radioactive mineralization in the first half of the first drill hole testing the Anticline Target on its Triple M Property, based on field data from a Mont Sopris model 2PGA 1000 down-hole gamma logger and two hand-held RS-125 Super Spectrometers. This drill hole (ALN-008) reached a maximum depth of 416 m. The mineralization encountered in ALN-008 was consistent with 3D modelling of the coincident VTEM conductive and ground gravity low anomalies which predicts that the conductor anomaly strength peaks between 300 and 400 m depth. Two more holes were drilled near ALN-008, both of which intersected intervals of radioactive mineralization, before the drill program was completed for 2014.

Analytical results for uranium mineralization were returned for holes ALN-008 and ALN-009 from The Saskatchewan Research Council Geoanalytical laboratory. The most strongly uranium mineralized zones from drill hole ALN-008 are: a) 53.4 ppm U over 10.0 m between 178.0 and 188.0 m, including a higher value zone of 148.7 ppm U over 1.5 m between 182.5 and 184.0 m; b) 273 ppm U over 0.5 m between 235.0 and 235.5 m; and c) 97.4 ppm U over 3.5 m between 243.0 and 246.5 m, including a higher value zone of 144.8 ppm U over 2.0 m between 243.5 and 245.5 m. The most strongly mineralized zone from ALN-009 is 35.9 ppm U over 2.5 m between 248.5 m and 251.0 m, including a higher enrichment zone of 69.3 ppm U between 248.9 m and 249.9 m. Background in the meta-sedimentary rocks in the target area is 2 ppm U or less.

Aldrin believes the uranium mineralization in drill holes ALN14-008 and ALN14-009 is consistent with being within a halo of uranium mineralization centered on the Anticline Target, and plans further drilling and sample analyses.

Subsequent to the period ended February 29, 2016, the Company renegotiated the terms of the option agreement. The Company has agreed to pay $450,000 to satisfy all expenditure requirements up to March 18, 2016 to the Optionors.

Exploration Projects (cont'd…)

Key Lake Property

During the year ended November 30, 2015, the Company and Fission 3.0 Corp. ("Fission 3.0") entered into a property option agreement whereby the Company can earn up to a 50% interest in Fission 3.0's Key Lake Property in the southeastern Athabasca Basin region, Saskatchewan Lake, by incurring $6,900,000 of staged exploration expenditures on or before May 1, 2019. The Company paid Fission 3.0 $100,000 cash and issued to Fission 3.0 a total of 2,000,318 shares on April 2, 2015 after TSX Venture Exchange approval. Details of the staged exploration expenditures are as follows:

Deadline	Interest Earned	Work Obligation
May 1, 2016	-	$1,000,000
May 1, 2017	20%	$1,700,000
May 1, 2018	10%	$2,000,000
May 1, 2019	20%	$2,200,000
Total	50%	$6,900,000

As part of the agreement, the Company will make semi-annual payments to Fission 3.0 of $100,000 during the earn-in period. The semi-annual payments may be made in cash or the equivalent in the Company's shares at the option of the Company.

The Company has not met the required option payment of $100,000 in February 2016 and is currently in re-negotiation with vendors of the property. As a result, the company has written down the property to a value of $1.

Upper Maybelle River Uranium Property

On November 25, 2015, the Company announced the purchase of the Upper Maybelle River Uranium Property in the southwest margin region of the Athabasca Basin. Maybelle covers 10,000 hectares in the upper Maybelle River drainage in Sasakatchewan along the Alberta provincial border. The Property is an early stage exploration property located between Fission Uranium's high-grade Patterson Lake uranium discovery 45km to the southeast, and Areva's reported high-grade uranium drill intersections (up to 54.5% U3O8 over 0.5m) at their Maybelle River project 50km to the northwest.

Saskatchewan government geological mapping and regional geophysical data is consistent with the Property being located within the relatively low magnetic susceptibility terrains potentially representing folded meta-sediments such as host most high-grade uranium deposits in the Athabasca Basin.

