EUREKA RESOURCES INC.

MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A")

For the three months ended January 31, 2017

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This MD&A includes certain forward-looking statements or information. All statements other than statements of historical fact included in this MD&A including statements relating to the potential mineralization or geological merits of the Company's mineral properties and the future plans, objectives or expectations of the Company are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include among other things, statements regarding future commodity pricing, estimation of mineral reserves and resources, timing and amounts of estimated exploration expenditures and capital expenditures, costs and timing of the exploration and development of new deposits, success of exploration activities, permitting time lines, future currency exchange rates, requirements for additional capital, government regulation of mining operations, environmental risks, anticipated reclamation expenses, timing and possible outcome of pending litigation, timing and expected completion of property acquisitions or dispositions, and title disputes. They may also include statements with respect to the Company's mineral discoveries, plans, out-look and business strategy. The words "may", "would", "could", "should", "will", "likely", "expect", "anticipate", "intend", "estimate", "plan", "forecast", "project" and "believe" or other similar words and phrases are intended to identify forward-looking information.

Forward-looking statements are predictions based upon current expectations and involve known and unknown risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

Important factors that could cause actual results to differ materially from the Company's plans or expectations include risks relating to the actual results of exploration programs, fluctuating commodity prices, the possibility of equipment breakdowns and delays, the availability of necessary exploration equipment including drill rigs, exploration cost overruns, general economic or business conditions, regulatory changes, and the timeliness of government or regulatory approvals to conduct planned exploration work. Additional factors that could cause actual results to differ materially from the Company's plans or expectations include political events, fluctuations in mineralization grade, geological, technical, mining or processing problems, future profitability on production, the ability to raise sufficient capital to fund exploration or production, litigation, legislative, environmental and other judicial, regulatory, political and competitive developments, inability to obtain permits, general volatility in the equity and debt markets, accidents and labour disputes and the availability of qualified personnel.

Although the Company has attempted to identify all of the factors that may affect our forward-looking statements or information, this list of the factors is not exhaustive. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks and uncertainties detailed throughout this MD&A. The Company disclaims any intention or obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise, except where required by applicable securities laws.

PRESIDENT'S MESSAGE

To Our Shareholders,

Focus on the Dawson Range Gold Belt, Yukon Territory and the Cariboo, British Columbia:

The Dawson Range Gold Belt region of the Yukon Territory has recently attracted the attention of a significant number of both junior and senior companies, with the acquisition of the Coffee project by Goldcorp as the most notable example. The Cariboo district of British Columbia has also attracted the attention of investors and explorers, with a number of excellent exploration projects available at reasonable valuations.

During the three months ended January 31, 2017, Eureka has grown substantially acquiring three new projects as follows:

Gold Creek Project, British Columbia:

- On November 14, 2016, the Company entered into an option agreement under which it was granted the option to earn up to a 100% interest in the Gold Creek project located in the Cariboo district of British Columbia. The Gold Creek project is located next to and along the lithologic trend of the Spanish Mountain deposit, and is associated with the famous Cariboo placers. The lithologies present at Gold Creek are similar to those at Spanish Mountain and at the FG Gold project.

Luxor Project, Yukon Territory:

- On December 12, 2016, the Company entered into a purchase agreement in which it purchased a 100% interest in three non-contiguous claim blocks covering 360 claims and known as the Luxor project located in the Dawson Range Gold Belt, Yukon Territory.

TAK Project, Yukon Territory:

- On January 9, 2017, the Company entered into a purchase agreement in which it purchased a 100% interest in 82 claims known as the TAK project located in the Dawson Range Gold Belt, Yukon Territory.

On December 29, 2016, the Company raised an additional $70,700 of flow-through funds to be used for exploration of the Gold Creek project in 2017. At January 31, 2017, the Company had working capital of $308,629.

Eureka feels that its recent acquisitions have the Company well positioned to explore the exciting potential of western Yukon and central British Columbia.

Sincerely,

"Michael Sweatman"

Michael Sweatman, President and CEO

INTRODUCTION

Eureka Resources Inc. ("Eureka" or "the Company") is an exploration stage company engaged in the acquisition, exploration and evaluation of mineral properties.

Eureka has interests in the following mineral properties:

- a 100% interest in the FG Gold Project ("FG Gold"). The FG Gold Project is located in the Cariboo Mining Division, British Columbia, Canada. On August 24, 2016, the Company entered into an option agreement with Canarc Resource Corp. ("Canarc") which provided Canarc the option to earn up to a 75% interest in the FG Gold Project.

- the option to earn up to a 100% interest in the Gold Creek Project ("Gold Creek"). The Gold Creek Project is located in the Cariboo Mining Division, British Columbia, Canada.

- a 100% interest in the Luxor Project ("Luxor"). The Luxor Project is located in the Dawson Range Gold Belt, Yukon Territory, Canada.

- a 100% interest in the TAK Project ("TAK"). The TAK Project is located in the Dawson Range Gold Belt, Yukon Territory, Canada.

