Introduction

The following interim Management Discussion & Analysis ("Interim MD&A") of Inventus Mining Corp. ("Inventus" or the "Company") for the three and six months ended June 30, 2016 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management discussion & analysis, being the Management Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2015. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual consolidated financial statements for the years ended December 31, 2015, and December 31, 2014, together with the notes thereto, and unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2016, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed consolidated interim financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of August 18, 2016, unless otherwise indicated.

For the purposes of preparing this Interim MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from the offices of the Company or on SEDAR at **www.sedar.com**.

Caution Note Regarding Forward-Looking Statements

Certain statements contained in this Interim MD&A and in certain documents incorporated by reference in this Interim MD&A, constitute forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The

forward-looking statements in this Interim MD&A speak only as of the date of (i) this Interim MD&A or (ii) as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this Interim MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
The Company will be able to continue its business activities.	The Company has anticipated all material costs and the operating activities of the Company, and such costs and activities will be consistent with the Company's current expectations; the Company will be able to obtain equity funding when required.	Unforeseen costs to the Company will arise; any particular operating cost increase or decrease from the date of the estimation; and capital markets not being favourable for funding resulting in the Company not being able to obtain financing when required or on acceptable terms.
The Company will be able to carry out anticipated business plans.	The operating activities of the Company for the twelve months ending June 30, 2018, will be consistent with the Company's current expectations.	Sufficient funds not being available; increases in costs; the Company may be unable to retain key personnel.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

The principal business of the Company is the acquisition and advancement of mineral projects which conform to geological models for world class gold deposits and or magmatic sulphide deposits. To date, the Company has not earned any revenue from operations.

The principal mineral asset of the Company at the date of this Interim MD&A is the Pardo Property located north-east of Sudbury, Ontario.

On May 1, 2015, the Company announced that it changed its name from Ginguro Exploration Inc. to Inventus Mining Corp. The Company is a reporting issuer in British Columbia, Alberta and

Ontario and has traded on the TSX Venture Exchange ("TSXV") under the symbol "IVS" since May 5, 2015.

Operational Highlights

Corporate

On April 11, 2016, the Company completed a non-brokered private placement of $1.3 million in principal amount of senior secured convertible debentures (the "Offering") at a price of $100,000 and integral multiples thereof per debenture (the "Debentures"). The Debentures had an interest rate of 8% per year, calculated semi-annually from their date of issuance and a maturity date that is two (2) years from the date of issuance (the "Maturity Date"). At the option of the lenders, principal under the Debenture is convertible (the "Conversion") into common shares of the Company (the "Conversion Shares") at a conversion price of $0.05 per Conversion Share until the date that is 12 months prior to the Maturity Date or at a conversion price of $0.10 per Conversion Share thereafter, however, the lenders may only exercise their right to Conversion following completion of a share consolidation on a minimum basis of two (2) (old) common shares for one (1) (new) common share (the "Share Consolidation"), and up to or on the Maturity Date. Upon initial recognition, the equity component of the Debentures was determined to be insignificant. In connection with the Offering, Mr. Wayne Whymark, Chairman and Chief Executive Officer ("CEO") of the Company, acquired a flow-through special warrant (the "Special Warrant") in the amount $250,000 exercisable at $0.05 per Special Warrant into common shares of the Company on completion of the Share Consolidation.

At the annual and special meeting of shareholders held on May 5, 2016, shareholders of the Company approved the Share Consolidation and on May 12, 2016, the Company effected and completed the Share Consolidation on a one (1) for two (2) basis and Mr. Whymark's Special Warrant automatically converted into 5,000,000 common shares of the Company.

As part of the Share Consolidation, stock options and warrants were also consolidated and the exercise price adjusted to reflect the consolidation. The Share Consolidation has been reflected in the unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2016 and Interim MD&A and all applicable references to the number of shares, stock options and warrants and their strike price and per share information have been restated.

