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

**For the Three and Six Months Ended**
**February 28, 2017 and February 29, 2016**

This management discussion and analysis ("MD&A") has been prepared based on information available to Brionor Resources Inc. ("Brionor" or the "Company") as at May 1, 2017. The MD&A of the operating results and financial condition of the Company for the three and six months ended February 28, 2017, should be read in conjunction with the Company's condensed interim financial statements for the three and months ended February 28, 2017 (the "Financial Statements") and the audited financial statements and the related notes for the year ended August 31, 2016. 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.

## 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 in Quebec and Argentina (see exploration activities below).

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.

The Company is in the process of acquiring Atala Resources Corporation ("Atala"). During 2014 and 2015 the Company advanced funds to Atala to assist it in acquiring mineral properties in Argentina. During this time, the Company was unable to complete the acquisition due to poor equity markets and the advances were written down.

On March 2, 2017, the Company announced it had entered into a definitive share purchase agreement, dated March 1, 2017 with Atala, and Atala Shareholders; whereby Brionor proposes to acquire all of the issued and outstanding shares of Atala for an aggregate net purchase price of $300,000 payable by the issuance of common shares of Brionor at a deemed price of $0.05 per Brionor Share. Under the Agreement, each Atala Shareholder shall receive 0.4382 of a Brionor Share for each Atala Share held, for a total of 6,000,000 Brionor Shares.

## 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 August 31 2016 and February 28, 2017 |
|---|---|---|---|---|---|---|
| | % | $ | $ | $ | $ | $ |
| **Quebec** | | | | | | |
| Verneuil | 50 | 1,630 | - | - | - | 1,630 |
| Noyell | 100 | 352 | - | - | - | 352 |
| Pitt Gold | 100 | 514,000 | 514,000 | - | - | - |
| Matchi-Manitou | 29 | 3,740 | - | - | - | 3,740 |
| | | **519,722** | **514,000** | **-** | **-** | **5,722** |

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

**Pitt Gold – gold project**
The Company held a 100% interest in 24 mining claims located approximately 35 km north of Rouyn-Noranda, district of Abitibi. A 4% net smelter return royalty on future production was attached to the property.

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. The Company has recognized a realized gain of $736,000 on the sale of the Pitt Gold Property during the year ended August 31, 2016.

**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.

On July 27, 2015, the Company announced that it had executed a Definitive Option / Joint Venture Agreement (the "Agreement") with Wealth Minerals Limited ("Wealth"), granting Wealth the exclusive option to acquire up to 100% of the Noyell Property (the "Property" or "Noyell"), in three phases, through issuance to Brionor of Wealth common shares valued at $850,000 over four years.

On July 27, 2016, Wealth provided a formal notification that pursuant to the Option Agreement, it would no longer proceed with its Year 2 option payment and therefore, the Option Agreement was terminated. In July 2016 Wealth and Brionor entered into a Quitclaim Deed and Assignment under which Wealth assigned, conveyed and quitclaims unto Brionor all of Wealth's rights, titles and interests in the Noyell property.

**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.

**Acquistion of Atala Resources Corporation**
On February 20, 2013, the Company entered into the original letter agreement (the "Letter Agreement") with 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 was to receive 0.4655373 of a Brionor Share for each Atala Share held, for a total of 6,000,000 Brionor Shares.

Further, 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 (payable by the issuance of 12,000,000 Brionor shares at a demed price of $0.05 per share). This was as a result of Atala's pending acquisition of 100% interest in AuEx S.A ("AuEx") from Renaissance Gold Inc.

("RenGold") (see below). AuEx held a number of exploration properties in Santa Cruz Province Argentina including the two properties (Covadonga and Meridiano) that Atala had executed an option agreement with RenGold on previously.

On March 17, 2014, the Letter Agreement was further amended to extend the closing date, and ultimately on April 25, 2015, at the request of the TSX Venture Exchange the Company announced that "it has terminated its acquisition of Atala Resources Corporation under the terms as previously contemplated. The Company and Atala continue to evaluate alternatives for a revised transaction, but at this time, no agreement is pending." The Company converted the cash advances to Atala into a loan receivable and then provided for the advances receivable by recording an impairment provision against the advances (see Note 3). The other acquisition costs have been written off.

