MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE

THREE MONTHS ENDED MARCH 31, 2017

MAY 30, 2017

Description of Management Discussion and Analysis

The purpose of this Management Discussion and Analysis ("MD&A") is to explain management's point of view regarding the past performance and future outlook of InZinc Mining Ltd. (the "Company"). This report also provides information to improve the reader's understanding of the condensed interim consolidated financial statements and related notes for the three months ended March 31, 2017 as well as important trends and risks affecting the Company's financial performance, and should therefore be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2016. Those financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All amounts in the financial statements and in this discussion and analysis are expressed in Canadian dollars, unless otherwise indicated. The following discussion is dated and current as of May 30**,** 2017. This MD&A contains forward-looking information and statements which are based on the conclusions of management. The forward-looking information and statements are only made as of the date of this MD&A.

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and these financial statements together with the other financial information included in these filings. The Board of Directors approves the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

Additional information on the Company is available on SEDAR and at the Company's website, **www.inzincmining.com**.

Forward-Looking Statements

Certain disclosures contained in this MD&A may constitute forward-looking information. This is information regarding possible events, conditions or results of operations of the Company that is based upon assumptions about future economic conditions and courses of action which is inherently uncertain. All information other than statements of historical fact may be forward-looking information.

Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to the interpretation of drill results and the estimation of mineral resources, the geology, grade and continuity of mineral deposits and the possibility that future exploration and development results will not be consistent with the Company's expectations. Some other risks and factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A are described under the heading "Risks and Uncertainties".

Readers are cautioned that any such listings of risks are not, and in fact cannot be, complete. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. The Company believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A.

The forward-looking information contained in this MD&A is provided as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Description of Business

InZinc Mining Ltd. (the "Company") is incorporated under the Canada Business Corporations Act and is listed on the TSX Venture Exchange ("TSX-V"). It was renamed from Lithic Resources Ltd. on February 18, 2014. The principal business of the Company is the acquisition and exploration of mineral properties ("exploration and evaluation assets"), either solely or through joint ventures and options.

Discussion of Operations

The Company currently holds two properties, the West Desert Zinc Property ("West Desert:)") in western Utah, formerly known as the Crypto Zinc Property and the newly acquired Indy Zinc Property ("Indy") in British Columbia. In addition to exploring its existing properties, the Company is engaged in a continuing review of other properties and projects for possible acquisition.

The Company's West Desert and Indy projects are at the exploration stage and have not generated any revenues. At March 31, 2017, the Company had not yet achieved profitable operations and has a deficit of $8,242,326 (December 31, 2016 - $8,126,512).

Since the Company's properties are at the exploration stage, it does not have operations or operating results in the conventional use of the terms. The Company's financial success will ultimately be dependent upon finding economically recoverable mineral reserves, confirmation of its interest in those reserves and its ability to obtain the necessary financing to profitably produce those reserves.

Summary of Recent Activities

On October 18, 2016 the Company entered into an option agreement with Pac Shield Resources Inc. ("PSR"), a private British Columbia company, to acquire a 100% interest in the Indy Zinc Property located in central British Columbia. The property consists of seven mineral claims (2,111 hectares) located approximately 100 km south of the city of Prince George, British Columbia.

On August 25, 2016 the Company provided a 12-month extension of the expiry date of 4,513,700 share purchase warrants originally issued in connection with two non-brokered private placements that closed on August 29, 2014 (3,333,400 units) and September 30, 2014 (5,694,000 units). Each unit in both placements consisted of one share and one half share purchase warrant. The original terms of the placements specified that each warrant was exercisable into one common share of the Company at a price of $0.30 per warrant share until August 29, 2016 and September 29, 2016, respectively.

On June 22, 2016, the Company announced the appointment of Mr. John Murphy to the Board of Directors of the Company effective June 21, 2016.

On June 2, 2016, the Company announced that Mr. Chris Staargaard resigned as President, Chief Executive Officer and Director of the Company to pursue other interests. Mr. Kerry Curtis, Independent Chairman and Director of InZinc since 2012, has assumed the role of Interim Chief Executive Officer of the Company.