On May 12, 2016, Eric Sprott, Evanachan Limited ("Evanachan"), a company wholly-owned by Robert R. McEwen, and Osisko Gold Royalties Ltd. ("Osisko") all exercised, in full, their right to convert their previously acquired Debentures which became convertible into common shares of the Company as a result of the completion of the Share Consolidation. Mr. Sprott converted his $500,000 principal amount of Debentures at a price of $0.05 per share and as a result acquired 10,000,000 common shares of the Company, Evanachan converted its $500,000 principal amount of Debentures at a price of $0.05 per share and as a result acquired 10,000,000 common shares of the Company, and Osisko converted its $300,000 principal amount of Debentures at a price of $0.05 per share and as a result acquired 6,000,000 common shares of the Company.

Exploration update

Information relating to exploration results has been prepared under the supervision of Mr. Andy Bite P.Geo., and is a Qualified Person within the meaning of National Instrument 43-101.

On August 11, 2016, Inventus announced the next steps in the advancement of the Pardo Joint Venture project ("JV" or "Pardo"), located approximately 65km northeast of Sudbury, Ontario. The JV is 64.5% owned and operated by Inventus.

Highlights

The Ministry of Northern Development and Mines has granted permission to remove a bulk sample of up to 1,000 tonnes for metallurgical testing. The planned bulk sample will provide vital information about the unique paleo-placer gold mineralization of Pardo.

To better define this undertaking, the rock outcrop at the planned bulk sample location has been channel sampled across its 40m width and individual assays returned values up to 21.9 grams per tonne (gpt) gold, with the weighted average of eleven separate channels returning 2.0 gpt gold over 3.16 meters (m)(approximate true thickness).

Understanding Paleo-Placer Exploration

Paleo-placer gold deposits are ancient placer deposits in which gold bearing river sediments have been solidified into solid rock. The gold particles transported by the ancient river system are typically deposited in pressure shadows behind and below large cobbles and boulders. At Pardo, gold is frequently visible to geologists as they collect samples in high-grade areas.

Gold in this environment is highly uneven in its distribution throughout the mineralized rock. This has been demonstrated repeatedly at Pardo, and is well illustrated by the results of a 2009 drill hole, which intersected a 1cm diameter gold cluster. The half of the drill core that did not contain the cluster did not return any significant gold assay values. As a result of this irregular gold distribution, gold contents are much more reliably estimated when larger samples are analyzed.

Over the past several years very significant gold mineralization in flat lying conglomerate beds has been identified over a laterally extensive area at Pardo. Sampling methods at Pardo have consisted of diamond drilling and channel sampling of surface outcrop where it is exposed. Channel samples have demonstrated consistently higher grades than split drill cores. Core drilling, while critical to define the depth and thickness of the mineralized conglomerates, has not been shown to represent the gold grade from hole to hole in a statistically significant way.

Bulk Sample Location and New Assay Results

The Trench 1 area selected for the bulk sample is in a small hillside where mineralized boulder conglomerate outcrops in such a way that it can be channel sampled near vertically from top to bottom. One existing diamond drill hole is located within the proposed bulk sample site, that vertical hole encountered 4.7 gpt gold over 2 meters (true thickness). In order to provide greater assurance that the site was indeed suitable for bulk analysis, vertical channel samples 1.5 to 4.5 meters high were cut through the conglomerate unit. The vertical orientation makes them somewhat analogous to drill holes. Eleven channels were cut in the face of the outcrop at 4 meter intervals horizontally, for a total width of 40 meters. Visible gold was detected in nine of the eleven channels samples. Assay results are as follows:

Table 1 – Trench 1 Channel Sample Results

Trench 1 Channel #	Channel Length (m)	Sampling Frequency (m)1	Gold Assay (g/t) 1	Composite Gold Assay (g/t)1
1	1.50	0.25	4.4	4.0
		0.50	3.6	
2	2.00	0.25	6.4	5.8
		0.50	5.2	
3	2.25	0.25	1.3	2.6
		0.50	3.9	
4	4.50	0.25	1.4	1.3
		0.50	1.2	
5	4.25	0.25	2.3	2.2
		0.50	2.2	
6	3.75	0.25	0.8	1.4
		0.50	2.0	
7	2.25	0.25	2.0	1.4
		0.50	0.9	
8	3.25	0.25	2.1	2.2
		0.50	2.3	
9	4.25	0.25	1.6	2.0
		0.50	2.4	
10	2.75	0.25	1.4	1.5
		0.50	1.6	
11	4.00	0.25	0.7	0.8
		0.50	0.9	
Average	3.16	Weighted Average Gold Grade		2.0

1 Two slabs of equal length were cut from each channel, one was assayed at 0.25m intervals and the other at 0.50m intervals for analytical purposes. The Composite Gold Assay is the average of all assays results received over the entire channel length.

