Form 51-102-F1

METALLIC MINERALS CORP.

(formerly Monster Mining Corp.)

MANAGEMENT DISCUSSION & ANALYSIS

For the year ended July 31, 2016

Directors and Officers as at November 24, 2016

Directors:

Greg Johnson
Bill Harris
Derrick Strickland
Stephen Pearce

Officers:

President, CEO – Greg Johnson
Executive Vice President – Susan Craig
Vice President, Exploration – Scott Petsel
Chief Financial Officer – Tim Thiessen
Corporate Secretary – Connie Norman

Contact Name:	Greg Johnson
Contact e-mail address:	Greg.Johnson@Metallic-Minerals.com
TSX Venture Exchange Symbol:	MMG

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METALLIC MINERALS CORP.

(formerly Monster Mining Corp.)

MANAGEMENT DISCUSSION & ANALYSIS

For the year ended July 31, 2016

1.1 Date of This Report

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the audited financial statements and the notes thereto of Metallic Minerals Corp. *(formerly Monster Mining Corp.)* ("Metallic", or the "Company") for the year ended July 31, 2016. All dollar amounts herein are expressed in Canadian Dollars unless stated otherwise.

This MD&A is prepared as of November 24, 2016.

This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

1.2 Overall Performance

Description of Business

Metallic Minerals Corp. was incorporated in the Province of British Columbia on May 3, 2007 under the Business Corporations Act (British Columbia) under the name "Northex Ventures Inc." and changed its name to "Monster Mining Corp." on August 20, 2008. On September 12, 2016, the Company changed its name to "Metallic Minerals Corp." The Company was registered as an extra-territorial corporation under the Business Corporations Act (Yukon) on July 10, 2009. The Company completed its Initial Public Offering ("IPO") pursuant to its prospectus dated April 26, 2011 (the "Prospectus") and commenced trading on the TSX Venture Exchange ("TSXV") on May 19, 2011 under the symbol MAN. Concurrent with the name change, the Company commenced trading under the symbol MMG.

Financings

During the year ended July 31, 2016, the Company completed the first tranche of a non-brokered private placement for proceeds of $238,500 pursuant to the issuance of 4,770,000 units (the "Units") at $0.05 per Unit. Each Unit consisted of one common share and one share purchase warrant, with each warrant entitling the holder to acquire one additional common share at $0.10 expiring July 30, 2019.

At July 31, 2016 the Company had received $1,022,400 in share subscriptions towards the second tranche of the non-brokered private placement which completed subsequent to the yearend. Subsequent to July 31, 2016, the Company completed the second tranche of the private placement for proceeds of $1,305,000 pursuant to the issuance of 26,100,000 Units. Between the two tranches, a total of 30,870,000 Units were issued for gross proceeds of $1,543,500.

Recent news

November 1, 2016

The Company announced that effective October 31, 2016, it has raised aggregate proceeds of $1.125 million through the issuance of 2.25 million common shares on a flow-through basis ("Flow-Through Shares") at a price of $0.50 per Flow-Through Share. In conjunction with this financing, the Company paid a finder's fee of $37,500, paid $5,000 to cover the finder's due diligence fees related to the financing and issued 37,500 finder warrants, exercisable to acquire one additional common share at $0.60 per share until October 31, 2018.

Also announced in November was the appointment of Ms. Connie Norman as Corporate Secretary.

September 28, 2016

The Company announced the appointment of Susan Craig as Executive Vice President, Scott Petsel as Vice President, Exploration, and Tim Thiessen as Chief Financial Officer.

Ms. Susan Craig is a highly-respected professional geoscientist, who has worked in the Yukon and BC for over 25 years, on projects from the exploration and development stage, to construction and production, and final mine closure. Ms. Craig's experience includes work with publicly-listed mining companies, Territorial and Federal Governments, First Nations, and industry groups.

Ms. Craig successfully led the Environmental Assessment process for NovaGold's Galore Creek project and played a key role in establishing the landmark Participation Agreement with the Tahltan Nation. During her time with Viceroy Resources, Ms. Craig was part of the team that explored, permitted and developed the Brewery Creek heap leach gold mine near Dawson City, Yukon in the early 1990s. In this role, she collaborated with the First Nation to implement one of the first Socio-economic Accords in all of Canada. Ms. Craig served for six years as President/CEO and Director of Northern Freegold and is currently a Director of Yukon Energy Corporation, the Yukon Mineral Advisory Board, the Association of Mineral Exploration BC, and the Yukon Chamber of Mines. Ms. Craig has received a number of awards recognizing her contributions toward environmental stewardship and sustainable development, and has been nominated for the Canadian Women in Mining Trailblazer award.

