



**Brionor Resources Inc.**  
**Management's Discussion and Analysis**  
of the  
**Financial Condition and Results of Operations**

**For the Three and Nine Months Ended**  
**May 31, 2016 and May 31, 2015**

## BRIONOR RESOURCES INC. MANAGEMENT'S DISCUSSION AND ANALYSIS

This management discussion and analysis ("MD&A") has been prepared based on information available to Brionor Resources Inc. ("Brionor" or the "Company") as at July 29, 2016. The MD&A of the operating results and financial condition of the Company for the three and nine months ended May 31, 2016, should be read in conjunction with the Company's condensed interim financial statements for the three and nine months ended May 31, 2016 (the "Financial Statements") and the audited financial statements and the related notes for the year ended August 31, 2015. The Financial Statements have been prepared by management and are in accordance with International Financial Reporting Standards ("IFRS") and all amounts are expressed in Canadian dollars unless otherwise noted. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Financial Statements. Additional information relating to the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

### Nature of activities

Brionor is incorporated under the *Canada Business Corporations Act*. The Company is involved in the acquisition, exploration and development of mining properties primarily in Quebec.

On April 27, 2016 the Company completed the sale of the Pitt Gold Property to First Mining Finance Corp. ("First Mining") for an aggregate purchase price of \$1,250,000 of which \$1,000,000 of the purchase price was satisfied through the issuance of 2,535,293 common shares of First Mining, based on the 20-day VWAP and the remaining \$250,000 was paid in cash.

### Exploration activities

The Company holds interests in the following mining properties, all of which are located in Quebec.

Properties	Interest %	Balance as at August 31 2015 \$	Sale of mining property \$	Expenditures \$	Write down / reclassification \$	Balance as at May 31 2016 \$
<b>Quebec</b>						
Verneuil	50	1,630	-	-	-	1,630
Noyell	100	352	-	-	-	352
Pitt Gold	100	514,000	514,000	-	-	-
Matchi-Manitou	29	3,740	-	-	-	3,740
		<b>519,722</b>	<b>514,000</b>	-	-	<b>5,722</b>

Properties	Interest %	Balance as at August 31 2014 \$	Option of mining property	Expenditures \$	Write down / reclassification \$	Balance as at August 31 2015 \$
<b>Argentina</b>	0	205,091	61,377	-	266,468	-
<b>Quebec</b>						
Verneuil	50	1,630	-	-	-	1,630
Noyell	100	352	-	-	-	352
Pitt Gold	100	514,000	-	-	-	514,000
Matchi-Manitou	29	3,464	-	276	-	3,740
		<b>724,537</b>	<b>61,377</b>	<b>276</b>	<b>266,468</b>	<b>519,722</b>

Note: Write down/reclassification includes a write down of exploration and evaluation assets of \$68,517 and a reclassification of \$197,952 Atala advances as receivable, which was written down in 2015.

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### **Pitt Gold – gold project**

The Company held a 100% interest in 24 claims located approximately 35 km north of Rouyn-Noranda, district of Abitibi.

On April 27, 2016 the Company completed the sale of the Pitt Gold Property to First Mining for an aggregate purchase price of \$1,250,000 of which \$1,000,000 of the purchase price was satisfied through the issuance of 2,535,293 common shares of First Mining, based on the 20-day VWAP and the remaining \$250,000 was paid in cash.

### **Noyell – gold project**

The Company holds a 100% interest in 49 claims located approximately 25 km south of Matagami, along the Douay-Cameron Corridor adjacent to the Vezza deposit, district of Abitibi. A 3% net smelter return royalty on future production is attached to the property.

On July 27, 2015, the Company and Wealth Minerals Limited ("Wealth"), announced that it has executed a definitive agreement to grant Wealth an exclusive option (the "Option") to acquire up to 100% interest in the Noyell Property (the "Property" or "Noyell") through issuance of the Wealth's common shares valued at \$850,000 over four years. Wealth may earn up to a 100% interest in three option stages through issuance of common shares valued at \$850,000 over four years. The Option does not require any cash payments and there are no exploration work commitments.

If Wealth exercises the first option and acquires the initial 49% interest but thereafter elects not to exercise the second option for 26%, then the Option will terminate and Brionor will have an option (the "Re-Purchase Option") to acquire Wealth's 49% interest through the issuance of Brionor common shares valued at \$75,000 (50% of the value paid by Wealth to exercise the first option). If Brionor does not exercise the Re-Purchase Option, Wealth and Brionor will be deemed to have formed a 49:51 joint venture.