- a 50% interest in the Gemini Lithium Project ("Gemini") located in the Lida Valley, Esmeralda County, Nevada, USA. The Gemini Lithium Project hosts two sub-basins that have the potential for lithium-bearing brines similar to the proven lithium brine deposits currently being mined in the Clayton Valley, Nevada.

The Company's head office is Suite 1100 - 1111 Melville Street, Vancouver, British Columbia, Canada V6E 3V6. The registered and records office is c/o McMillan LLP, Suite 1500 - 1055 West Georgia Street, Vancouver, British Columbia, Canada V7X 1L3.

The Company is a registered issuer in the Provinces of British Columbia and Alberta and the Company's common shares are listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "EUK".

This discussion and analysis of financial position, results of operations and cash flows of Eureka Resources Inc. for the three months ended January 31, 2017 includes information up to and including March 31, 2017 and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three months ended January 31, 2017 and the Company's audited annual consolidated financial statements for the years ended October 31, 2016 and 2015. All the financial statements were prepared using International Financial Reporting Standards ("IFRS"). The Board of Directors of the Company has approved this MD&A.

The reader is encouraged to review the Company's statutory filings at www.sedar.com and to review other information about the Company on its website at www.eurekaresourcesinc.com.

OVERALL PERFORMANCE

Eureka is an exploration stage company with a strong technical team, whose strategy is to acquire projects in prospective areas that have the potential to deliver important discoveries and create value for shareholders. The Company's primary focus has been exploration for precious metals in British Columbia and the Yukon Territory.

In addition, the Company owns a 50% interest in the Gemini Lithium Project, a potential lithium-bearing brine project, located in Nevada.

FG Gold Project, Cariboo Gold District, BC:

The FG Gold Project is located at the headwaters of the Horsefly River, 50 km east of Horsefly, B.C. and consists of 30 contiguous claims (10,084 hectares). Over $15.0 million of exploration work has been completed on FG Gold, establishing a Measured and Indicated resource of 376,000 ounces of gold at an average grade of 0.776 g/t (using a 0.5 g/t cut-off), and an Inferred resource of 634,900 ounces of gold at an average grade of 0.718 g/t (using a 0.5 g/t cut-off). Mineralization has been outlined over a 3 km strike length, and additional mineralization could extend along an interpreted 10 km strike length. Further details on the gold resource can be found in "NI 43-101 Technical Report, Frasergold Exploration Project, Cariboo Mining Division, dated July 27, 2015" available on SEDAR or on the Company's website.

Work in 2016 consisted of continued soil sampling in the northwest extension and a geophysical interpretation of a 2008 airborne geophysical survey in the northwest and southeast extensions and in the south limb area. Interpretation of geophysical results indicates that the favourable horizon is identified from electromagnetic results and offsetting of the horizon is interpreted from magnetic results. Soil anomalies correlate well with interpreted favourable stratigraphic horizon to the northwest and provide drill targets for future programs. Similar geophysical features are interpreted to the southeast and on the south limb, and provide areas for future geochemical surveys.

OVERALL PERFORMANCE – (cont'd)

FG Gold Project – Canarc Option Agreement

On August 24, 2016, the Company entered into an option agreement with Canarc which provided Canarc the option to earn up to a 75% interest in FG Gold.

On regulatory approval of the option agreement (received in September 2016), Canarc issued the Company 250,000 common shares of Canarc and purchased 750,000 units of Eureka at $0.14 per unit for proceeds of $105,000.

In order to earn the initial 51% interest in FG Gold, Canarc is required to:

(a) Incur aggregate exploration expenditures of $1,500,000 on the property as follows:

- at least $500,000 is to be incurred in 2017,
- at least $500,000 is to be incurred in 2018, and
- the balance of the $1,500,000 is to be incurred in 2019.

(b) Issue Canarc shares to Eureka as set out below:

Payment Date	Number of Shares
First Anniversary	250,000
Second Anniversary	250,000
Third Anniversary	250,000

(c) Pay the Company an annual cash payment equal to 50% of the British Columbia Mining Exploration Tax Credit received by Canarc with respect to FG Gold for expenditures incurred by Canarc (to an aggregate maximum of $1,500,000 in expenditures during the first option period) each year of the first option period.

In order to earn the additional 24% interest in the FG Gold Project, Canarc is required to:

(a) Incur additional exploration expenditures of $1,500,000 on the property between the third anniversary and the fifth anniversary of the date of grant of the option.

(b) Issue Canarc shares to Eureka as set out below:

Payment Date	Number of Shares
Fourth Anniversary	750,000
Fifth Anniversary	750,000

(c) Pay the Company an annual cash payment equal to the greater of: (i) $75,000 and (ii) 50% of the British Columbia Mining Exploration Tax Credit for expenditures incurred by Canarc (to an aggregate maximum of $1,500,000 in expenditures during the second option period) each year of the second option period.