Bulk Sampling Procedure and Objectives

Prior to the removal of the bulk sample, a dense grid of diamond core holes and blast holes will be drilled to provide ample statistical data for comparison with bulk sample results. The overall objective of the bulk sample is to determine a statistical relationship between gold values from diamond drill core and surface channel samples, and the actual quantity of gold recoverable from surrounding rock. If successful this will provide essential information for future exploration drilling, calculation of a mineral resource estimate, determination of reasonable mining and processing costs for use in studies.

A secondary objective is to investigate a method to mechanically sort the unmineralized clasts (cobbles and boulders) from the mineralized matrix material of the conglomerates. This is of considerable interest because unmineralized clasts typically comprise the majority of the conglomerate volume and essentially creates internal waste. If some percentage of this internal waste is removed before processing, the feed grade will increase by an equal percentage. The

planned bulk sample will provide adequate material for investigation of commercially available sorting methods.

Junior Exploration Assistance Program ("JEAP") Grant

Inventus has been accepted for the JEAP, sponsored by the Northern Ontario Heritage Fund Corporation and the Ontario Prospectors Association, which will provide a grant of up to $100,000 for the benefit of Pardo Joint Venture partners.

Operator of the Joint Venture

Inventus wishes to thank Sprott Mining for their valuable contribution to advancing the Pardo project and their continued technical and strategic support. At this time, Inventus will return to the role of operator of the JV with assistance from an interdisciplinary team of consultants and advisors.

JV

The following table summarizes the Company's current plans at the Pardo Property, the total estimated costs, and total expenditures incurred to date.

Activities Completed (Six Months Ended June 30, 2016)	Plans for the Project	(A) Spent (approx.)	(B) Planned Expenditures (approx.)
No activities incurred other than maintenance costs	The intention is to conduct a substantial bulk sample on the Pardo Property [(1)]	$nil	$1,000,000
	Maintenance costs	$3,000	$nil
Subtotals		**$3,000**	**$1,000,000**
Total (A+B)			**$1,003,000**

[(1)] The Company believes the proposed JV program of $1,000,000 will be spent within the next 12 months.

McNish Property

The following table summarizes the Company's current plans at the McNish Property, the total estimated costs, and total expenditures incurred to date.

Activities Completed (Six Months Ended June 30, 2016)	Plans for the Project	(A) Spent (approx.)	(B) Planned Expenditures (approx.)
Staking	No plans at this time	$nil	$nil
Subtotals		**$nil**	**$nil**
Total (A+B)			**$nil**

Cobble Zone

The following table summarizes the Company's current plans at the Cobble Zone, the total estimated costs, and total expenditures incurred to date.

Activities Completed (Six Months Ended June 30, 2016)	Plans for the Project	(A) Spent (approx.)	(B) Planned Expenditures (approx.)
Excavator stripping, detailed bedrock channel sampling and geological mapping	No plans at this time [1]	$30,000	$nil
Subtotals		**$30,000**	**$nil**
Total (A+B)			**$30,000**

[1] Management is in the process of developing a budget at the date of this Interim MD&A.

Transactions with Related Parties

Related parties include the Board, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The noted transactions below are in the normal course of business.

Salaries paid, or otherwise accrued, to key management personnel (defined as the CEO, the former Chief Financial Officer ("CFO"), the Chairman of the Company, and directors) for the three and six months ended June 30, 2016 totaled $nil (three and six months ended June 30, 2016 - $41,250 and $144,719, respectively). As at June 30, 2016, key management personnel was owed $2,754 (December 31, 2015 - $3,420) and these amounts were included in accounts payable and accrued liabilities.