If Wealth exercises both the first and second options and thereby acquires an aggregate 75% interest but does not exercise the third option to acquire the balance of Brionor's interest, then the Option will terminate and Wealth and Brionor will be deemed to have been formed a 75:25 joint venture.

On August 11, 2015, the Company received 211,865 common shares from Wealth.

### **Acquisition Terms**

		<b>Common shares</b>	<b>Ownership</b>
		<b>\$</b>	<b>%</b>
Phase 1	TSXV Acceptance	50,000	
	One Year Anniversary	50,000	
	Two Year Anniversary	50,000	49
Phase 2	Three Year Anniversary	200,000	26
Phase 3	Four Year Anniversary	500,000	25
		<b>850,000</b>	<b>100</b>

On July 27, 2016, Wealth gave notice to the Company of its intent to terminate the Agreement.

### **Verneuil**

The Company holds a 50% interest (SOQUEM 50%) in 34 claims located approximately 15 km to the east of the Lebel-sur-Quevillon, district of Abitibi. A 2% net smelter return royalty on future production is attached to the property. During the 2015 exploration season (ending January 2016) SOQUEM proposed an exploration work budget of \$550,000, on the property. SOQUEM spent approximately 16.5% or \$90,636 of the agreed upon budget. The executed program consisted of 3D - inversion analysis of

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previous induced polarization geophysical surveys conducted on the property, followed by sampling and mapping of the resultant targets.

### **Matchi-Manitou – copper, zinc, gold and silver project**

The Company holds a 29% interest in 29 claims located in Tavernier and Pershing townships, district of Abitibi. The joint venture partner is the exploration manager for the property and is currently inactive on the property.

### **Meridiano, Covadonga, El Monte and Gertudis**

On February 20, 2013, the Company entered into a letter agreement (the "Letter Agreement") with Atala Resources Inc. ("Atala"), a private Ontario mining exploration company which holds mining rights in Argentina, and the shareholders of Atala (the "Atala Shareholders") whereby Brionor proposed to acquire (the "Acquisition") all of the issued and outstanding shares of Atala (each an "Atala Share") for an aggregate purchase price of \$300,000 (the "Purchase Price") payable by the issuance of common shares of Brionor (each a "Brionor Share") at a deemed price of \$0.05 per Brionor Share. Under the Letter Agreement, each Atala Shareholder shall receive 0.4655373 of a Brionor Share for each Atala Share held, for a total of 6,000,000 Brionor Shares.

On November 15, 2013, the Letter Agreement was amended to extend the closing date to May 31, 2014 and in addition the aggregate purchase price was increased to \$600,000 and the number of shares of Brionor to be issued was increased to 12,000,000. On March 17, 2014, the Letter Agreement was amended further to extend the closing date to April 30, 2014, which was further extended to December 31, 2014 and to August 31, 2015. On August 31, 2015 the Letter Agreement was allowed to lapse. The Company has converted the cash advances to Atala into a loan receivable and then provided for the advances receivable by recording a write-down of advances receivable. The other acquisition costs have been written off.

The Company and Atala continue to evaluate alternatives for a revised transaction, but at this time no agreement is pending.

### **Exploration and property outlook**

The Company is currently reviewing other opportunities and projects to enhance the its portfolio of exploration properties. The Company intends to develop exploration partnerships in order to minimize the risks related to mineral exploration and to accelerate the development of some of its properties.

### **Qualified person**

The above technical information was confirmed and/or reviewed by Michael Byron, Geologist, Director, qualified person under NI 43-101.

### **Summary of quarterly results**

	<b>May 31 2016 \$</b>	<b>February 29 2016 \$</b>	<b>November 30 2015 \$</b>	<b>August 31 2015 \$</b>
Total assets	1,800,553	529,321	556,482	572,086
Shareholders' equity	1,693,396	305,310	328,448	356,353
Total revenues	736,000	-	-	50,000
Net income (loss)	1,400,085	(23,138)	(27,904)	(297,406)
Net income (loss) per share <sup>2</sup>	0.03	(0.00)	(0.00)	(0.01)

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	May 31 2015 \$	February 28 2015 \$	November 30 2014 \$	August 31 2014 \$
Total assets	784,897	781,336	767,002	813,529
Shareholders' equity	565,470	571,501	638,154	653,759
Total revenues	-	-	-	-
Net income (loss)	(4,031)	(66,653)	(15,605)	(934,147)
Net loss per share <sup>2</sup>	(0.00)	(0.00)	(0.00)	(0.03)

<sup>1</sup>The net income is derived from the sale of the Pitt Gold Property

<sup>2</sup>In periods of loss, net loss per share basic and fully-diluted are the same, as inclusion of options and/or warrants would be anti-dilutive.