Upon exercise of the option by Canarc, the companies will form a joint venture with respect to FG Gold.

OVERALL PERFORMANCE – (cont'd)

Gold Creek Project, Cariboo Gold District, BC:

On November 14, 2016, the Company entered into an option agreement under which the Company was granted the option to earn up to a 100% interest in the Gold Creek Project, located in the Cariboo Mining Division, British Columbia.

Under the terms of the agreement, Eureka can earn up to a 100% interest in Gold Creek in three stages:

- 49% by incurring a minimum of $30,000 in exploration expenditures by November 14, 2016 (incurred);

- an additional 26%, by issuing 50,000 common shares and incurring an additional $50,000 in exploration expenditures by August 31, 2017;

- an additional 25% by issuing an additional 100,000 common shares and incurring an additional $50,000 in exploration expenditures by August 31, 2018.

If the interest earned by the Company is less than 100%, a joint venture shall be formed to further explore Gold Creek. The vendor will retain a 1% net smelter royalty of which the Company may purchase 0.5% for $1,000,000.

Gold Creek is located 2 km north of the village of Likely, B.C. and consists of 33 contiguous claims totalling 9,673 hectares. Gold mineralization occurs in the same Mesozoic sedimentary unit as Spanish Mountain, 8 kilometres to the southeast. There are numerous soil anomalies on the property over a 12 km strike length. Much of Gold Creek is covered by overburden and remains virtually unexplored. Limited percussion drilling was completed in the 1980's, with anomalous values of gold up to 1.1g/t reported over a hole length of 1.5 metres.

A 2008 program consisted of 6 diamond drill holes totalling 1,060 metres. A 2011 program consisted of 25 drill holes totalling 2,501 metres, of which 5 (1,037 metres) were diamond drill holes and 16 drill holes (1,464 metres) were reverse-circulation. The program outlined a gold rich zone with sample values ranging from anomalous to 13.4 g/t Au. The purpose of the 2008 and 2011 drill programs was to test numerous gold soil anomalies as well as expand upon low-grade bulk-tonnage gold mineralization encountered in earlier drill programs. Analysis of the 2008 and 2011 drill data indicates that there appears to be a 300 metre long zone of low-grade gold mineralization over widths of 75–100 metres open along strike to the southeast and to depth. Nine drill holes have tested this zone to date, indicating the zone to dip steeply to the northeast and to a vertical depth of at least 250 metres.

A rock-chip and soil sampling program was completed by Eureka in late 2016 extending grid-work by former operators of Gold Creek. Samples were analyzed for gold by MMI techniques, and results indicate some weak to moderate anomalies ranging to 22.4 ppb gold. Rock chips were collected from showing areas and ranged to 8.65 ppm Au.

OVERALL PERFORMANCE – (cont'd)

Luxor Project, Dawson Range Gold Belt, Yukon Territory:

On December 12, 2016, the Company entered into a purchase agreement in which the Company purchased a 100% interest in three non-contiguous claim blocks covering 360 claims and known as the Luxor Project located in the Dawson Range Gold Belt, Yukon Territory.

On January 3, 2017, the Company issued 2,500,000 common shares to the vendors. The vendors have agreed to an arrangement under which the shares will become free trading as follows:

- June 28, 2017 833,334 shares;
- December 28, 2017: 833,334 shares;
- June 28, 2018: 833,332 shares.

In addition, the Company issued 125,000 common shares as a finder's fee.

The Company has committed to use the vendors to perform exploration work on Luxor totalling $750,000 over four years as follows:

- $187,500 on or before December 28, 2017;
- $187,500 on or before December 28, 2018;
- $187,500 on or before December 28, 2019;
- $187,500 on or before December 28, 2020;

The vendors will retain a 2% net-smelter-return royalty for gold produced from Luxor. The Company may purchase the royalty for $1,000,000.

Luxor is located in the Dawson Range Gold Belt of western Yukon, a district of major porphyry, breccia and vein occurrences, and is comprised of three non-contiguous claim blocks referred to as the Ophir, Sheba, and Hav. The project consists of 360 claims (approximately 7,000 hectares) and is located 65–80 kilometres southeast of Dawson City. Neighbouring projects include the Coffee deposit recently acquired by Goldcorp, and Western Copper and Gold Corporation's Casino deposit. The area is accessed via a well-maintained gravel road from Dawson City.

Placer gold mining in the Klondike district of the Yukon has been active since the late 1890's gold rush. Bedrock exploration commenced in the area in the 1970's and resulted in the development of the Casino deposit.

Mineralization in the district is gold, silver, copper and molybdenum porphyry deposits (Casino), mineralized breccia deposits (Coffee), and lode and stockwork veins (Golden Saddle). All three styles of mineralization have been identified near Ophir, Sheba and Hav. Placer mining has produced gold from creeks draining these properties. There is no documented history of bedrock exploration. An airborne magnetic and EM survey is planned. Results will assist in planning ongoing programs.