On March 2, 2017, the Company announced it had entered into a new definitive share purchase agreement, dated March 1, 2017 with Atala, and Atala Shareholders; whereby Brionor proposes to acquire all of the issued and outstanding shares of Atala for an aggregate net purchase price of $300,000 payable by the issuance of common shares of Brionor at a deemed price of $0.05 per Brionor Share. Under the Agreement, each Atala Shareholder shall receive 0.4382 of a Brionor Share for each Atala Share held, for a total of 6,000,000 Brionor Shares.

The Company is in the process of completing the acquisition of Atala, which is expected to close in early May 2017.

Atala's exploration property portfolio spans approximately 103,000 hectares in 7 independent areas in the highly prospective Province of Santa Cruz Argentina. Atala, through its 100% owned subsidiary (Atala Argentina S.A.) owns the mining rights to the El Monte, Gertrudis, Boleadora group and Katrina projects. Atala Argentina S.A. is also the parent company of AuEx Argentina S.A. ("AuEx") which it acquired from RenGold in February 2014 (the "AuEx Acquisition"). In connection with the AuEx Acquisition, for a period of 10 years following the closing of such transaction, Atala shall pay to RenGold an amount of $30,000 should it complete an equity financing of minimum proceeds $1 million and an additional amount of $50,000 should it complete an additional financing for additional minimum proceeds of $1 million. RenGold may elect to receive such payments in shares of Atala or of a successor company. RenGold is also entitled to a 4% NSR royalty on certain properties, less any royalties payable to the Province of Santa Cruz and any underlying vendor. The royalty can be purchased back in an amount in excess of 1% at a price of US$1 million per 1%. In no case will the RenGold NSR be less than 1%.

The El Meridano, Covadonga, and La Rosita projects are subject to an underlying option agreement with a private Argentine vendor pursuant to which Atala shall make options payments to the vendor commencing on January 1st of every year for the next 6 years (US$35,000 for the next 3 years, US$50,000 in the fourth year, US$125,000 in the fifth year and US$300,000 in the last year for a total of US$580,000). The Vendor is entitled to receive a 2% NSR royalty. The royalty can be purchased back for $800,000.

As such, following the closing of the Acquisition, Brionor shall assume this obligation of Atala which will remain subject to regulatory approval. Any mining rights held by AuEx at the time of its acquisition by Atala Argentina at the time of the transaction have since then been transferred to Atala Argentina.

Covadonga Property

Covadonga is an area of low relief with poor exposure and is underlain predominantly by felsic lithic tuffs and volcaniclastic sediments that rest un-conformably on faulted blocks of older mafic volcanic units. The Cerro Covadonga project is centred around an area of NNW striking, sub-vertical, low sulfidation, epithermal veins with multi gram gold grades on the surface and a high level geochemical signature. Additionally, sparse outcrops within a hydrothermal corridor return samples with small amounts of gold and significant amounts of mercury from breccias and small veins encased in broader zones of clay (argillic) alteration thought to represent zones of steam heated alteration associated with very high level parts of a deeper, 1.5 km long structurally-controlled epithermal system.

Exploration at Covadonga has focused principally on a 2 sq. km area in the northwestern part of the property block where surface rock chip sampling and mapping defined an altered and weakly mineralized zone. This zone was previously explored with 9 exploration trenches totalling 1,127 m in length, 8 of which were spaced at irregular 50 to 200 m intervals along a 600 m long segment of the corridor. The trenches reveal multiple zones of broad alteration, up to 25 m wide, enclosing veining and brecciation not visible at the surface. Weakly anomalous gold values, together with anomalous amounts of mercury-arsenic-antimony, were returned from samples within most of these zones. At Covadonga, previous surface exploration results suggest potential for several types of targets of significant size, including possible disperse, low-grade large tonnage deposits in addition to more typical Deseado Massif discrete vein systems.