Summary of Exploration Activities

The following is a breakdown of the components of the Company's exploration and evaluation assets for the three months ended March 31, 2017:

	West Desert	Indy	Total
Acquisition costs			
Balance, December 31, 2016	$ 394,127	$ -	$ 394,127
Additions during the period:			
Shares issued	-	48,000	48,000
Balance, March 31, 2017	394,127	48,000	442,127
Deferred exploration costs			
Balance, December 31, 2016	5,275,540	-	5,275,540
Additions during the period:			
Field costs	1,082	-	1,082
Geological, geochemical, geophysical	-	2,231	2,231
Property holding costs, taxes and fees	2,491	-	2,491
	3,573	2,231	5,804
Balance, March 31, 2017	5,279,113	2,231	5,281,344
Total, March 31, 2017	$ 5,673,240	$ 50,231	$ 5,723,471

West Desert

In May of 2005, the Company signed an agreement to purchase a 100% interest in the West Desert zinc-copper project (then known as the Crypto Zinc property) from EuroZinc Mining Corporation in exchange for 1,500,000 million shares and $25,000 in cash. The 4,258 acre property is located in Utah about 160 km southwest of Salt Lake City, is crossed by a power-line, is easily accessible by road and has railheads within 90 km. It includes the historic Fish Springs Mining District which from the late 19th century through the mid-1970's recorded production of 2,700,000 million oz of silver.

Property Geology and History of Work Prior to Acquisition by the Company

The West Desert deposit is a significant skarn/carbonate replacement deposit containing zinc-copper-silver-gold-indium and iron and is similar in many respects to the deposits comprising the world class Bingham, Park City and Tintic mining districts located some 130 km to the east.

Modern exploration commenced in 1953 when Kennecott identified a very large magnetic anomaly at West Desert in a regional search for porphyry copper deposits. Beginning in 1961, Utah International drilled the property for its iron (magnetite) potential, subsequently discovering significant zinc mineralization. Cyprus Minerals optioned the property in the early 1990's and drilled a number of additional holes, mainly to test the known zones at depth. In all, 68 holes totalling about 27,000 metres were drilled on the property prior to InZinc's involvement.

Zinc mineralization at West Desert is concentrated in two contiguous zones, known as the Main and Deep (CRD) Zones hosted in a sequence of Cambrian to Ordovician carbonate rocks where those strata have been cut by a quartz monzonite intrusive of Late Eocene age. Zinc in both zones occurs as coarse-grained sphalerite in magnetite-rich, skarns and/or replacement deposits preferentially developed in shaly members within the dolomitic carbonate sequence. Small amounts of chalcopyrite are commonly found with sphalerite and some zones of relative copper enrichment are present. The Main zone is generally oxidized to a maximum depth of about 250 metres, sphalerite having been converted mainly to smithsonite and hemimorphite.

Numerous significant intervals of molybdenite mineralization have been intersected in drilling, both as disseminations in skarn and as porphyry-style quartz-molybdenite-pyrite veinlets and fracture-coatings in the underlying intrusive rocks. The general distribution and chemistry of mineralization on the West Desert property shows zoning similar to that in typical porphyry systems, with an inner zone of molybdenum-rich mineralization grading outwards through copper and zinc, then lead, silver and manganese with increasing distance from the intrusive. It is very likely that known mineralization is related to an underlying porphyry molybdenum system.

Various historic workings in the Fish Springs District are developed on high grade silver-lead replacement deposits controlled by structures and occur to the east of the known zinc deposit. Total production in the district, in which the single largest mine by far was the Utah Mine, is recorded at about 20,300 tons grading 128 ounces silver per ton (4,389 gpt) and 44% lead. High grade intercepts of silver-rich replacement style mineralization have been encountered in drilling outside of the historical mine area.

2006 - 2010 Exploration by InZinc

The Company completed an Induced Polarization survey and a detailed helicopter-borne aeromagnetic survey in 2006. From 2007 to 2008 a total of 10,639 metres of diamond core drilling was completed in 15 holes. An independent resource estimate was completed by Mine Development Associates ("MDA") of Reno, Nevada and published on March 29, 2010. Metallurgical testwork on both sulphide and oxide mineralization was also completed in 2010. On August 5, 2010, the Company announced a Preliminary Economic Assessment ("PEA") of the West Desert project and a final report was filed on September 17, 2010.