Consideration for the property includes the Company paying pasts staking costs and the issuance of 4,000,000 common shares to the property vendors, Dr. Harrison Cookenboo (non-arm's length) and Mr. Arthur Brown (arm's length) subject to approval by the TSXV. A finder's fee for the transaction may be paid.

Subsequent Events

Subsequent to the period ended February 29, 2016, the Company entered into a loan agreement with an arm's length lender pursuant to which the lender agreed to advance to the Company the sum of $450,000. The loan amount accrues interest at a rate of 12% per annum and has a term of 12 months.

In recognition of the unsecured nature of the loan, the Company has agreed to pay to the lender a bonus of 900,000 common shares. The proceeds of the loan will be applied to property expenditures on the Company's Triple M Uranium Property. The issuance of the bonus shares is subject to the approval of the TSX Venture Exchange.

As previously noted, the Company has agreed to pay $450,000 to the Optionors of Triple M Property to bring payments current to March 18, 2016.

Liquidity and Going Concern

The Company has financed its operations to date primarily through the issuance of common stock. The Company continues to seek capital through various means including the issuance of equity.

The financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

As at February 29, 2016 the Company had an accumulated deficit of $13,488,777 (November 30, 2015 - $13,416,998). In addition, the Company has not generated revenues from operations. These circumstances lend substantial doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

Although the financial statements have been prepared using IFRS applicable to a going concern, the above noted conditions raise significant doubt regarding the Company's ability to continue as a going concern.

In order to continue as a going concern and to meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

The Company has a working capital deficiency of $336,233 at February 29, 2016 compared to working capital deficiency of $447,724 at November 30, 2015.

Net cash used in operating activities for the period ended February 29, 2016 was $48,157 compared to $52,532 for the period ended February 29, 2015 and consists primarily of the operating loss adjusted for changes in non-cash working capital items (see "Results of Operations" for information on operating loss differences for both periods).

Net cash provided by financing activities for the year ended February 29, 2016 was $207,000 compared to $60,000 for the period ended February 28, 2015, mainly due to proceeds of $225,000 from a private placement less $18,000 in share issuance cost.

Commitment

In connection with the issuance of flow-through common shares in July 2015, the Company has a commitment to incur $250,000 of qualifying flow-through expenditures. As at February 29, 2016, the Company has a remaining flow-through commitment of $147,000.

In connection with the issuance of flow-through common shares in December 2015, the Company has a commitment to incur $225,000 of qualifying flow-through expenditures. As at February 29, 2016, the Company has a remaining flow-through commitment of $225,000.

The following is a continuity schedule of the deferred premium on flow-through shares issuance:

Balance at November 30, 2014	$	-
Initial recognition of deferred premium on flow-through shares		48,612
Settlement of flow-through share liability on incurring expenditures		(22,570)
Balance at November 30, 2015	$	26,042

Commitment (cont'd…)

Balance at November 30, 2015	$	26,042
Initial recognition of deferred premium on flow-through shares		18,750
Settlement of flow-through share liability on incurring expenditures		-
Balance at February 29, 2016	$	44,792

Capital Resources

During the period ended February 29, 2016, the Company:

i) Completed a private placement financing of 1,875,000 units at a price pf $0.12 per unit raising total proceeds of $225,000. Each unit is comprised of one flow-through common share and one-half warrant. Each whole warrant is exercisable into one common –non-flow-through share at $0.17 per share, expiring on December 31, 2017. The flow-through common shares were value at $0.11 per share for a total value of $206,250 and the residual value of $18,750 was allocated to deferred premium on flow-through shares. In connection with the private placement, the Company paid $18,000 of share issuance cost and granted 150,000 share purchase warrants with a fair value of $11,493 using the Black-Scholes option pricing model assuming expected life of 2 years, a risk-free interest rate of 0.48%, a forfeiture rate of 0% and an expected volatilely of 163.50%.