**Liquidity, working capital and capital resources**

As at May 31, 2016, the Company had cash and cash equivalents of \$3,452 (August 31, 2015 - \$159) and a working capital surplus of \$1,687,675 (August 31, 2015 – a deficit of \$163,369), an accumulated deficit of \$3,133,498 (August 31, 2015 - \$4,475,921) and negative cash flow from operations for the nine months ended May 31, 2016 of \$484,087 (nine months ended May 31, 2015 – negative \$37,241).

The Company's primary sources of cash include the sale and option of its mineral properties and financing transactions. The Company's primary uses of cash include exploration costs and corporate administration. The Company has experienced historic losses and negative cash flows from operations both of which have raised concerns regarding its ability to continue as a going concern.

**Investing activities**

The Company sold 211,865 common shares of Wealth for gross proceeds of \$33,378. It also sold its Pitt Gold Property for gross proceeds of \$250,000 cash and \$1,000,000 in common shares of First Mining. The Company advanced \$60,000 to Atala Resources Inc.

The capital structure of the Company consists of all the components of shareholders' equity. To adjust or maintain its capital structure the Company may issue new common shares.

**Shareholders equity**

**Share capital**

The Company is authorized to issue an unlimited number of common shares.

<b>Balance at August 31, 2015 and May 31, 2016 and July 29, 2016</b>	<b>48,312,465</b>
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**Share based payments**

The Company has a 10% rolling stock option plan (the "Plan") whereby the Board of Directors may grant to employees, officers, directors, management, company employees and consultants of the Company or of its subsidiary thereof options to acquire common shares in such numbers, for such terms and at such exercise prices as may be determined by the Board. The exercise price of each option may not be lower than the market price of the common shares at the time of the grant of the options.

The Plan is based on the number of common shares issued and outstanding. As at May 31, 2016, 650,000 options were outstanding with 650,000 exercisable and 4,181,247 left unallocated. Most stock options issued to date under the Plan vest in two installments over 12 months and expire five years from the date of grant.

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A summary of the outstanding stock options is presented below:

	Options #	Weighted average exercise price \$
<b>Outstanding, August 31, 2014</b>	<b>2,000,000</b>	<b>0.13</b>
Expired	(1,150,000)	0.15
<b>Outstanding, August 31, 2015</b>	<b>2,000,000</b>	<b>0.13</b>
Expired	(200,000)	0.15
<b>Balance, May 31, 2016 and April 29, 2016</b>	<b>650,000</b>	<b>0.10</b>
<b>Options exercisable at May 31, 2016 and April 29, 2016</b>	<b>650,000</b>	<b>0.10</b>

A summary of the outstanding stock options is presented below:

Date of grant	Remaining life	Number of options #	Exercise price \$
April 18, 2012	0.88 years	650,000	0.10
		<b>650,000</b>	

On June 28, 2016, the Company granted 1,900,000 stock options with an exercise price of \$0.05 and expiring on June 28, 2021.

### Transactions with related parties

The Company defines its key management as the Chairman of the Board, Chief Executive Officer and Chief Financial Officer. For the nine months ended May 31, 2016, \$20,000 was paid as management compensation (for the nine months ended May 31, 2015 – \$nil).

### Going concern assumption

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than in the normal course of business and at amounts that may differ from those shown in these financial statements.

For the nine months ended May 31, 2016, the Company generated net income of \$1,400,085 (for the nine months ended May 31, 2015 – a loss of \$82,258), had used cash from operations of \$484,087 (for the nine months ended May 31, 2015 – used \$37,241), and as at May 31, 2016, had an accumulated deficit of \$3,133,498 (August 31, 2015 - \$4,475,921) and a working capital surplus of \$1,687,675 (August 31, 2015 – a deficit of \$163,369).

To date there has been no determination whether the Company's interests in mineral exploration properties contain mineral reserves, which are economically recoverable. The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation assets and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves and the achievement of profitable operations; and the ability of the Company to raise alternative financing; or

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alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

### **Capital management**

The Company's objective in managing capital is to ensure continuity as a going-concern and to safeguard its ability to continue its acquisition and exploration programs as well as ensuring that all flow-through funds obtained are utilized in exploration activities and spent by the required deadline. The Company manages its capital structure and makes adjustment to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares and acquire or sell mining properties to improve its financial performance and flexibility.