2014 Preliminary Economic Assessment

On April 1, 2014, the Company announced the results of a new PEA of the West Desert project and the full technical report was published on May 7, 2014. The 2014 PEA is major re-appraisal of the West Desert project and supersedes all earlier reports.

Highlights

- After tax NPV(8%) of USD $258,000,000, IRR of 23% and payback of 3.7 years assuming base case long term metal prices (*USD; zinc = $1 /lb, copper = $3 /lb, iron = $105 /t, indium = $600 /kg, silver = $21 /oz, gold = $1,300 /oz)*
- conventional bulk underground mining of sulphide resources
- 2,370,000 tonnes per year mined over a 14.8 year mine life
- conventional processing to produce three clean concentrates
- zinc recoveries of 92% into a concentrate grading 55% zinc and containing high levels of indium with no deleterious elements
- copper recoveries of 74% into a concentrate grading 29% copper with payable levels of silver and gold and no deleterious elements
- average annual production of 107,900,000 lbs zinc, 9,900,000 lbs copper and 1,000,000 tonnes iron concentrate (magnetite)
- good potential for resource expansion

The PEA was prepared by MDA with contributions from International Metallurgical and Environmental Inc. in accordance with the definitions in Canadian National Instrument 43-101. The PEA is considered preliminary in nature. It includes Inferred mineral resources that are considered too speculative to have the economic considerations applied that would enable classification as mineral reserves. There is no certainty that the conclusions within the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

2014 PEA Economics

The table below summarizes base case economic metrics for the Project as well as its sensitivity to the price of zinc:

	After-Tax			Pre-Tax			
Zinc Price ($/lb)	NPV (5%)	NPV (8%)	IRR (%)	NPV (5%)	NPV (8%)	IRR (%)	Payback (Yrs)
0.80	$238M	$146M	17%	$321M	$208M	19%	4.9
1.00	**$377M**	**$258M**	**23%**	**$507M**	**$357M**	**27%**	**3.7**
1.20	$507M	$363M	29%	$693M	$506M	34%	3.0

Note: USD$; base case at Zn=$1 in bold

Project economics were estimated on the basis of the average of long term metal price forecasts and included zinc at $1/lb, copper at $3/lb, iron ore at $105/t (62% Fe, CFR-Tianjin), gold at $1,300/oz and silver at $21/oz. The project's iron concentrate (magnetite) is expected to attract a $10/t premium to the Tianjin benchmark iron ore price and be priced at $115/t. No long term projections were available for the indium price and a price of $600/kg, well below the current spot price of about $750/kg, was chosen.

2014 PEA Mineral Resources

The PEA resource estimates were revised to include iron (magnetite). MDA constructed a highly detailed, three dimensional block model on the basis of both InZinc's and historical drilling. Zinc, iron, copper and indium grades were assigned to each block using inverse distance interpolation.

Gross metal values ("GMV") used for resource cutoff reporting were based on a zinc price of USD $1/lb, a copper price of USD $3/lb, an iron ore price of $105/tonne and an indium price of USD $600/kg to determine the relative value of each metal. The magnetite price of $115/t ultimately used in the GMV calculation included an expected $10/t premium to the benchmark iron ore price.

A GMV cutoff value of $50/tonne was used to define (sulphide) resources that would be potentially mineable in an underground operation. A GMV cutoff value of $15/tonne was used to define oxide resources that would be potentially mineable in an open pit operation. All mineralization was diluted to minimum dimensions of 2m by 2m by 3m.

Project wide underground sulphide resources are summarized in the table below:

Cut-off ($GMV/t)	Category	Million Tonnes	ZnEq (%)	Zn (%)	Zn (Mlbs)	Cu (%)	Cu (Mlbs)	In (g/t)	In (t)	Magnetite (%)	Magnetite (Mt)
50	**Indicated**	**13.0**	**6.22**	**2.16**	**691.3**	**0.23**	**65.1**	**33**	**433**	**48**	**6.2**
100	*Indicated*	*8.0*	*7.96*	*3.18*	*561.1*	*0.29*	*50.9*	*42*	*340*	*53*	*4.2*
150	*Indicated*	*3.9*	*10.50*	*5.28*	*456.1*	*0.34*	*29.2*	*54*	*211*	*53*	*2.1*
50	**Inferred**	**46.0**	**5.57**	**1.76**	**1,781.0**	**0.22**	**224.6**	**24**	**1,102**	**48**	**22.0**
100	*Inferred*	*23.8*	*7.59*	*3.02*	*1,583.9*	*0.32*	*167.2*	*32*	*762*	*53*	*12.5*
150	*Inferred*	*9.8*	*10.70*	*5.88*	*1,266.5*	*0.43*	*92.4*	*38*	*375*	*48*	*4.7*