During the period ended February 28, 2015, the Company:

i) Completed a private placement financing of 1,388,889 units at a price of $0.18 per unit raising total gross proceeds of $250,000. Each unit is comprised of one flow-through common share and one-half warrant. The flow-through common shares were valued at $0.145 per share for a total value of $201,388 and the residual value of $48,612 was allocated to deferred premium on flow-through shares. Each whole warrant is exercisable into one common non-flow-through share at $0.25 per share, expiring on July 10, 2017. In relation to the private placement, the Company paid $20,000 of share issuance costs.

Results of Operations

During the period ended February 29, 2016, the Company recorded a loss and comprehensive loss of $71,779 (2015 - $105,929) and loss per share of $0.00 (2015 - $0.01).

Significant expenses during the period ended February 29, 2016 include the following:

- Office expenses of $3,880 (2015 - $20,717) decreased mainly due to payroll and other general administrative costs in prior period.

- Professional fees of $13,000 (2015 - $22,322) decreased mainly due to less legal and accounting services incurred during the period.

Selected Annual Information

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the financial statements.

	Year Ended November 30, 2015	Year Ended November 30, 2014	Year Ended November 30, 2013
Interest income	$ -	$ 52	$ 3,941
Net loss	(1,690,589)	(1,118,417)	(1,459,696)
Basic and diluted loss per share	(0.08)	(0.06)	(0.17)
Total assets	4,879,818	5,368,034	3,831,886
Cash dividends	-	-	-

Selected Quarterly Information

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's audited financial statements. All dollar amounts are in Canadian dollars.

	Interest Income	Earnings/ (Loss)	Basic and Diluted Loss/Share
February 29, 2016	$ -	$ (71,779)	$ (0.00)
November 30, 2015	$ -	$ (703,997)	$ (0.03)
August 31, 2015	$ -	$ (776,609)	$ (0.03)
May 31, 2015	$ -	$ (104,054)	$ (0.00)
February 28, 2015	$ -	$ (106,929)	$ (0.01)
November 30, 2014	$ -	$ (166,694)	$ (0.01)
August 31, 2014	$ -	$ (200,249)	$ (0.01)
May 31, 2014	$ -	$ (385,605)	$ (0.02)

Financial Instruments and Risk

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liabilities either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The Company's primary financial instruments are classified as follows:

Financial instruments	Classifications
Cash	Loans and receivables
Receivable	Loans and receivables
Accounts payable and accrued liabilities	Other financial liabilities
Loans payable	Other financial liabilities

Financial Instruments and Risk (cont'd…)

The fair value of these assets and liabilities approximates their respective carrying amounts due to their short term nature.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. As at February 29, 2016, the Company had GST receivable of $12,173 (November 30, 2015 – $8,560) from government authorities in Canada. The Company believes it has no significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at February 29, 2016, the Company had a cash balance of $246,706 (November 30, 2015 – $87,863) to settle current liabilities of $599,112 (November 30, 2015 – $554,253). The Company will require financing from lenders, shareholders and other investors to generate sufficient capital its meet its short term business requirements. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The Company has cash balances and interest-bearing debt. The Company is satisfied with the credit ratings of its banks. As of February 29, 2016, the Company did not hold any investments. The Company believes it has no significant interest rate risk.

(b) Foreign currency risk

As at February 29, 2016, the Company has a minimal balance of cash in US dollar and does not believe that the foreign currency risk related to the balance is significant.

(c) Price risk

The Company has no contractual commodity price risk. The recoverability of the Company's deferred exploration costs is indirectly related to the market price of precious and base metals. The Company's ability to continue with its exploration program is also indirectly subject to commodity prices. Commodity price risk is significant to the Company. Much of this is out of the control of management and will be dealt with based on circumstances at any given time.