The Company entered into a promissory note with the Chairman for the monies owing in the amount of $266,500. The promissory note incurs an interest rate of prime plus 1% per annum and matures at the earlier of (i) the date in which a default occurs, (ii) the date of which the Company completes an equity financing or series of equity financings resulting in aggregate gross proceeds to the Company of not less than $1.5M and (iii) October 30, 2017. On May 12, 2016, the Company settled the promissory note in full with cash.

In connection with the Offering, Mr. Wayne Whymark, Chairman and CEO of the Company, acquired a Special Warrant in the amount $250,000 exercisable at $0.05 per Special Warrant into common shares of the Company on completion of the Share Consolidation.

At the annual and special meeting of shareholders held on May 5, 2016, shareholders of the Company approved the Share Consolidation and on May 12, 2016, the Company effected and completed the Share Consolidation on a one (1) for two (2) basis and Mr. Whymark's Special Warrant automatically converted into 5,000,000 common shares of the Company.

During the three and six months ended June 30, 2016, the Company paid professional fees and disbursements of $10,518 and $20,568, respectively (three and six months ended June 30, 2015 - $9,055) to Marrelli Support Services Inc. ("Marrelli Support"), an organization of which Carmelo

Marrelli is president. Carmelo Marrelli is the CFO of the Company. These services were incurred in the normal course of operations for general accounting and financial reporting matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As at June 30, 2016, Marrelli Support was owed $nil (December 31, 2015 - $3,550) and these amounts were included in accounts payable and accrued liabilities.

During the three and six months ended June 30, 3016, the Company paid professional fees and disbursements of $5,321 and $9,435, respectively (three and six months ended June 30, 2015 - $5,263) to DSA Corporate Services Inc. ("DSA"), an organization of which Carmelo Marrelli controls. Carmelo Marrelli is also the corporate secretary and sole director to DSA. These services were incurred in the normal course of operations of corporate secretarial matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As at June 30, 2016, DSA was owed $3,647 (December 31, 2015 - $2,304) and these amounts were included in accounts payable and accrued liabilities.

On May 12, 2016, Eric Sprott and Evanachan, a company wholly-owned by Robert R. McEwen, all exercised, in full, their right to convert their previously acquired Debentures which became convertible into common shares of the Company as a result of the completion of the Share Consolidation. Mr. Sprott converted his $500,000 principal amount of Debentures at a price of $0.05 per share and as a result acquired 10,000,000 common shares of the Company and Evanachan converted its $500,000 principal amount of Debentures at a price of $0.05 per share and as a result acquired 10,000,000 common shares of the Company.

To the knowledge of the directors and officers of the Company, as at June 30, 2016, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all the common shares of the Company other than Robert R. McEwen that controls 18,052,500 common shares or approximately 24.39% and Eric S. Sprott that controls 13,661,333 common shares or approximately 18.46% of the shares outstanding.

(b) Remuneration of directors and key management personnel of the Company was as follows:

Stock-based compensation	Six Months Ended June 30, 2016 $	Six Months Ended June 30, 2015 $
Wayne Whymark (CEO)	13,486	nil
Doug Hunter, Director	3,371	nil
Robert Heatherington, Director	3,371	nil
Mark Hall, Director	3,371	nil
Greg Gibson, Director	3,371	nil
Carmelo Marrelli, (CFO)	2,698	nil
Stefan Spears, Director	3,371	nil
Total	**33,039**	**nil**

Stock-based compensation	Three Months Ended June 30, 2016 $	Three Months Ended June 30, 2015 $
Wayne Whymark (CEO)	13,486	nil
Doug Hunter, Director	3,371	nil
Robert Heatherington, Director	3,371	nil
Mark Hall, Director	3,371	nil
Greg Gibson, Director	3,371	nil
Carmelo Marrelli, (CFO)	2,698	nil
Stefan Spears, Director	3,371	nil
Total	**33,039**	**nil**

Trends

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. During the six months ended June 30, 2016, equity markets in Canada showed signs of improvement, with equities increasing significantly during this period. Strong equity markets are favourable conditions for completing a public merger, financing or acquisition transaction. Apart from these and the risk factors noted under the heading "Risk Factors", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations. See "Risk Factors" below.