Note: base cases at GMV cutoff = $50 in bold; USD$; ZnEq based on 100% recovery and Zn=$1/lb, Cu=$3/lb, Magnetite=$115/t, and In=$600/kg

Project-wide near surface oxide resources are summarized in the table below:

Cut-off ($ GMV/t)	Category	Million Tonnes	ZnEq (%)	Zn (%)	Zn (Mlbs)	Cu (%)	Cu (Mlbs)	In (g/t)	In (T)	Magnetite (%)	Magnetite (Mt)
15	Indicated	*1.4*	*4.76*	*3.44*	*106.2*	*0.20*	*6.2*	*8*	*11*	*9*	*0.1*
15	Inferred	*6.2*	*4.40*	*2.95*	*404.8*	*0.14*	*19.8*	*9*	*58*	*15*	*0.9*

Note: base case stated; USD$; ZnEq based on100% recovery and Zn=$1/lb, Cu=$3/lb, Magnetite=$115/t, and In=$600/kg

Mineralization is open for expansion in three directions and there is very good potential for the discovery of additional mineralized zones away from existing resources.

2014 PEA Mining and Processing

The PEA contemplates a 5,000 tonne per day underground mining operation ramping up to 6,500 tonnes per day in year three using longitudinal and transverse long-hole open stoping mining methods based on the underground resource only. Near surface oxide resources were not assessed and remain as a future opportunity.

Access to the deposit would be via two ramps, one of which would also host a conveyor system for ore haulage. A total of 34,000,000 tonnes would be mined over 14.8 years at an average run of mine mill feed grade of 2.72% Zn, 0.27% Cu, 44.0% magnetite and 30 gpt In. Indicated and Inferred resources below the mining cut-off grade but located inside designed stopes were used to dilute the material processed at grade. Internal dilution of non-resource material was added at zero grade. Average total dilution in the potentially mineable material is approximately 20%.

Run of mine material would undergo crushing and grinding to 65 microns after which traditional low cost, low intensity magnetic drum separators would recover 95% of magnetite into an iron concentrate grading 63% iron. Preliminary marketing evaluations have indicated that the low silica and ultra-low phosphorus chemistry of the magnetite (iron) concentrate is particularly suited to the North American pellet-making market.

Metallurgical studies have shown that the initial separation and removal of the magnetite (iron) to concentrate would result in an approximate 50% reduction of volume prior to flotation. The remaining non-magnetic material (tails), which contain essentially all of the copper and zinc minerals, would feed a standard flotation process plant with design capacity of 6,500 tonnes per day. Feed grade to the flotation plant is expected to be in the range of 3-6% Zn or approximately double that of the run of mine material. Expected metallurgical recovery for zinc is 92% into a concentrate grading 55% zinc and containing high levels of indium with no deleterious elements. Approximately 74% of the copper is expected to be recovered into a concentrate grading 29% copper with payable levels of silver and gold and no deleterious elements.

Projected production of payable metals is summarized in the table below:

	Annual Average	Life of Mine
Zinc (Mlbs)	107.9	1,594.3
Copper (Mlbs)	9.9	146.7
Indium (t)	38.3	566.1
Magnetite (Mt)	1.0	14.5
Gold (Koz)	7.6	113.0
Silver (Koz)	76.9	1,137.0

Opportunities for Enhanced Economics

- good potential to increase the resource to the east, west and south
- potential for the discovery of localized higher-grade areas within the resource
- very good potential for the discovery of additional mineralized zones within the Project area
- potential for additional recoverable zinc and copper at depth, within the magnetite resource but beyond the current limits of zinc-copper data
- transportation costs for iron concentrate (magnetite) could be significantly reduced through contract negotiations with the railroads and sourcing consumers in North America.
- potential to process oxide zinc mineralization
- potential cost reductions associated with optimization of the tailings facility

2014 PEA Outlook

The PEA recommends further work leading to a Pre-Feasibility Study, including drilling, engineering and marketing studies, hydrological and geotechnical analysis, as well as various baseline environmental and archeological studies. The Company has commenced detailed planning and costing of this work and intends to proceed as soon as market conditions permit. Bonds and permits required for continued drilling and other exploration at West Desert are in place along with all facilities and infrastructure that supported the Company's 2007-2008 drill program, allowing for a quick start to field operations.