Mr. Scott Petsel, P.Geo., brings over 28 years of experience in mineral exploration, mine geology, project management and advancement from exploration to feasibility. He has spent more than 18 years working in Alaska and British Columbia at the Galore Creek project, Donlin Gold project, Alaska-Juneau mine, Kensington mine, and, most recently, at the Arctic and Bornite deposits in northern Alaska. In addition, he has extensive international exploration experience from his work with Placer Dome (now Barrick Gold) and Echo Bay (now Kinross Gold).

Prior to joining Metallic Minerals, Mr. Petsel was Project Manager of NovaCopper's (now Trilogy Metals) Upper Kobuk Mineral Project, where he managed the exploration activities that resulted in the expansion of the resource base by over 5 billion pounds of copper. During his time with NovaGold and NovaCopper, he played an integral role as Exploration Manager and Senior Geologist during the discovery and definition of over 40 million ounces of gold, 150 million ounces of silver and 12 billion pounds of copper. Mr. Petsel was part of the teams credited with these discoveries that were awarded the 2009 Thayer Lindsley Award for an International Mineral Discovery success and the AMEBC 2015 Colin Spence Award for Excellence in Global Mineral Exploration.

Mr. Tim Thiessen is a Chartered Professional Accountant with almost 20 years of international accounting and finance experience, the last 13 years in the mining industry. His experience includes holding the position of Chief Financial Officer at three publicly-listed minerals companies: Foran Mining, SnipGold (recently acquired by Seabridge Gold), and Aurcana Corporation. Prior to this, Mr. Thiessen spent 7 years as Vice President of Finance for TSX-listed

Endeavour Financial, an advisory firm in the mining industry specializing in mergers and acquisitions, debt and equity financing. He was part of a team that spawned industry-leading companies such as Silver Wheaton, UrAsia Energy, Peak Gold and Coastal Energy Corp. Mr. Thiessen is a member of the Chartered Professional Accountants of Canada and has also held positions as Controller with Endeavour Mining Capital Corp. and as an auditor for Deloitte LLP, with a focus in the mining and financial services industries.

September 19, 2016
The Company announced the appointment of Greg Johnson, as Chief Executive Officer, Director and Chairman of the Board.

Mr. Johnson has over twenty-eight years of experience in the mining industry with an exceptional track record in exploration, development and financing of large scale projects to create value for shareholders. Prior to joining Metallic, Mr. Johnson held the positions of President and CEO at Wellgreen Platinum and South American Silver, and was a co-founder and executive at NovaGold Resources. Mr. Johnson began his career with Placer Dome (now Barrick Gold), where he held various senior roles in domestic and international exploration. Mr. Johnson has developed broad experience in the capital markets and has been involved in raising over $650 million in project financing. For his role in the discovery and advancement of the 40-million-ounce Donlin Creek gold deposit in Alaska, Mr. Johnson was a co-recipient of the PDAC's Thayer Lindsay International Discovery Award. In addition, Mr. Johnson has been recognized for his work in sustainable development and community engagement and was awarded the Robert E. Leckie Award by the Yukon Government for excellence in environmental stewardship.

May 24, 2016
The Company announced that effective May 25, 2016 the Company's share capital consolidated on the basis of one new share for up to every ten outstanding shares of the Company. The 10:1 share consolidation has been presented throughout the financial statements and this MD&A retroactively.

1.3 Selected Annual Information

The highlights of financial data for the Company's three most recently completed year ends are as follows:

		July 31, 2016	July 31, 2015	July 31, 2014
		$	$	$
(a)	Revenue	-	-	-
(b)	Total expenses	(137,574)	(48,137)	(223,185)
(c)	Impairment on marketable securities	-	-	(14,000)
(d)	Impairment of exploration and evaluation ("E&E") assets	-	(12,000)	(4,387,269)
(e)	Reversal of trade and other payables	-	45,905	-
(f)	Gain on settlement of debt	-	-	-
(g)	Debt forgiveness	19,018	-	-
(h)	Net loss	(118,556)	(12,378)	(4,624,454)
(i)	Loss per share – basic and diluted	(0.04)	(0.00)	(1.45)
(j)	Total assets	760,637	21,639	193,258
(k)	Total long-term liabilities	Nil	Nil	Nil
(l)	Cash dividends declared per-share	Nil	Nil	Nil

1.4 Results of Operations

Discussion of Acquisitions, Operations and Financial Condition

The following should be read in conjunction with the July 31, 2016 audited financial statements of the Company and notes attached thereto.