OVERALL PERFORMANCE – (cont'd)

TAK Project, Dawson Range Gold Belt, Yukon Territory:

On January 9, 2017, the Company entered into an agreement with a staking syndicate in which the Company purchased a 100% interest in 82 claims known as the TAK Project located in the Dawson Range Gold Belt, Yukon Territory.

On February 6, 2017, the Company issued 500,000 common shares as consideration for the purchase. The vendors have agreed to an arrangement under which the shares will become free trading as follows:

- On closing	125,000 shares
- Six months from closing	125,000 shares
- Twelve months from closing	125,000 shares
- Eighteen months from closing	125,000 shares

The vendors will retain a 2% net-smelter-return royalty for gold produced from TAK. The Company may purchase 1% for $1,000,000.

TAK is also located in the Dawson Range Gold Belt of western Yukon and is comprised of 82 contiguous claims (1,695 hectares). TAK is located 100 kilometres southeast of Dawson City, and approximately 30 kilometres south of Luxor. Placer mining has produced gold from creeks draining the western portion of the property. There is no documented history of bedrock exploration.

On February 21, 2016, Eureka commenced a ground magnetic survey and a VLF (very low frequency) electromagnetic survey on TAK. The work will be performed and directed by Aurora Geosciences of Whitehorse, YT. The data obtained from the surveys will provide Eureka with valuable information to assist in the development of a phase 2 exploration plan for TAK. Since acquiring TAK, the company's technical group has commenced a review of all the historical data acquired as part of the transaction. Eureka plans to integrate the historical data with the 2017 geophysical results in order to prioritize target areas on the property. An airborne magnetic and EM survey is planned and Eureka has begun the permitting process for a summer exploration program.

Gemini Lithium Project, Esmeralda County, Nevada:

Eureka owns a 50% interest in the Gemini Lithium Project located in the Lida Valley, Esmeralda County, Nevada, approximately 40 km (26 miles) south of the Clayton Valley, which contains North America's only producing lithium mine. The project consists of two non-contiguous claim blocks totalling 247 placer claims (approximately 2,000 hectares) covering two sub-basins.

Work in 2016 consisted of ground TDEM and CSAMT surveys to determine the presence of conductive horizons in the two sub-basins. The surveys were successful in determining two conductive horizons which indicate the possible presence of lithium-bearing brines. Drilling is anticipated to commence in June/July 2017.

John R. Kerr, P.Eng., is the Company's designated Qualified Person for this MD&A within the meaning of National Instrument 43-101 and has reviewed and approved the technical information described herein.

SELECTED ANNUAL INFORMATION

The following financial data is selected information for the most recently completed fiscal years:

	October 31, 2016	October 31, 2015	October 31, 2014
Total revenue	$ -	$ -	$ -
Net and comprehensive income (loss)	$ (463,680)	$ 85,099	$ (151,996)
Basic and diluted income (loss) per share	$ (0.018)	$ 0.005	$ (0.009)
Total assets	$ 782,327	$ 169,006	$ 12,237
Total non-current liabilities	$ -	$ -	$ -
Dividends	$ -	$ -	$ -

All the annual results were derived from audited financial statements prepared using IFRS.

RESULTS OF OPERATIONS

The Company recorded a comprehensive loss of $270,933 for the three months ended January 31, 2017 compared to $40,442 for the three months ended January 31, 2016.

Administrative expenses were $263,901 for the three months ended January 31, 2017 compared to $40,442 for the three months ended January 31, 2016.

Consulting fees increased to $28,500 for the three months ended January 31, 2017 compared to $5,000 for the three months ended January 31, 2016 due to increased levels of activity in the Company. During the three months ended January 31, 2017, the Company completed three property acquisitions, a flow-through private placement and an exploration program on its Gold Creek property.

Marketing expense was $54,753 for the three months ended January 31, 2017 compared to $Nil for the three months ended January 31, 2016. In 2016, Eureka listed its common shares for trading on Germany's Frankfurt Stock Exchange. The listing was intended to increase the Company's trading liquidity and facilitate investment by European investors. The Company completed a marketing program in Germany during the current quarter at a cost of $35,000. In Canada, the Company engaged Market One Media Group for public relations and increased its news distribution through social media outlets.

Share-based compensation was $114,000 for the three months ended January 31, 2017 compared to $Nil for the three months ended January 31, 2016. The Company granted 950,000 options to directors, officers and consultants during the 2017 quarter.

Investing Activities - Exploration and Evaluation Assets

During the three months ended January 31, 2017, the Company incurred exploration and evaluation costs of $51,639 on the Gold Creek project and issued 2,625,000 common shares with a fair value of $275,625 to acquire the Luxor Project.

During the year ended October 31, 2016, the Company incurred acquisition, exploration and evaluation costs of $87,686 on the FG Project. In 2016, the Company recorded B.C. Mining Exploration Tax Credits of $35,928 related to the expenditures on the FG Property, and 250,000 common shares of Canarc Resource Corp with a fair value of $25,000 as an option payment on the FG property.