The trenches range in length from 55 to 213 m and excavated to depths of about 1.5 m and oriented in W-E directions across the corridor trend, with the exception of Trench 8, a short SW-NE trench in an outlying area east of the central part of the corridor. The trenches were spaced at irregular 50 to 200 m intervals along a 600 m segment of the corridor, with the exception of Trench 9, a reconnaissance trench designed to find a possible extension of the corridor about 500 m south of the principal target area. All trenches were sampled by taking continuous chip samples at regular 5 m intervals along trench walls, close to the floor of the trench, collecting 296 total samples representing 1,100 m of total length. Additionally, 76 select samples of variable, but typically small, size were taken from various structures or other in the trenches.

The trenches revealed zones of broad argillic alteration, veining and brecciation not visible at the surface. Previous operators interpreted these broad argillic alteration zones as steam heated alteration zones. One to several of these zones were found in all trenches except Trench 2, near the middle of the trenched corridor segment, and the two outlying trenches, Trench 8 and Trench 9, neither of which returned anomalous gold or significant amounts of mercury, arsenic or antimony, the three most-common pathfinder elements for epithermal exploration. All other trenches, including Trench 2, contain significant, albeit highly variable, amounts of one or more of these pathfinder elements with small amounts of gold commonly found in the argillic alteration zones where present.

The Covadonga project is an early stage exploration project with excellent access and infrastructure and is close to the Cerro Vanguardia Mine. Despite these advantages the area was not seriously explored prior to 2007-2008 with subsequent prospecting and trenching returning generally encouraging results. Virtually all of the currently known epithermal deposits in the Deseado Massif are classic silica-quartz vein systems which, at the surface, usually form outcrops that stand in relief above the surrounding terrain, with intervening covered, recessive weathering areas often neglected by explorers. However, epithermal mineralization that accompanies large episodic volcanic complexes such as the Deseado Massif can manifest itself in a variety of ways. The project clearly merits further exploration and the currently defined target area would benefit from:

a) New or additional detailed ground geophysical surveys, including IP Gradient and Ground magnetic survey.
b) Systematic gridded shallow augur hole soil/float sampling, including an eventual in fill in anomalous areas.
c) New or additional trenching. The trenches should be processed like horizontal holes.

We consider an adequate budget for these works as follows:

| | |
|---|---|
| Gradient array IP-Resistivity, 20 line kilometers at US$600/km | US$ 12,000 |
| Magnetic field survey, 40 line kilometers at US$100/km | US$ 4,000 |
| Field mapping, reconnaissance & geochem sampling | US$ 50,000 |
| Trenching, 1,500m at US$40 (incl. samples) | US$ 60,000 |
| Sample analysis, 500 samples at US$30 | US$ 15,000 |
| TOTAL COST | US$ 141,000 |

Meridiano Property

Regional mapping and satellite imagery suggest the Meridiano property lies in the western part of a 8-10 km wide caldera, and the westernmost part of this feature is thought to be the site of 2.5 km wide circular diatreme complex. Andesitic to felsic tuffs in a 4 sq. km area are cut by gold-bearing hydrothermal breccias filling N to NW trending fractures and faults. Virtually all samples of these breccias contain small to significant amounts of gold, arsenic and antimony, but very little silver or base metals, suggesting that the mineralization in this area is preserved at a high level of erosion.

Exploration at Meridiano has focused on a 4 sq. km area in the northern part of the property block. Whereby 403 rock chip samples were collected. There has been 65 line-km of magnetic and 32.5 line-km of gradient array IP ground surveys undertaken, and 32 drill holes completed, totalling 4,698 m in two reverse circulation campaigns and one diamond core twin-hole campaign. The drill holes were collared within a 1 sq. km area in the northwestern-most part of the property.