The Company defines its capital as the shareholder's equity. To effectively manage the Company's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has appropriate liquidity to meet its operating and growth objectives. As needed, the Company raises funds through private placements or other equity financings. The Company does not utilize long term debt as the Company does not currently generate operating revenues. There is no dividend policy. The Company is subject to regulatory requirements related to the use of funds obtained by flow-through share arrangements. These funds have to be incurred for eligible exploration expenses. The Company has respected these regulatory requirements.

### **Risk and uncertainties**

Brionor is subject to a variety of risks, some of which are described below. If any of the following risks occur, the business, results of operations or financial condition could be adversely affected in a material manner.

#### **Credit risk**

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company is exposed to credit risk with respect to its cash. To minimize this risk, cash has been placed with major Canadian financial institutions.

#### **Liquidity risk**

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. The Company ensures that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets, against cash. As at May 31, 2016, the Company has \$3,452 in cash to settle current liabilities of \$107,157. As the Company does not have operating cash flow, the Company has and will continue to rely primarily on equity financing and/or the sale of its assets to meet its capital requirements.

#### **Exploration and mining risks**

The business of mineral exploration involves a high degree of risk. Few properties that are explored are ultimately developed into production. At present, there are no known bodies of commercial ore on the mineral properties of which the Company owns an interest. Unusual or unexpected formations, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs. The Company from time to time increases its internal exploration and operating expertise with due advice from consultants and others as required. The economics of developing gold and other mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined and fluctuations in the price of any minerals produced. There are no underground or surface plants or equipment on the Company's mineral properties, nor any known body of commercial ore. Programs conducted on the Company's mineral property would be an exploratory search for ore.

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### **Titles to property**

While the Company has diligently investigated title to the various properties in which it has interest, and to the best of its knowledge, title to those properties are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfer, or native or government land claims, and title may be affected by undetected defects.

### **Permits and licenses**

The Company's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

### **Metal prices**

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect marketability of any minerals discovered. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

### **Competition**

The mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees.

### **Environmental regulations**

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require submissions to 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 more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

### **Conflicts of interest**

Certain directors or proposed directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

### **Stage of development**

The Company's properties are in the exploration stage and to date none of them have a proven ore body. The Company does not have a history of earnings or providing a return on investment, and in future there is no assurance that it will produce revenue, operate profitably or provide a return on investment.

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### **Industry conditions**

Mining and milling operations are subject to government regulations. Operations may be affected in varying degrees by government regulations such as restrictions on production, price controls, tax increases, expropriation of property, pollution controls or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Company, such as government regulations. The effect of these factors cannot be accurately determined.

### **Uninsured hazards**

Hazards such as unusual geological conditions are involved in exploring for and developing mineral deposits. The Company may become subject to liability for pollution or other hazards which cannot be insured against or against which the Company may elect not to insure because of high premium costs or other reasons. The payment of any such liability could result in the loss of Company's assets or the insolvency of the Company.

### **Future financing**

Completion of future programs may require additional financing, which may dilute the interests of existing shareholders.

### **Key employees**

Management of the Company rests on a few key officers and members of the Board of Directors, the loss of any of whom could have a detrimental effect on its operations. The development of the Company's business is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company faces competition for personnel from other employers.

### **Cautionary note regarding forward-looking information**

This document contains or refers to forward-looking information. Such forward-looking information includes, among other things, statements regarding targets, estimates and/or assumptions in respect of future production, mine development costs, unit costs, capital costs, timing of commencement of operations and future economic, market and other conditions, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to: the grade and recovery of ore which is mined varying from estimates; capital and operating costs varying significantly from estimates; inflation; changes in exchange rates; fluctuations in commodity prices; delays in the development of the any project caused by unavailability of equipment, labour or supplies, climatic conditions or otherwise; termination or revision of any debt financing; failure to raise additional funds required to finance the completion of a project; and other factors. Forward-looking statements are subject to significant risks and uncertainties and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no responsibility to update them or revise them to reflect new events or circumstances, except as required by law.

### **Additional information and continuous disclosure**

This MD&A has been prepared as at July 29, 2016. Additional information on the Company is available through regular filings of press releases and financial statements on SEDAR ([www.sedar.com](http://www.sedar.com)).

### **Management's responsibility**

Management is responsible for all information contained in this MD&A. The Financial Statements have been prepared in accordance with International Financial Reporting Standards and include amounts

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based on management’s informed judgments and estimates. The financial and operating information included in this MD&A is consistent with that contained in the Financial Statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Company’s Board of Directors has reviewed and approved the condensed interim financial statements with management.

July 29, 2016.

(signed) “Lew Lawrick”  
Lew Lawrick  
President and Chief Executive Officer

(signed) “Errol Farr”  
Errol Farr  
Chief Financial Officer