Financial Highlights

Financial Performance

The Company's net loss totaled $218,177 for the three months ended June 30, 2016, with basic and diluted loss per share of $0.00. This compares with a net loss of $301,060 with basic and diluted loss per share of $0.01 for the three months ended June 30, 2015. The decrease in net loss of $82,883 was principally because:

- The decrease in exploration and evaluation expenditures of $83,368 for the three months ended June 30, 2016, compared to the three months ended June 30, 2015, can be attributed to decreased exploration expenditures related to the Pardo Property. Refer to subheading "Liquidity and Financial Position" under heading "Financial Highlights" for a summary of the Company's exploration program at the Pardo Property.

- Office and general expenses increased to $104,702 for the three months ended June 30, 2016, compared with $89,654 for the same period in 2015 due to increased corporate activity.

- Professional fees decreased to $28,163 for the three months ended June 30, 2016 compared with $32,501 for the same period in 2015. The decrease was primarily due to lower legal fees.

- Interest expense increased to $10,048 during the three months ended June 30, 2016, compared to $nil during the three months ended June 30, 2015. This increase is due to interest charged on the promissory notes with the Chairman of the Company and a third party, as well as the Debentures.

- All other expenses related to general working capital.

The Company's total assets at June 30, 2016 were $1,172,224 (December 31, 2015 - $85,008 against total liabilities of $59,836 (December 31, 2015 - $296,993). The increase in total assets of $1,087,216 resulted from cash raised from the issue of the Special Warrant and Debentures. The Company has sufficient current assets to pay its existing liabilities of $59,836 at June 30, 2016.

Cash Flow

At June 30, 2016, the Company had cash and cash equivalents of $1,141,844 at June 30, 2016, compared to $58,935 at December 31, 2015. The increase in cash and cash equivalents of $1,082,909 from the December 31, 2015 cash and cash equivalents balance of $58,935 was as a result of cash outflow in operating activities of $212,549. Operating activities were affected by adjustments of accrued interest of ($1,675), stock-based compensation of $43,827 and net change in non-cash working capital balances of $26,711 because of an increase in prepaid expenses and other current assets of $422, an increase in amounts receivable of $3,885 and an increase in accounts payable and accrued liabilities of $31,018. Financing activities increased to 1,295,458 through the issue of promissory notes in the amount of $75,000, the issue of a Special Warrant of $250,000 to the Chairman of the Company, the exercise of stock options of $93,500 and the issue of Debentures of $1,300,000, offset by share issue costs of $81,542 and the repayment of promissory notes of $341,500.

Liquidity and Financial Position

The Company derives no income from operations, as all of its projects since inception have been exploration projects. Accordingly, the activities of the Company have been financed by cash raised through promissory notes, issue if Debentures, private placements of securities, the exercise of warrants and its initial public offering. As the Company does not expect to generate cash flows from operations in the near future, it will continue to rely primarily upon the sale of securities to raise capital. As a result, the availability of financing, as and when needed, to fund the Company's activities cannot be assured. See "Risk Factors" below.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of June 30, 2016, the Company believes it is compliant with TSXV Policy 2.5.

During fiscal 2016, the Company's corporate head office costs are estimated to average less than $100,000 per quarter. Head office costs include professional fees, reporting issuer costs, business development costs and general and administrative costs. Head office costs exclude project generation and evaluation costs. The cost of acquisition and work commitments on new acquisitions cannot be accurately estimated.

The Company believes it has adequate working capital for two years. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. It is

difficult, at this time, to definitively project the total funds necessary to effect the planned activities of the Company other than the estimated exploration budget of $1 million which will be spent within the next 12 months or deferred as required. For these reasons, management considers it to be in the best interests of the Company and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed, or for other purposes, as needs arise.

It is anticipated that the Company will receive up to $100,000 from the JEAP grant and should the Company's JV partner elect to participate in the JV program, the Company will receive 35.5% of the funds spent.

See "Risk Factors" below and "Caution Note Regarding Forward-Looking Statements" above.

Additional measures have been undertaken or are under consideration to further reduce corporate overhead.

Outlook

The Company intends to continue exploring the Pardo Property. The Company is mindful that the gold price could fall with little or no warning. Accordingly, its plans for the near term are to monitor market fundamentals, complete the bulk sampling program at the Pardo Property and to ensure that the Company is well positioned to weather any possible resurgence of a market downturn. See "Risk Factors".

Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's Annual MD&A for the fiscal year ended December 31, 2015, available on SEDAR at **www.sedar.com**.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the unaudited condensed consolidated interim financial statements do not contain any untrue statement of 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 is made, as of the date of and for the periods presented by the unaudited condensed consolidated interim financial statements; and (ii) the unaudited condensed consolidated interim financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the

establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of unaudited condensed consolidated interim financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Changes in Accounting Policies

During the year ended December 31, 2015, the Company retrospectively changed its accounting policy for exploration and evaluation expenditures. Previously, the Company capitalized acquisition costs and deferred exploration and evaluation expenditures of mineral properties to the specific mineral properties, net of recoveries received.

Under the new policy, exploration and evaluation expenditures incurred prior to the establishment of technical feasibility and commercial viability of extracting mineral resources and prior to a decision to proceed with mine development are charged to operations as incurred. As required by IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, the Company included the restated consolidated statement of financial position as at December 31, 2014, restated unaudited condensed consolidated interim statement of loss and comprehensive loss for the three and six months ended June 30, 2015 and restated unaudited condensed consolidated interim statement of cash flows for the six months ended June 30, 2015. Management considers this accounting policy to provide more reliable and relevant information and more clearly represents the Company's activities.

The consolidated financial statement impact as at December 31, 2014 is as follows:

Statement of Financial Position	As previously reported ($)	Effect of change in accounting policy ($)	As restated ($)
Mineral properties and deferred exploration expenditures	8,043,204	(8,043,204)	nil
Total non-current assets	10,589,879	(8,043,204)	2,546,675
Total assets	11,573,662	(8,043,204)	3,530,458

Deferred income tax liability	660,041	(660,041)	nil
Total liabilities	827,848	(660,041)	167,807
Deficit	(4,703,973)	(7,383,163)	(12,087,136)
Total shareholders' equity	10,745,814	(7,383,163)	3,362,651
Total liabilities and shareholders' equity	11,573,662	(8,043,204)	3,530,458

The consolidated financial statement impact as at June 30, 2015 and for the six months ended June 30, 2015 is as follows:

Statement of Financial Position	**As previously reported ($)**	**Effect of change in accounting policy ($)**	**As restated ($)**
Mineral properties and deferred exploration expenditures	8,282,376	(8,282,376)	nil
Total non-current assets	10,800,978	(8,282,376)	2,518,602
Total assets	11,071,725	(8,282,376)	2,789,349
Deferred income tax liability	660,041	(660,041)	nil
Total liabilities	686,570	(660,041)	26,529
Deficit	(5,119,632)	(7,622,355)	(12,741,967)
Total shareholders' equity	10,385,155	(7,622,335)	2,762,820
Total liabilities and shareholders' equity	11,071,725	(8,282,376)	2,789,349

Statement of Loss and Comprehensive Loss	**As previously reported ($)**	**Effect of change in accounting policy ($)**	**As restated ($)**
Exploration and evaluation expenditures	nil	239,172	239,172
Net loss and comprehensive loss for the period	(415,659)	(239,172)	(654,831)
Basic and diluted loss per share	(0.00)	(0.02)	(0.02)

Statement of Cash Flows	**As previously reported ($)**	**Effect of change in accounting policy ($)**	**As restated ($)**
Net loss for the period	(415,659)	(239,172)	(654,831)
Cash flows used in operating activities	(432,801)	(239,172)	(671,973)
Deferred exploration expenditures incurred	(239,172)	239,172	nil
Cash flows (used in) provided by investing activities	(238,072)	239,172	1,100

The consolidated financial statement impact for the three months ended June 30, 2015 is as follows:

Statement of Loss and Comprehensive Loss	As previously reported ($)	Effect of change in accounting policy ($)	As restated ($)
Exploration and evaluation expenditures	nil	114,805	114,805
Net loss and comprehensive loss for the period	(186,255)	(114,805)	(301,060)
Basic and diluted loss per share	(0.00)	(0.01)	(0.01)

Subsequent Event

Subsequent to June 30, 2016, 787,500 stock options with an exercise price of $0.22 were exercised for cash proceeds of $173,250.