In addition to maintaining its active properties, the Company is engaged in a continuing review of other properties and projects for possible acquisition and/or transaction.

Indy

- Ground access, 55 km from major highway, 70 km from trans-continental rail
- 450 m long mineralized trend (Tex Zone) outlined by five shallow, wide-spaced historical drill holes
- Tex Zone drill intersections range from 1.5 m to 19.7 m widths, grading from 1.9% to 8.9% zinc, from 1.0 g/t to 55.6 g/t silver and from 0.04% to 2.4% lead
- Tex Zone intersections estimated within 100 m of surface, open for expansion on strike and at depth
- Surface zinc oxides grading 45.5% zinc and 7.9 g/t silver in recent grab samples
- Multiple, large soil geochemical anomalies over 6.5 km strike, offer potential for additional discoveries
- Last comprehensive exploration by majors 26 years ago
- Four styles of zinc mineralization are widespread and only partially explored
- Ground work and additional soil sampling are planned in 2017 to prepare the project for drilling

Pursuant to the option agreement with PSR, the Company has the option to earn a 100% interest over a five year period by making staged cash payments totalling $305,000 (including $30,000 upon TSX-V acceptance - paid), issuing an aggregate of 2,100,000 shares (including 200,000 upon TSX-V acceptance - issued) and completing work commitments of $2,600,000 ($75,000 in the first year). In addition, a $500,000 cash payment and the issuance of 500,000 shares of the Company will be made to PSR if the Company files a technical report establishing a 500,000,000 pound zinc resource on the property. A further $500,000 cash payment will be made to PSR should the Company file a technical report establishing a 750,000,000 pound zinc resource on the property. The property is subject to a 1.0% net smelter returns royalty ("NSR") held by PSR (the "PSR NSR") and a 1.5% NSR held by Kerry Curtis, a director, Chairman of the Board and the interim Chief Executive Officer of the Company, and a director and the controlling shareholder of PSR. On exercise of the option and prior to completion of a feasibility study on the property, the Company has the right to purchase the PSR NSR for $1,500,000.

Property Geology and History of Work

The Indy project comprises claims covering a 9.8 km strike of deformed sedimentary rocks spanning the Cambrian to Lower Mississippian; a geological period known to produce most of the major western Canadian zinc deposits.

Activity in the area is first recorded by Kennco, who in 1980, based on regional geology and geochemistry, staked the area now comprising the claims during a search for Sedex type lead-zinc deposits. In 1981 and 1982 Kennco established a cut survey grid over a 6.5 km strike and completed mapping and wide spaced soil geochemistry resulting in the definition of three large zinc-lead-silver geochemical anomalies termed North, Central and South. Kennco completed four diamond drill holes on two selected geochemical targets in 1982.

In 1988, Cominco optioned the claims from Kennco and completed detailed grid soil sampling and geological mapping over a 3 km strike length covering the southern portion of the Kennco claims, roughly in the area now comprising the Indy 1 claim. Cominco outlined two areas of anomalous zinc-lead-barium soil geochemistry, one of which corresponded to the "South Anomaly" previously identified by Kennco. Five shallow, wide-spaced diamond drill holes drilled by Cominco in 1989-90 targeted a portion of a high contrast soil anomaly (Anomaly B). All five holes intersected mineralization at estimated vertical depths less than 100 metres, outlining a 450 metre long mineralized trend called the Tex Zone. Drill intersections ranged from 1.5 m to 19.7 m, grading from 1.9% to 8.9% zinc, from 1.0 g/t to 55.6 g/t silver and from 0.04% to 2.4% lead. True widths of these intersections are not known and in some cases core recoveries were less than 50%. Descriptions of the mineralized drill intersections include the minerals sphalerite, galena and barite in fractures and breccias hosted in dolostone, all of which are common constituents of Mississippi Valley Type ("MVT") style or low temperature Carbonate Replacement Deposit ("CRD") zinc mineralization.