Historic drill results included multiple intercepts of weak gold mineralization. Most holes hit one to several thin intervals of at least 0.10 g/t Au, and about one-third intersected wider intervals of weak mineralization interspersed with narrower higher-grade zones. Ten holes intersected "significant mineralization," here

| Hole # | From (m) | To (m) | Length (m) | Approx. true width | Au g/t |
|---|---|---|---|---|---|
| **RCM006** | 53.0 | 73.0 | 20.0 | 10.0 | 0.375 |
| | | *including* | 8.0 | 4.0 | 0.409 |
| | | *and* | 3.0 | 1.5 | 0.814 |
| **DDH6T** | 54.0 | 74.0 | 20.0 | 10.0 | 0.432 |
| | | *including* | 12.0 | 6.0 | 0.500 |
| **RCM008** | 35.0 | 60.0 | 25.0 | 12.5 | 0.350 |
| | | *including* | 5.0 | 2.5 | 0.971 |
| | | *and* | 2.0 | 1.0 | 0.423 |
| **DDH8T** | 36.0 | 44.0 | 8.0 | 4.0 | 0.381 |
| | | *including* | 3.0 | 1.5 | 0.657 |
| **RCM010** | 73.0 | 100.0 | 27.0 | 13.5 | 0.348 |
| | | *including* | 6.0 | 3.0 | 1.005 |
| | 98.0 | 101.0 | 3.0 | 1.5 | 0.761 |
| **DDH10T** | 99.0 | 103.0 | 4.0 | 2.0 | 0.370 |
| **RCM011** | 4.0 | 7.0 | 3.0 | 1.5 | 1.376 |
| | 26.0 | 30.0 | 4.0 | 2.0 | 0.496 |
| **RCM013** | 25.0 | 28.0 | 3.0 | 1.5 | 0.400 |
| | 35.0 | 41.0 | 6.0 | 3.0 | 0.419 |
| | 45.0 | 48.0 | 3.0 | 1.5 | 0.540 |
| **RCM 022** | 73.0 | 78.0 | 5.0 | 2.5 | 0.837 |
| **RCM 025** | 101.0 | 104.0 | 3.0 | 1.5 | 0.337 |

considered to be the equivalent of 1.5 meters (true thickness) of at least 0.34 g/t). These holes and their mineralized intercepts are provided in the following table:

> **Note:** The mineral intercepts reported above are at an angle to the steeply dipping structural zones. Although the actual true widths are uncertain, the approximate "true widths" provided in the table above were calculated assuming these structural zones are vertical and are therefore equal to one-half the width intersected in the drill hole.

The previous drilling tested the structural corridors to a maximum vertical depth of only 138 m. The company believes these results indicate that gold mineralization within these corridors has good horizontal continuity. The mineralized diatreme model suggested for Meridiano is supported by surface sampling, mapping, geophysical surveys, and by drilling. The area encompassed by mineral showings, both at surface and depth, is sufficiently large to warrant further exploration.

Despite the drilling carried out to date, the project remains at an early stage of exploration and needs further ground work and modelling before undertaking further drilling. The currently defined target area of this project would benefit from further work in order to better define the flanks of the diatreme and the optimal drilling depth. The currently defined target areas on both projects would benefit greatly from:

a) New or additional detailed ground geophysical surveys, including IP Gradient and Ground magnetic survey.
b) Systematic gridded shallow augur hole soil/float sampling, including an eventual in fill in anomalous areas.
c) New or additional trenching. The trenches should be processed like horizontal holes.

We consider an adequate budget for these works as follows:

| | |
|---|---|
| Gradient array IP-Resistivity, 30 line kilometers at US$600/km | US$ 18,000 |
| Pole-dipole IP-Resistivity lines, 10 line kilometers at US$1,000/km | US$ 10,000 |
| Magnetic field survey, 20 line kilometers at US$100/km | US$ 2,000 |
| Field mapping, reconnaissance & geochem sampling | US$ 50,000 |
| Sample analysis, 400 samples at US$30 | US$ 30,000 |
| TOTAL COST | US$ 110,000 |