During the year ended October 31, 2016, the Company incurred acquisition and evaluation costs of $161,039 on the Gemini project. In addition, the Company posted a reclamation bond of $12,212 (US$9,108) which represented 50% of the bond required for the Gemini project.

SUMMARY OF QUARTERLY RESULTS

The figures for the quarters ended October 31, 2016 and 2015 are calculated from the Company's annual audited consolidated financial statements. All other amounts are from unaudited condensed interim consolidated financial statements prepared by management.

	Q1 January 31, 2017	Q4 October 31, 2016	Q3 July 31, 2016	Q2 April 30, 2016
Total revenues	$ -	$ -	$ -	$ -
Comprehensive income (loss)	$ (270,933)	$ (171,051)	$ (186,731)	$ (65,456)
Basic and diluted income (loss) per share	$ (0.008)	$ (0.006)	$ (0.006)	$ (0.003)

	Q1 January 31, 2016	Q4 October 31, 2015	Q3 July 31, 2015	Q2 April 30, 2015
Total revenues	$ -	$ -	$ -	$ -
Comprehensive income (loss)	$ (40,442)	$ (34,063)	$ 173,239	$ (35,667)
Basic and diluted income (loss) per share	$ (0.002)	$ (0.001)	$ 0.009	$ (0.002)

Variances in quarterly results can be due to stock-based compensation incurred in a quarter as the Company's stock options generally vest on the grant date and therefore are fully expensed in the quarter in which they are granted. Other factors which could cause variances in quarterly results could include such items as forgiveness of debt or the write-off of a mineral property.

In the quarter ended January 31, 2017, the Company recorded share-based compensation expense of $114,000 related to the granting of 950,000 stock options.

In the quarter ended July 31, 2016, the Company recorded share-based compensation expense of $81,000 related to the granting of 900,000 stock options.

In the quarter ended July 31, 2015, the Company recorded share-based compensation expense of $112,000 related to the granting of 1,400,000 stock options and a gain on forgiveness of debt of $362,765 in conjunction with the management changes during the quarter.

LIQUIDITY AND CAPITAL RESOURCES

The Company has a history of operating losses and at January 31, 2017 has an accumulated deficit of $6,700,041. At January 31, 2017, the Company had working capital of $308,629. The Company will require additional equity financings in order to continue exploration of its mineral properties and fund its administrative expenses.

Historically, the Company has been able to fund administrative overheads and property acquisition, exploration and evaluation through equity financings. The continued uncertainty in the financial equity markets may make it difficult to raise capital through the private placement of shares. The junior mining industry is considered speculative in nature which could make it even more difficult to fund.

While the Company is using its best efforts to achieve its business plans by examining various financing alternatives, there is no assurance that the Company will be successful with its financing ventures.

Financing Activities

Three Months Ended January 31, 2017:

Private Placement

On December 29, 2016, the Company issued 707,000 common shares pursuant to the private placement of 707,000 flow-through units at $0.10 per unit for gross proceeds of $70,700. Each unit contained one flow-through common share and one-half of one share purchase warrant. Each full warrant entitled the holder to purchase an additional common share at $0.15 per share until December 29, 2018.

In connection with the private placement, the Company paid finder's fees of $1,992 and issued 19,920 finder's warrants. Each finder's warrant entitled the holder to purchase one non-flow-through unit with the same terms as the private placement units at $0.10 per unit until December 29, 2018.

Finder's Warrants Exercised

On January 20, 2017, the Company issued 38,500 common shares and 38,500 warrants exercisable at $0.125 per share until April 29, 2018 pursuant to the exercise of 38,500 finder's warrants at $0.075 for proceeds of $2,888.

LIQUIDITY AND CAPITAL RESOURCES – (cont'd)

Financing Activities

Year Ended October 31, 2016:

Incentive Warrant Program

On December 31, 2015, the Company offered the holders of 4,000,000 share purchase warrants issued on June 11, 2015 (the "June Warrants") an incentive warrant to exercise their warrants early. Each June Warrant was exercisable to purchase one common share at $0.05 per share until June 10, 2016 or at $0.10 per share until June 10, 2017. The Company would issue the holder of a June Warrant who exercises their June Warrant between January 4, 2016 and January 29, 2016 an incentive warrant for each June Warrant exercised. Each Incentive Warrant would entitle the holder to acquire an additional common share at $0.075 per share until June 10, 2016, and thereafter at $0.125 per share until June 10, 2020.

During the year ended October 31, 2016, the incentive warrant program resulted in the exercise of 1,315,000 June Warrants at $0.05 for total proceeds of $65,750. The Company issued the holders who exercised their June Warrants an incentive warrant and a common share for each June Warrant exercised. The fair value of the incentive warrants of $65,750 or $0.05 per warrant was considered non-compensatory and therefore was allocated to directly to equity.