The Indy project includes compiled digital data from 2,056 historical and recent (2012, 2013, 2015 and 2016) soil geochemical samples from across 7.5 km of the property. Data also includes 72 stream sediment samples and 396 samples from 1550 m of diamond drilling in 13 holes drilled between 1981 and 1990 by Kennco and Cominco. Soil samples outline several large multi-element (zinc-lead-barium-silver) geochemical anomalies occurring across a 6.5 km length of the property. The following four multi-element geochemical anomalies cover a large area across a linear trend over moderate terrain: Anomaly A (600 m by 350 m); Anomaly B (Tex Zone) (700 m by 150 m); Anomaly C (700 m by 200 m); and Anomaly D (800 m by 400 m). Several of these anomalies have not been explored or remain only partially explored. This includes the high contrast soil signal from Anomaly B, which was partially explored by drilling in 1989-90 and led to the discovery of the Tex Zone.

Four types of zinc mineralization (including MVT or low temperature CRD style) are documented on Indy. The variety of zinc mineralization, respective host rocks and the widespread distribution of these occurrences across Indy may be suggestive of a larger mineralizing event and may provide new opportunities and target areas. Additional soil sampling, prospecting and geological mapping are required on all anomalies and mineral occurrences to improve the resolution of exploration data prior to drill target selection.

Selected Quarterly Information

Quarter Ended	Revenue ($)	Loss and comprehensive loss ($)	Net loss per share ($)[1]
March 31, 2017	Nil	(115,980)	0.00
December 31, 2016	Nil	(125,780)	0.00
September 30, 2016	Nil	(142,237)	0.00
June 30, 2016	Nil	(163,241)	0.00
March 31, 2016	Nil	(64,099)	0.00
December 31, 2015	Nil	(47,388)	0.00
September 30, 2015	Nil	(80,621)	0.00
June 30, 2015	Nil	(90,891)	0.00

(1) Basic and diluted

Results of Operations

The following discussion should be read in conjunction with the accompanying financial statements and related notes for the period. The operating and administrative expenses for the three months ended March 31, 2017 totalled $115,980 (2016 - $64,099), including share-based compensation issued during the period, valued at $20,636 (2016 - $Nil) calculated using the Black Scholes option pricing model. The most significant expenses for the period ended March 31, 2017 were communication and investor relations, office and miscellaneous costs, and share-based compensation.

The table below explains the major changes in expenditures for the three months ended March 31, 2017 compared with for the three months ended March 31, 2016.

Expenses	Increase / Decrease in Expenses	Explanation for Change
Communication and investor relations	Increase of $24,979	Increase is due to additional investor relations and promotional activities such as marketing and attendance at conferences
Management fees	Decrease of $21,000	Decrease is due to resignation of CEO; management fees are no longer paid
Office and miscellaneous	Increase of $18,069	Increase is due to increase in corporate activity
Share based compensation	Increase of $20,636	Incentive share options continued to vest in the current period compared with none in 2016
Travel	Increase of $19,051	Increase is due to increase in corporate activity, including attendance at conferences

Related Party Transactions

The Company entered into the following transactions with related parties during the three months ended March 31, 2017:

Summary of key management personnel compensation:

	For the three months ended March 31, 2017	2016
Short-term benefits paid or accrued:		
Professional fees (Steve Vanry)	$ 9,000	$ 4,500
Management fees (Chris Staargaard)	-	21,000
Office and miscellaneous (Kerry Curtis)	9,000	-
Share-based compensation (Kerry Curtis)	3,194	-
Share-based compensation (Steve Vanry)	2,282	-
	$ 23,476	$ 25,500

Summary of transactions with other related parties

The following amounts were incurred with respect to the Company's non-executive directors:

	For the three months ended March 31, 2017	2016
Share-based compensation (Louis Montpellier)	$ 3,194	$ -
Share-based compensation (Wayne Hubert)	$ 3,194	$ -
Share-based compensation (John Murphy)	$ 5,578	$ -
	$ 11,966	$ -

Included in rent is $2,250 (March 31, 2016 - $Nil) paid or accrued to a company related by Steve Vanry, the CFO and $Nil (March 31, 2016 - $6,000) paid or accrued at cost to a company related by Chris Staargaard, former President and CEO.