1.4.1 Property Activity

Cumulative E&E expenditures		**Keno Lightning**		**McKay Hill**		**Cobalt Hill**		**Total**
Acquisition costs								
Option payments:								
Cash	$	100,000	$	110,000	$	52,500	$	262,500
Shares issued		310,000		120,000		20,000		450,000
Claim maintenance		18,190		5,056		-		23,246
Claim staking		4,350		13,429		-		17,779
Site restoration		20,000		-		-		20,000
Total acquisition costs incurred to July 31, 2016	$	452,540	$	248,485	$	72,500	$	773,525
Exploration expenditures								
Airborne geophysics	$	317,274	$	-	$	-	$	317,274
Assays and sampling		45,167		10,748		1,648		57,563
Camp construction		82,809		-		-		82,809
Drilling		1,271,319		-		-		1,271,319
Equipment rental		89,208		-		-		89,208
Geological		700,274		35,189		-		735,463
Mapping and reports		25,003		3,910		-		28,913
Salaries, field costs and site visits		771,525		16,158		-		787,683
Transportation		127,879		58,053		-		185,932
Trenching		260,325		-		-		260,325
YMIP funding		-		(51,769)		-		(51,769)
Total exploration expenditures incurred to July 31, 2016	$	3,690,783	$	72,289	$	1,648	$	3,764,720
Total E&E expenditures incurred to July 31, 2016	**$**	**4,143,323**	**$**	**320,774**	**$**	**74,148**	**$**	**4,538,245**

Keno-Lightning

By agreement dated August 1, 2007, the Company entered into an option agreement to acquire a 100% interest (the "Keno Option") from the owners (the "Keno Optionors") of certain mining claims situated in the Mayo Mining District, Yukon, more commonly known as the Keno Lightning Property ("Keno").

In order to maintain the Option in good standing and earn a 100% undivided interest in Keno, the Company must pay $100,000 and issue 700,000 common shares of the Company to the Keno Optionors and incur $300,000 in exploration expenditures as follows:

i) pay $10,000 upon signing the Agreement (paid);
ii) incur $300,000 in exploration expenses on Keno on or before December 31, 2009 (incurred).
iii) pay $15,000 and issue 700,000 shares by June 3, 2011 (issued);
iv) pay an additional $15,000 by May 19, 2012 (paid);
v) pay an additional $15,000 by May 19, 2013 (paid);
vi) pay an additional $15,000 by May 19, 2014 (paid);
vii) pay an additional $15,000 by May 19, 2015 (paid); and
viii) pay an additional $15,000 by May 19, 2016 (paid).

Keno is subject to a 3% NSR to the Keno Optionors. The Company has the option to purchase up to 2% of this royalty interest for $300,000 for the first 1%, and $1,200,000 for the second 1%. Of the consideration, $30,000 in cash payments (paid) and 210,000 (issued) of the shares issued are to a director of the Company.

The Company acquired a 25% interest in the Blanche Claim in the Keno Hill area of the Yukon on August 1, 2007 pursuant to a third party property option agreement whereby the Company was granted the claims as they fell within an area of interest. By agreement dated January 17, 2010, the Company acquired another 50% interest in the Blanche Claim in consideration of 100,000 shares of the Company.

The Company has also accrued $20,000 (July 31, 2015: $20,000) relating to the site restoration costs.

Management believes that the properties are of merit and warrant continued development, however previously lack of activity due to market conditions over obtaining adequate financing warrants a write down at July 31, 2014 and 2015 as such, the Company has recorded an impairment loss of $6,000 on the Keno property which was charged to profit or loss during the July 31, 2015 yearend.

McKay Hill Project

By agreement dated September 1, 2007 and amended November 21, 2010, the Company entered into an option agreement to acquire a 100% interest in 20 mining claims situated in the Mayo Mining District, Yukon ("McKay Hill").