<u>Other Properties: El Monte, Gertrudis, La Rosita, Boleadora, Katrina</u>
The El Monte project has multiple zones of targets, the principal ones being found in a range of footwall and hanging wall breccias at the edge of a dome complex to manto type targets within the dome complex. These targets occur along a NNW striking structural zone comprising a 3km extension of semi continuous low sulfidation Au and Ag veinlets and breccias. Trenching by a previous operator adjacent to dome rocks and argillized tuffs, has revealed several zones of continuous mineralization at the surface. Historic assay results from trenching include 55 meters of 0.41 ppm Au and 13.2 ppm Ag in Trench 2 and 35 meters of 0.10 ppm Au with 7.6 ppm Ag in trench 1. The most significant surface results obtained on the property rock chip assays yielding up to 638 ppm Ag and 8.6 ppm Au. This precious metal zone follows the footwall of a through-going fault on the west margin of a rhyolite dome complex.

The target at Gertrudis comprises two mineralized structures which we refer to as the Gertrudis and David veins. These veins are some 300m apart, sub parallel and steeply dipping to the West. The Gertrudis vein extends for 800m and consists of silicified tectonic breccias with an argillic alteration halo. This NNW striking structure is steeply dipping to the WSW, and is well exposed along most of its length. The Gertrudis project has anomalous gold, up to 320 ppb, which is accompanied by high level epithermal geochemistry with anomalous Hg-Sn and As. The David vein is much less prominent and is characterized by spotty Au anomalies with high level epithermal geochemistry and is 400 m in length. The David vein is however highly significant in that the presence of two veins in parallel structures implies the potential for further veins under cover to the West. The veins are hosted in the "Bajo Pobre", a largely mafic Jurassic unit and they are covered to the north and south by Cretaceous sediments. This field relationship opens up considerable exploration potential in recessive ground to the north and south of the known mineralization.

La Rosita is atypical in the Deseado Massif in that surface mineralization occurs in a complex area of shear zones which are generally hosted in carbonate sediments and chert as well as felsic to intermediate volcanics. The geology of La Rosita comprises a small basin measuring around 4 by 4 km which is formed in andesitic and dacitic volcanics and is occupied by highly deformed cherts, limestones and siltstones which are locally altered and mineralized. Prior to 2008 no drilling had taken place on the property. Geological mapping and further sampling was carried out during 2009 by a previous operator, and this was accompanied by a geophysical, IP and ground magnetic campaign. In September of 2010, 11 diamond holes were drilled, the most interesting being DDHLR04 which included a 3 metre intercept of 0.761 ppm Au and 926 ppm Cu at a depth of 83 metres. The Company is currently using the geophysical and geological database to re-evaluate the property in terms of known regional structure and stratigraphy. We believe that further targets occur at depth in vein forming crystal tuffs associated with zones of high fluid flow potential in dilational zones.

The Boleadora Group comprises 6 cateos and 6 MDs totalling 50,000 hectares of prospective ground to the South of the San Jose and Cerro Negro Mines. The ground is largely comprised of Jurassic Chon Aike and Matilde formation volcanics and sediments and the regional structural regime is also favorable with structures striking directly to known mineralization and Cerro Negro. Analysis of Thematic mapper data has been used to produce a first pass target proposal with the spectral anomalies and lineament analysis allowing us to define 76 target areas.

Katrina is a 10,000 ha Cateo which is characterized by extensive post Jurassic marine sediments and subsequently scarce prospective Jurassic outcrop. Never the less, first pass prospecting has revealed significant evidence of strong hydrothermal activity in outcrops exposed in drainages. Intermittent but significant Au anomalies +- Ag +- As over 2.3 km NNE strike length are observed with grades ranging from 0.02 to 1.60 ppm Au, the latter occurring in white silica vein breccia blocks encased in a ferrous silica matrix.

Other than the option payment commitments on the Covadonga and Meridiano Properties (as described above) the balance of the property portfolio is subject only to normal course holding costs including land maintenance and taxes.