Included in accounts payable and accrued liabilities are amounts owing to related parties of $14,322 (December 31, 2016 - $6,372).

Liquidity, Financial Position and Capital Resources

As at March 31, 2017, the Company's liquidity and capital resources are as follows:

	March 31, 2017	December 31, 2016	March 31, 2016
	$	$	$
Cash	459,841	482,729	717,489
Receivables	7,435	35,294	25,764
Prepaids	18,361	13,870	9,536
Marketable securities	1,708	1,874	958
Total current assets	487,345	533,767	753,747
Payables and accrued liabilities	53,044	49,427	32,468
Working capital	434,301	484,340	721,279

The Company had a net working capital position of $434,301 at March 31, 2017 compared with $484,340 as December 31, 2016 and $721,279 at March 31, 2016. As at March 31, 2017, the Company had sufficient liquidity to meet its obligations for the next year.

The Company had cash on hand of $459,841 on March 31, 2017 compared with $482,729 as December 31, 2016 and $717,489 at March 31, 2016. The only source of cash during the period was the exercise of stock options for proceeds of $50,000. The primary use of cash during the period was the funding of operations at $69,084.

The Company's general and administrative costs, exclusive of any management compensation or direct business costs such as acquisitions, field work or travel, are in the range of $250,000 annually. These maintenance costs are typical for a public company of this nature and consist of stock exchange fees, legal fees, accounting and audit fees, transfer agent fees and general office expenses such as rent, basic administrative assistance, and phone.

The Company has no known mineral reserves and is not in commercial production on any of its properties and accordingly, the Company does not generate cash from operations. The Company finances exploration activities by raising capital from equity markets from time to time.

Proposed Transactions

There are no proposed transactions to be reported.

Risks and Uncertainties

The business and operations of the Company are subject to numerous risks, many of which are beyond the Company's control. The Company considers the risks set out below to be some of the most significant to potential investors in the Company, but not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

History of losses

The Company has incurred net losses since inception and as of March 31, 2017, had an accumulated deficit of $8,242,326.

No history of dividends

Since incorporation, the Company has not paid any cash or other dividends on its common stock and does not expect to pay such dividends in the foreseeable future, as all available funds will be invested primarily to finance its mineral exploration programs. The Company will need to achieve profitability prior to any dividends being declared.

Dilution

The Company does not generate any revenues and does not have sufficient financial resources to undertake by itself all of its planned expenditures. The Company has limited financial resources and has financed its operations primarily through the sale of securities such as common shares. The Company will need to continue its reliance on the sale of such securities for future financing, resulting in dilution to the Company's existing shareholders. The amount of additional funds required will depend largely on the success of the Company's exploration programs.

Further expenditures will depend on the Company's ability to obtain additional financing which may not be available under favourable terms, if at all.

Capital and liquidity risk

The amount of financial resources available to invest for the enhancement of shareholder value is dependent upon the size of the treasury, profitable operations, and willingness to utilize debt and issue equity. Due to the size of the Company, financial resources are limited and if the Company exceeds growth expectations or finds investment opportunities it may require debt or equity financing. There is no assurance that the Company will be able to obtain additional financial resources that may be required to successfully finance transactions or compete in its markets on favourable commercial terms.

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 the competition for a professional is 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.

Mineral exploration

Mineral exploration is subject to a high degree of risk, which even a combination of experience, knowledge and careful evaluation may fail to overcome. These risks may be even greater in the Company's case given its formative stage of development. Furthermore, exploration activities are expensive and seldom result in the discovery of a commercially viable resource. There is no assurance that the Company's exploration will result in the discovery of an economically viable mineral deposit.