Related Party Balances and Transactions

Transactions with related parties and key management personnel are as follows:

	Nature of transactions	Three Months Ended February 29, 2016	Three Months Ended February 29, 2015
Key management personnel:			
CEO and Director	Management	$ 30,000	$ 30,000
A company controlled by CFO and Director	Management	15,000	15,000
A company controlled by VP Exploration and Development	Geological and field costs i)	-	30,167
Total		$ 45,000	$ 73,167
Other related parties:			
A firm of which the CFO and Director is a partner	Professional	$ 9,000	$ 30,000

i) Capitalized in exploration and evaluation assets.

The amounts due to other related parties and key management personnel included in accounts payable and accrued liabilities are as follows:

	February 29, 2016	November 30, 2015
Due to a firm of which the CFO and Director is a partner	$ 115,158	$ 104,198
Due to a company controlled by the CEO and Director	3,361	3,361
Due to a company controlled by the CFO and Director	40,269	25,016
Due to a company controlled by VP Exploration and Development	132,803	132,803
Due to a Director and Chairman	13,125	13,125
	$ 304,716	$ 278,503

During the year ended November 30, 2015, the Company secured working capital debt financing of $150,000 from non-arm’s length parties (see Note 7).

Off-Balance Sheet Arrangements

The Company has not engaged in any off-balance sheet arrangements such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or engages in leasing or hedging services with the Company.

Capital Management

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. In the management of capital, the Company monitors its adjusted capital which comprises all components of equity (ie. share capital, reserves and deficit).

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements.

No changes were made to capital management during the period ended February 29, 2016.

Changes in Accounting Policies

The following new and amended standards were adopted effective December 1, 2014. The application of these amendments and standards had no material impact on current and prior period disclosures but may affect disclosures for future transactions.

- Amendments to IAS 32 - Financial Instruments: Presentation amendment provides clarification on the application of offsetting rules.

- Amendments to IAS 36 – Impairment of Assets, clarifies the recoverable amount disclosures for non-financial assets, including additional disclosures about the measurement of the recoverable amount of impaired assets when the recoverable amount was based on fair value less costs of disposal. Earlier application is permitted except an entity shall not apply those amendments in periods (including comparative periods) in which it does not also apply IFRS 13.

- Amendments to IAS 24- The amendments to IAS 24 clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation.

- The IASB issued IFRIC 21 – Levies ("IFRIC 21"), an interpretation of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"), on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("Obligating Event"). IFRIC 21 clarifies that the Obligating Event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

- Amendments to IFRS 2- *Share-based payment*. The amendment clarifies vesting conditions by separately defining a performance condition and a service condition, both of which were previously incorporated within the definition of a vesting condition.

Changes in Accounting Policies (cont'd…)

New or revised standards and amendments to existing standards not yet effective

The Company has not applied the following new, revised and amended standards that have been issued but are not yet effective for the February 29, 2016 reporting period:

- New standard IFRS 9, Financial Instruments, classification and measurement is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, "Financial Instruments: Recognition and Measurement." IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit and loss. This standard is effective for years beginning on or after January 1, 2018.

- New standard IFRS 16, Leases, specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. This standard is effective for reporting periods beginning on or after January 1, 2019.

The Company is currently assessing the impact that these standards will have on the Company`s financial statements. The Company plans to adapt these standard as soon as they become effective for the Company`s reporting period.

Outstanding Share Data

As at April 29, 2016 the Company had the following securities issued and outstanding:

	Number	Exercise Price	Expiry Date
Common Shares	26,183,726		
Warrants	346,667	$0.33	December 23, 2016
	694,445	$0.25	July 10, 2017
	937,500	$0.17	December 31, 2017
	150,000	$0.17	December 31, 2017
	2,128,612		
Options	916,660	$0.60	July 21, 2018
	483,330	$0.51	January 7, 2019
	281,688	$0.51	March 12, 2019
	133,332	$0.48	May 1, 2019
	79,167	$0.36	October 29, 2019
	1,894,177		

Total diluted: 30,206,515