Shares for Debt

The Company issued 906,333 common shares at $0.075 per share to settle outstanding debts of $67,975. The shares were issued to seven creditors. Included in the totals were shares issued to insiders as follows: MDS Management Ltd. (Michael Sweatman), $15,750 for 210,000 shares; MBP Management Ltd. (Brent Petterson), $9,975 for 133,000 shares; Rhodanthe Corporate Services (Christina Boddy), $3,150 for 42,000 shares; Infiniti Drilling Corp. (Kristian Whitehead), $8,400 for 112,000 shares; John R. Kerr, $5,200 for 69,333 shares.

Private Placements

On April 29, 2016, the Company issued 2,693,666 common shares pursuant to the private placement of 2,693,666 units at $0.075 per unit for gross proceeds of $202,025. Each unit contained one common share and one warrant entitling the holder to purchase an additional common share at $0.125 until April 29, 2018. In connection with the private placement, the Company paid finder's fees of $12,285, issued 163,800 finder's warrants. Each finder's warrant entitles the holder to purchase one unit with the same terms as the private placement units at $0.075 until April 29, 2018.

On May 6, 2016, the Company issued 2,033,334 common shares pursuant to the private placement of 2,033,334 units at $0.075 per unit for gross proceeds of $152,500. Each unit contained one common share and one warrant entitling the holder to purchase an additional common share at $0.125 until May 6, 2018. In connection with the private placement, the Company paid finder's fees of $6,475, issued 86,333 finder's warrants. Each finder's warrant entitles the holder to purchase one unit with the same terms as the private placement units at $0.075 until May 6, 2018.

LIQUIDITY AND CAPITAL RESOURCES – (cont'd)

Financing Activities

Year Ended October 31, 2016:

On September 9, 2016, the Company issued 1,050,000 common shares pursuant to the private placement of 1,050,000 units at $0.14 per unit for gross proceeds of $147,000. Each unit contained one common share and one-half of one share purchase warrant. Each full warrant entitled the holder to purchase an additional common share at $0.20 until September 9, 2018. In connection with the private placement, the Company paid finder's fees of $1,260, issued 9,000 finder's warrants. Each finder's warrant entitles the holder to purchase one unit with the same terms as the private placement units at $0.14 until September 9, 2018.

On October 20, 2016, the Company issued 1,325,000 common shares pursuant to the private placement of 1,325,000 units at $0.10 per unit for gross proceeds of $132,500. Each unit contained one common share and one-half of one share purchase warrant. Each full warrant entitled the holder to purchase an additional common share at $0.15 until October 20, 2018. In connection with the private placement, the Company paid finder's fees of $4,200, issued 42,000 finder's warrants. Each finder's warrant entitles the holder to purchase one unit with the same terms as the private placement units at $0.10 until October 20, 2018.

On October 26, 2016, the Company issued 2,175,000 common shares pursuant to the private placement of 2,175,000 units at $0.10 per unit for gross proceeds of $217,500. Each unit contained one common share and one-half of one share purchase warrant. Each full warrant entitled the holder to purchase an additional common share at $0.15 until October 26, 2018. In connection with the private placement, the Company paid finder's fees of $6,432, issued 64,320 finder's warrants. Each finder's warrant entitles the holder to purchase one unit with the same terms as the private placement units at $0.10 until October 26, 2018.

Warrants Exercised

During the year ended October 31, 2016, the Company issued 3,300,000 common shares at $0.05 per share for proceeds of $165,000 pursuant to the exercise of 3,300,000 share purchase warrants.

During the year ended October 31, 2016, the Company issued 100,000 common shares at $0.075 per share for proceeds of $7,500 pursuant to the exercise of 100,000 share purchase warrants.

Finder's Warrants Exercised

During the year ended October 31, 2016, the Company issued 8,400 common shares and 8,400 warrants exercisable at $0.125 per share until April 29, 2018 pursuant to the exercise of 8,400 finder's warrants at $0.075 for proceeds of $630.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off balance sheet arrangements to report.

TRANSACTIONS WITH RELATED PARTIES

At March 31, 2017, the directors of the Company were Michael Sweatman, Warren Stanyer, John Kerr and Kristian Whitehead. The officers of the Company were Michael Sweatman (CEO), Brent Petterson (CFO) and Christina Boddy (Corporate Secretary). Additional related parties include MDS Management Ltd, MBP Management Ltd, Rhodanthe Corporate Services, Infiniti Drilling Corporation, companies with officers or directors in common, namely Michael Sweatman, Brent Petterson, Christina Boddy and Kristian Whitehead.

During the three months ended January 31, 2017 and 2016, the Company incurred the following charges by directors of the Company and by companies with directors and officers in common with the Company.

	2017	2016
Accounting fees (Petterson)	$ 10,000	$ 5,500
Consulting fees (Stanyer, Kerr, Whitehead)	8,000	3,000
Exploration and evaluation assets (Whitehead)	21,350	12,533
Management fees (Sweatman, Boddy)	18,000	14,000
Rent (Nevada Sunrise)	-	750
Share-based compensation – see table below	72,000	-
	$ 129,350	$ 35,783

Key Management Compensation:

During the three months ended January 31, 2017 and 2016, the Company incurred the following key management compensation charges. Key management includes the Company's directors and executive officers.