Preliminary Economic Assessments

Preliminary Economic Assessments are considered to be preliminary in nature. They include Inferred mineral resources that are considered too speculative to have the economic considerations applied that would enable their classification as mineral reserves. There is no certainty that the conclusions within a Preliminary Economic Assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Management of industry risk

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company's mineral exploration activities expose it to potential environmental liability risk. It is management's policy to review environmental compliance and exposure on an ongoing basis. The Company follows industry standards and specific project environmental requirements. The Company is currently in the exploration stage on its property interests and has not determined whether significant site recovery costs will be required. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

Commodity and equity prices

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. 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 base and precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Based on historical experience and current conditions, management makes assumptions that are believed to be reasonable under the circumstances. These estimates and assumptions form the basis for judgments about the carrying value of assets and liabilities and reported amounts for expenses. Different assumptions would result in different estimates, and actual results may differ from results based on these estimates. These estimates and assumptions are also affected by management's application of accounting policies. Critical accounting estimates are those that affect the audited financial statements materially and involve a significant level of judgment by management.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Critical estimates exercised in apply accounting policies that have the most significant effects on the amounts recognized in the condensed interim consolidated financial statements are as follows:

Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Valuation of share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Income taxes

In assessing the probability of realizing deferred tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Determination of functional currency

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

Accounting pronouncements not yet effective

There have been no significant changes to the Company's accounting policies from those disclosed in the consolidated financial statements for the year ended December 31, 2016.

New and amended IFRS pronouncements

A number of new standards, amendments to standards and interpretations applicable to the Company are not yet effective and have not been applied in preparing these condensed interim consolidated financial statements.

a. IFRS 9, "Financial Instruments", replaces the guidance in IAS 39, "Financial Instruments: Recognition and Measurement", and includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018, with earlier application permitted. The Company does not intend to early adopt IFRS 9.

b. IFRS 15, "Revenue from Contracts with Customers", establishes principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018, with earlier application permitted. The Company does not intend to early adopt IFRS 15.

None of the remaining standards and amendments to standards and interpretations are expected to have a significant effect on the condensed interim consolidated financials statements of the Company.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Financial Instruments and Management of Financial 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 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.

Cash and marketable securities are measured at fair value using level 1 inputs. The value of receivables, reclamation deposit, and accounts payable and accrued liabilities approximates their carrying values.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and price risk.

Credit risk

The Company is exposed to industry credit risks arising from its cash holdings and receivables. The Company manages credit risk by placing cash with major Canadian financial institutions. The Company's receivables are due from the Federal Government of Canada. Management believes that credit risk related to these amounts is nominal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company reviews additional sources of capital and financing to continue its operations and discharge its commitments as they become due.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As of March 31, 2017, the Company held an interest bearing demand deposit with a face value $321,944. A change in interest rates of 1% will change income by $3,219 per annum.

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payables and accrued liabilities that are denominated in United States Dollars. However, management believes the risk is not currently significant.

Price risk

The Company has limited exposure 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. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

Other risks

The Company will need additional funding to complete its short and long term objectives. The ability of the Company to raise such financing in the future will depend on the prevailing market conditions, as well as the business performance of the Company. Current global financial conditions have been subject to increased volatility which has negatively impacted access to public financing. There can be no assurances that the Company will be successful in its efforts to raise additional financing on terms satisfactory to the Company. The market price of the Company's shares at any given point in time may not accurately reflect value. If adequate funds are not available or not available on acceptable terms, the Company may not be able to take advantage of opportunities, to develop new projects or to otherwise respond to competitive pressures.

The Company is dependent upon the services of key executives, including the Chief Executive Officer. Certain directors and officers of the Company also serve as directors and/or officers of other companies involved in mineral exploration and development and, consequently, there exists the possibility for such directors and officers to be in a position of conflict.

Authorized and issued share capital as at May 30, 2017:

Issued and outstanding: 73,355,419 common shares

Options outstanding are as follows:

Number of Options	Exercise Price ($)	Expiry Date
1,700,000	0.10	November 2, 2017
2,650,000	0.09	May 31, 2021
500,000	0.11	June 21, 2021
4,850,000		

Warrants outstanding are as follows:

Number of Warrants	Exercise Price ($)	Expiry Date
1,666,700	0.30	August 29, 2017
2,847,000	0.30	September 30, 2017
4,513,700		

Approval

The board of Directors of the Company has approved the disclosure contained in this Management Discussion and Analysis. A copy will be provided to anyone who requests it.

On Behalf of the Board of Directors,

"*Kerry Curtis*"

Kerry Curtis
Interim CEO, Chairman and Director
May 30, 2017