In order to maintain the option in good standing and to acquire a 100% undivided interest in the McKay Hill property the Company must pay $110,000, issue 300,000 common shares of the Company to the vendors and incur an aggregate of $100,000 in exploration expenditures as follows:

- i) pay $20,000 upon signing the Agreement (paid);
- ii) issue 300,000 common shares by June 3, 2011 (issued);
- iii) incur $100,000 in exploration expenses on McKay Hill before December 31, 2011 (incurred).
- iv) pay $15,000 by June 3, 2011 (paid);
- v) pay an additional $15,000 by May 19, 2012 (paid);
- vi) pay an additional $15,000 by May 19, 2013 (paid):
- vii) pay an additional $15,000 by May 19, 2014 (paid);
- viii) pay an additional $15,000 by May 19, 2015 (paid); and
- ix) pay an additional $15,000 by May 19, 2016 (paid).

The property is subject to a 3% NSR to the vendors. The Company has the option to purchase up to 2% of this royalty interest for $300,000 for the first 1%, and $1,200,000 for the second 1%.

Of the consideration, $44,000 in cash payments (paid) and 190,000 (issued) of the shares issued are to a director of the Company.

In 2010, an additional 124 claims were staked by the Company at a cost of $13,429.

Management believes that the properties are of merit and warrant continued development, however previous lack of activity due to market conditions over obtaining adequate financing warranted a write down at July 31, 2014 and 2015 as such, the Company recorded an impairment loss of $6,000 on the McKay Hill property which was charged to the profit or loss during the July 31, 2015 yearend.

Cobalt Hill

By agreement dated March 28, 2012 and amended July 26, 2016, the Company entered into an option agreement to acquire a 100% interest (the "Cobalt Hill Option") from the owner (the "Cobalt Hill Optionor") in 20 unsurveyed mining claims situated in the Mayo Mining District, Yukon more commonly known as the Cobalt Hill Property ("Cobalt Hill").

In order to maintain the Option in good standing and earn a 100% undivided interest in Cobalt Hill, the Company must pay $72,500 and issue 59,500 common shares of the Company to the Cobalt Hill Optionor as follows:

i) pay $30,000 upon signing the Agreement (paid);
ii) issue 10,000 shares on April 19, 2012 (issued);
iii) pay $5,000 by April 19, 2014 (paid);
iv) pay $10,000 on or before August 31, 2016 (paid subsequently);
v) pay $17,500 on or before August 31, 2016 (paid);
vi) issue cumulative 49,500 shares by April 19, 2017; and
vii) pay an additional $10,000 on or before August 31, 2017.

The property is subject to a 3% NSR to the Cobalt Hill Optionor. The Company has the option to purchase up to 1.5% of this royalty interest for $1,500,000.

1.4.2 Results of Operations

The net loss for the years ended July 31, 2016 and 2015 were $118,556 and $12,378, respectively, as follows:

For the year ended July 31,		**2016**		2015
Accounting and audit fees	**$**	**24,130**	$	10,721
Depreciation		**1,436**		1,675
Exploration expenditures - geological		**25,344**		-
Finance cost		**-**		4,004
Foreign exchange (gain) loss		**154**		(525)
Legal and corporate services		**10,145**		563
Management activities		**49,925**		5,000
Office, rent and administration		**3,581**		10,727
Shareholder communications		**750**		2,356
Transfer agent and filing fees		**22,109**		13,616
Reversal of trade and other payables		**-**		(45,905)
Gain on forgiven debt		**(19,018)**		-
Gain on sale of equipment		**-**		(1,854)
Impairment of exploration and evaluation assets		**-**		12,000
Loss for the year	**$**	**118,556**	**$**	12,378

The increase in activities was a result of the financing towards the end of the current fiscal year and the increase in funds available which allowed for exploration activities, resulted in expenses in the current year being substantially different from the comparative year. Accounting and audit fees increased by $13,409, management activities increased by $44,925, exploration expenditures increased by $25,344 and transfer agent and filing fees increased by $8,493 due to the financing.

Office, rent and administration decreased by $7,146, however this is anticipated to increase in fiscal 2017.

During the comparative year, the Company recorded a reversal of trade and other payables of $45,905 which were owed to third parties.

Investor Relations Activities

During the year ended July 31, 2016, the Company responded directly to investor inquiries.

Financings, Principal Purposes & Milestones

As noted in Section 1.2 above, during the year ended July 31, 2016, the Company completed the first tranche of a non-brokered private placement for proceeds of $238,500 pursuant to the issuance of 4,770,000 Units at $0.05 per Unit.