	2017	2016
Accounting fees	$ 10,000	$ 5,500
Consulting fees	8,000	3,000
Exploration and evaluation assets	21,350	12,533
Management fees	18,000	14,000
Share-based compensation	72,000	-
	$ 129,350	$ 35,033

At January 31, 2017, due to related parties includes $500 (October 31, 2016 - $395) payable to an officer of the Company and to a company with a director in common with the Company.

At January 31, 2017 and October 31, 2016, due to related parties included the following:

	January 31, 2017	October 31, 2016
John Kerr & Associates Ltd – fees	$ 500	$ 210
Brent Petterson – expenses	-	185
	$ 500	$ 395

TRANSACTIONS WITH RELATED PARTIES – (cont'd)

During the three months ended January 31, 2017 and 2016, share-based compensation expense related to stock options granted was as follows:

	2017	2016
John Kerr	$ 12,000	$ -
Kristian Whitehead	12,000	-
Warren Stanyer	12,000	-
Michael Sweatman	12,000	-
Brent Petterson	12,000	-
Christina Boddy	12,000	-
	$ 72,000	$ -

PROPOSED TRANSACTIONS

On March 1, 2017, the Company announced a private placement of up to of 10,000,000 units at $0.10 per unit for gross proceeds of up to $1,000,000. Each unit will consist of one common share and one-half of one share purchase warrant. Each whole warrant will entitle the holder to purchase an additional common share at $0.15 per share for two years from closing. The Company intends to expend the proceeds of the private placement on exploration of its mineral properties and for working capital.

Finders' fees of 6% cash and 6% finder's warrants may be payable on certain subscriptions. Each finder's warrant will entitle the holder to purchase a unit with the same terms as the private placement units at $0.10 per unit for two years from closing.

All share purchase warrants issued under the offering, including the finder's warrants and the warrants underlying the finder's warrants, will be subject to an acceleration clause which will cause the warrants, if unexercised, to expire on the date which is 30 days after the date that the volume-weighted average trading price of the Company's common shares on the TSX Venture Exchange exceeds $0.25 per share over a period of 10 consecutive trading days and the Company gives notice by issuing a press release.

CRITICAL ACCOUNTING ESTIMATES

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Exploration and Evaluation Assets

The carrying amount of the Company's exploration and evaluation assets properties does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

Share-based Payments

The estimation of share-based payments includes estimating the inputs used in calculating the fair value for share-based payments expense included in profit or loss and share-based share issuance costs included in equity. Share-based payments expense and share-based share issuance costs are estimated using the Black-Scholes options-pricing model as measured on the grant date to estimate the fair value of stock options. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate.

Income Taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

CHANGES IN ACCOUNTING POLICIES

New Standards Adopted for the Year Ended October 31, 2016

Effective November 1, 2015, the following standards were adopted but did not have a material impact on the financial statements.

- IFRS 7 Amended to require additional disclosures on transition from IAS 39 and IFRS 9.

There were no changes in the Company's significant accounting policies during the three months ended January 31, 2017 that had a material effect on its condensed interim consolidated financial statements. The Company's significant accounting policies are disclosed in Note 3 to its unaudited condensed interim consolidated financial statements for the three months ended January 31, 2017.

New Standards and Interpretations Not Yet Adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.

- IFRS 15 - New standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers, effective for annual periods beginning on or after January 1, 2017.

- IFRS 16 – Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial Assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. The Company's cash is classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. The Company's receivables are classified as loans and receivables. Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that are considered other than temporary which are recognized in profit or loss. As at January 31, 2017 and October 31, 2016, the Company has not classified any financial assets as held to maturity or available for sale.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognizes an impairment loss as follows:

a) Financial assets carried at amortized cost: The loss is the difference between the amortized cost of the asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account.

b) Available-for-sale financial assets: The impairment loss is the difference between the original cost of the asset and its fair value at the measurement date, less any impairment losses previously recognized in the statement of loss and comprehensive loss. This amount represents the cumulative loss in accumulated other comprehensive income that is reclassified to the statement of loss and comprehensive loss.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS – (cont’d)

Financial Liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company’s accounts payable and accrued liabilities and due from related parties are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading and recognized at fair value with changes in fair value recognized in profit or loss unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in profit or loss.

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 or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair values of the Company’s receivables, accounts payable and accrued liabilities and due to related parties approximate their carrying values because of the short-term nature of these instruments.