Subsequent to July 31, 2016, the Company completed the second tranche of the private placement for proceeds of $1,305,000 pursuant to the issuance of 26,100,000 Units. Between the two tranches, a total of 30,870,000 Units were issued for gross proceeds of $1,543,500. The proceeds from this financing are being used toward the Company's mineral projects and for general working capital purposes.

On November 1, 2016, the Company announced that effective October 31, 2016, it had raised aggregate proceeds of $1.125 million through the issuance of 2.25 million common Flow-Through Shares at a price of $0.50 per Flow-Through Share. In conjunction with this financing, the Company paid a finder's fee of $37,500, paid $5,000 to cover the finder's due diligence fees related to the financing and issued 37,500 finder warrants, exercisable to acquire one additional common share at $0.60 per share until October 31, 2018. Proceeds from this financing will be used to incur eligible Canadian Exploration Expenses on the Company's properties including its flagship Keno-Lightning silver project.

1.5 **Summary of Quarterly Results**

The following is a summary of the Company's financial results for the most recent eight quarterly periods:

	Q4 31-Jul-16	Q3 30-Apr-16	Q2 31-Jan-16	Q1 31-Oct-15
Revenue:	$ -	$ -	$ -	$ -
Loss	$ (86,742)	$ (11,228)	$ (18,139)	$ (2,447)
Loss per share – basic and fully diluted	$ (0.03)	$ (0.00)	$ (0.01)	$ (0.00)

	Q4 31-Jul-15	Q3 30-Apr-15	Q2 31-Jan-15	Q1 31-Oct-14
Revenue:	$ -	$ -	$ -	$ -
Income (Loss)	$ 7,765	$ (3,764)	$ (335)	$ (16,044)
Income (loss) per share – basic and fully diluted	$ 0.00	$ (0.00)	$ (0.00)	$ (0.01)

Discussion

For discussion on the year ended July 31, 2016, please refer to Section 1.4.2 Results of Operations.

1.6 Liquidity and Capital Resources

In management's view, given the nature of the operations, which currently consists of its interest in certain mineral properties, the most relevant financial information relates primarily to current liquidity, solvency and planned expenditures. The Company's financial success will be dependent upon the extent to which it can determine whether its resource properties contain reserves, which are economically recoverable.

Such development may take years to complete and the amount of resulting income, if any, is difficult to determine. The Company does not expect to receive significant income in the foreseeable future.

As at July 31, 2016, the Company had $710,009 in cash, working capital of $651,197 and no long-term debt. The Company's ability to continue as a going concern is dependent upon its existing working capital and obtaining the necessary financing to meet its obligations and pay its liabilities arising from normal business operations when they come due.

The Company's management believes its working capital is expected to meet corporate, development, administrative and property obligations for the coming year.

1.7 Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed. The Company has optioned two of its mineral properties from a director of the Company.

1.8 Transactions with Related Parties

The following is a summary of charges incurred by the Company with related parties:

Year ending July 31,		**2016**		**2015**
Accounting fees	$	12,500	$	3,650
Exploration and evaluation assets		10,500		10,500
Exploration expenditures – Geological		27,500		-
Management activities		20,000		5,000
Office, rent and administration		-		6,500
Shareholder communications		-		1,250
Total	$	70,500	$	26,900

Key management personnel include the Company's current and former directors and officers.

The Company incurred accounting fees of $12,500 (July 31, 2015 - $3,650), office, rent and administration cost of $Nil (July 31, 2015 - $6,500) and shareholder communication cost of $Nil (July 31, 2015 - $1,250) to companies controlled by former directors and former officers of the Company. Additionally, $10,500 (July 31, 2015: $10,500) was incurred with respect to the property option agreements on the Keno Lightning and McKay Hill properties with a director, $27,500 (July 31, 2015: $Nil) was incurred with companies controlled by directors with respect to geological expenditures, of which $7,500 (July 31, 2015: $Nil) remained in prepaid expenditures at yearend and $20,000 was incurred with a director with respect to management activities over the current year.

Included in accounts payable and accrued liabilities at July 31, 2016 is $5,250 (July 31, 2015: $288,667) due to directors and former directors and companies controlled by former directors for various expenses, exploration and evaluation assets and geological exploration expenditures. These amounts are unsecured and do not bear interest.