The following table illustrates the classification of the Company’s financial instruments within the fair value hierarchy as at January 31, 2017 and October 31, 2016:

	Level 1	Level 2	Level 3
January 31, 2017:			
Cash	$ 289,971	$ -	$ -
Marketable securities	$ 22,500	$ -	$ -
October 31, 2016:			
Cash	$ 392,664	$ -	$ -
Marketable securities	$ 28,750	$ -	$ -

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS – (cont'd)

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

Credit risk

The Company's cash is held with large financial institutions. The Company's receivables consist of sales taxes and exploration tax credits receivable from the Government of Canada and the Government of British Columbia. Management believes that credit risk concentration with respect to receivables is remote.

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 January 31, 2017, the Company had cash of $289,971 to settle current liabilities of $43,483. Management believes the Company has sufficient funds to meet its current liabilities as they become due.

Market risk

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

a) *Interest rate risk:*

The Company has cash which is not subject to significant risks in fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. An increase to interest rates by 1% would have an insignificant effect on operations.

b) *Price risk:*

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company's marketable securities are subject to price risk. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

c) *Foreign currency risk:*

The Company is exposed to foreign currency risk on fluctuations related to cash denominated in US dollars. As at January 31, 2017 and October 31, 2016, a 10% fluctuation in the US Dollar against the Canadian Dollar would not have a significant impact on profit and loss.

RISKS AND UNCERTAINTIES

In addition to the risks and uncertainties detailed earlier in this MD&A, the Company is also subject to other risks and uncertainties including the following:

General Risk Associated with the Mining Industry

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that claims and agreements are in good standing and obtaining permits for drilling and other exploration activities. The market prices for gold and other metals can be volatile and there is no assurance that a profitable market will exist for a production decision to be made or for the ultimate sale of the metals even if commercial quantities of precious and other metals are discovered.

Exploration and development activities involve risks which careful evaluation, experience and knowledge may not, in some cases eliminate. The commercial viability of any mineral deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure, government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit. Management attempts to mitigate its exploration risk and may employ a strategy of joint ventures with other companies which balance the risk while at the same time allowing properties to be advanced.

Dependence on Key Personnel

Loss of certain members of the executive team or key operational leaders of the Company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and competition for qualified personnel may be intense. The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

Competitive Industry

Mining industry is intensely competitive and the Company will compete with other companies that have far greater resources.

Title to Mineral Properties

Although the Company has taken 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.

RISKS AND UNCERTAINTIES – (cont'd)

Permits and Licences

The operations of the Company will require licences and permits from various governmental authorities, which have been applied for and/or will be applied for at the proper time. There can, however, be no assurance that the Company will be able to obtain all necessary licences and permits required to carry out exploration, development and mining operations of its projects.

Environmental Regulation

The operations of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions or various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are becoming more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of future operations. The Company may become subject to liability for pollutions or hazards against which it cannot insure or again which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

Estimates of Mineral Resources may not be Realized

The mineral resource estimates published from time to time by the Company with respect to its properties are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations, inaccurate or incorrect geologic, metallurgical or engineering work, and work interruptions, among other things. Short-term factors, such as the need for orderly development of deposits or the processing of new or different grades, may have an adverse effect on mining operations or the results of operations. There can be no assurance that minerals recovered in small-scale laboratory tests will be duplicated in large-scale tests under on-site conditions or in production scale operations. Material changes in resources, grades, stripping ratios or recovery rates may affect the economic viability of projects. The estimated resources described herein should not be interpreted as assurances of mine life or of the profitability of future operations.

DISCLOSURE OF OUTSTANDING SHARE DATA

a) *Issued*:

	Number
At March 31, 2017	38,784,472

b) *Stock Options*:

At March 31, 2017, the Company had 3,250,000 stock options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number of options outstanding	Exercise Price	Expiry Date
1,400,000	$0.10	June 23, 2020
900,000	$0.10	June 27, 2021
950,000	$0.13	January 16, 2022
3,250,000		

c) *Share Purchase Warrants*:

At March 31, 2017, the Company had 10,292,400 share purchase warrants outstanding entitling the holders thereof the right to purchase one common share for each warrant held as follows:

Number of warrants outstanding	Exercise Price	Expiry Date
700,000	$0.10	June 10, 2017
1,215,000	$0.125	June 10, 2020
975,000	$0.12	October 1, 2017
2,740,566	$0.125	April 29, 2018
2,033,334	$0.125	May 6, 2018
525,000	$0.20	September 9, 2018
662,500	$0.15	October 20, 2018
1,087,500	$0.15	October 26, 2018
353,500	$0.15	December 29, 2018
10,292,400		

DISCLOSURE OF OUTSTANDING SHARE DATA – (cont'd)

d) *Finders Warrants:*

At March 31, 2017, there were 338,473 finder's warrants outstanding as follows:

Number of warrants outstanding	Exercise Price	Expiry Date
116,900	$0.075	April 29, 2018
86,333	$0.075	May 6, 2018
9,000	$0.14	September 9, 2018
42,000	$0.10	October 20, 2018
64,320	$0.10	October 26, 2018
19,920	$0.10	December 29, 2018
338,473		

Finder's warrants entitle the holders to purchase one unit with the same terms as the private placement to which they relate.