Included in advances payable at July 31, 2016, is $Nil (July 31, 2015: $25,500) due to former directors and companies controlled by former directors of the Company. These amounts are unsecured, with no fixed repayment terms and bear no interest.

In addition, during the year ended July 31, 2015 accounts payable owed to a former related party were offset against a third party drilling advance of $165,256 by agreement of both parties.

These charges were measured at the exchange amount, which is the amount agreed upon by the transacting parties.

1.9 Fourth Quarter

The fourth quarter ended July 31, 2016, is not comparative to the previous quarter and differs significantly from the comparative quarter in the prior year as a result of increased activity by the Company. See Section 1.5 for a discussion of these expenses which primarily were incurred in the final quarter of the year.

1.10 Proposed Transactions

As of the date of this report, there were no proposed transactions.

1.11 Critical Accounting Estimates

a) Change in accounting policies

i) Under International Financial Reporting Standards ("IFRS") 6 - "Exploration and Evaluation of Mineral Resources" ("IFRS 6"), the Company has historically capitalized its E&E activities. Effective July 31, 2016, the Company adopted a voluntary change in accounting policy on E&E expenditures that is also generally accepted under IFRS 6. Under the Company's new policy, expenditures will be reported in profit or loss, with the exception of acquisition costs associated with E&E assets which will be included on the statement of financial position. Reporting of these expenditures in this manner stands until an assessment of the technical feasibility and commercial viability, as defined in IFRS 6, has been completed. All subsequent expenditures on the property are then capitalized and classified as mineral properties under development, within property, plant and equipment.

In addition, this change in accounting policy is consistent with the conceptual framework for the recognition of assets, and is an accepted accounting practice in the mining industry. As such, management has determined that this voluntary change in accounting policy results in financial statements providing more reliable and more relevant information. This change in accounting policy has been applied to all of the Company's exploration activities.

In accordance with IFRS 8 – "Accounting, Policies, Changes in Accounting Estimates and Errors", the change in accounting policy has been made retrospectively, however there was no impact at August 1, 2014, being the opening statement of financial position date.

ii) The Company has adopted a voluntary change in policy with respect to presentation of expired, cancelled or otherwise forfeited share-based payments. Effective August 1, 2014 share-based payments will be reflected in equity reserve, at such time as these amounts are expired, cancelled or otherwise forfeited the fair value previously recognized will be transferred from equity reserve to deficit. As a result of this change equity reserve at August 1, 2014 was decreased by $469,291 and deficit decreased by $469,291.

b) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will follow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the Company's profit or loss in the year the new information becomes available.

c) Title to Mineral Property Interests

Although the Company takes steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

c) Going Concern

The preparation of the Company's consolidated financial statements requires management to make judgments regarding the going concern of the Company, as discussed in Note 2 of the audited financial statements for the year ended July 31, 2016.

1.12 Financial and Other Instruments

Interest Rate Risk

The Company's cash earns interest at a variable interest rate however earned no interest during the year ending July 31, 2016.

The Company has no exposure to interest rate fluctuations.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk with respect to its cash balance, the balance of which at July 31, 2016 is $710,009. Cash is held at a chartered Canadian financial institution.

Liquidity Risk

Liquidity risk arises from the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. As at July 31, 2016, the Company had $710,009 in cash, working capital of $651,197 and no long-term debt. While the Company has been successful in obtaining the necessary financing through the issuance of common shares and loans from related parties in the past, there is no assurance it will be able to raise funds in this manner in the future and there remain material uncertainties that may cast significant doubt as to the Company's ability to continue as a going concern. The Company's trade and other payables are due in the short term.

1.13 <u>Disclosure of Outstanding Share Capital as of the date of this report:</u>

	Number		Book Value
Common Shares	36,301,753	$	8,287,739

As of the date of this report, the Company has 3,400,000 stock options. Each option is exercisable into one voting common share of the Company at a price of $0.44 per share until September 20, 2021.

As of the date of this report, the Company has 30,870,000 share purchase warrants outstanding. Each warrant entitles the holder to acquire one additional voting common share at $0.10 until July 30, 2019.

In conjunction with the subsequent Flow-Through Share financing, the Company issued 37,500 finder warrants, exercisable to acquire one additional common share at $0.60 per share until October 31, 2018.

As of the date of this report, there were 36,301,753 common shares, 30,907,500 share purchase warrants and 3,400,000 stock options outstanding.