Private Placement Financing

In conjunction with the Atala Transaction, the Company will undertake a non-brokered unit private placement for minimum proceeds of $680,000 and maximum proceeds of $1,000,000 (the "Offering"). The terms of the Offering are as follows: a minimum of 13,600,000 units and a maximum of 20,000,000 units at a price of $0.05 per unit. Each unit will be comprised of 1 common share and 1 common share purchase warrant exercisable at a price of $0.08 for a period of 24 months from closing.

The Offering is expected to close concurrently with the Atala Transaction in early May, 2017.

**Qualified person**

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

## Summary of quarterly results

| | February 28 2017 $ | November 30 2016 $ | August 31 2016 $ | May 31 2016 $ |
|---|---|---|---|---|
| Total assets | 2,699,538 | 2,270,329 | 2,323,329 | 1,800,553 |
| Shareholders' equity | 2,624,050 | 2,169,637 | 2,171,270 | 1,693,396 |
| Total revenues | - | - | - | - |
| Net income (loss) | 448,413 | (2,631) | 1,740,105 | 1,400,085 |
| Net income (loss) per share[2] | 0.01 | 0.00 | 0.04 | 0.03 |

| | February 29 2016 $ | November 30 2015 $ | August 31 2015 $ | May 31 2015 $ |
|---|---|---|---|---|
| Total assets | 529,321 | 556,482 | 572,086 | 784,897 |
| Shareholders' equity | 305,310 | 328,448 | 356,353 | 565,470 |
| Total revenues | - | - | 50,000 | - |
| Net income (loss) | (23,138) | (27,904) | (297,406) | (4,031) |
| Net loss per share[2] | (0.00) | (0.00) | (0.01) | (0.00) |

[1] The net income is derrived from the sale of the Pitt Gold Property as well as the increase in the fair value of First Mining shares acquired as partial consideration from the sale of the Pitt Gold property.
[2] 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 February 28, 2017, the Company had cash and cash equivalents of $137,339 (August 31, 2016 - $5,307) and a working capital surplus of $2,168,915 (August 31, 2016 – a surplus of $2,166,548), an accumulated deficit of $2,278,654 (August 31, 2016 - $2,730,436) and cash flow used in operations for the six months ended February 28, 2017 was $236,051 (six months ended February 29, 2016 – negative $23,938).

The Company's primary sources of cash include the sale and option of its mineral properties, the sale of short-term investments. The Company's primary uses of cash include exploration and transaction financing 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**
During the six months ended February 28, 2017, the Company purchased 15,000,000 common shares of Northern Superior Resources Inc. ("Northern"). The Company sold 1,035,293 common shares of First Mining for gross proceeds of $884,822 and sold 3,577,000 shares of Northern for proceeds of 215,212. The Company advanced $281,020 to Atala.

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.

On March 2, 2017, the Company completed a subscription for 5,000,000 units of Northern at a price of $0.05 per unit, with each unit comprising one common share of Northern and one common share purchase warrant. Each warrant entitles the Company to acquire one common share of Northern at a price of $0.075 per common share until March 2, 2019.

## Shareholders equity

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

| | |
|---|---|
| **Balance at August 31, 2016 and February 28, 2017 and May 1, 2017** | **48,312,465** |

**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 February 28, 2017, 2,350,000 options were outstanding with 2,350,000 exercisable and 2,481,247 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.

A summary of the outstanding stock options is presented below:

| | Options<br># | Weighted average exercise price<br>$ |
|---|---|---|
| **Outstanding, August 31, 2015** | **850,000** | **0.10** |
| Issued | 1,900,000 | 0.05 |
| Expired | (200,000) | 0.10 |
| **Balance, August 31, 2016 and February 28, 2017** | **2,550,000** | **0.06** |
| **Options exercisable at August 31, 2016 and February 28, 2017** | **2,550,000** | **0.06** |

| Date of grant | Remaining life | Number of options<br># | Exercise price<br>$ |
|---|---|---|---|
| April 18, 2012 | 0.13 years | 650,000 | 0.10 |
| July 28, 2016 | 4.34 years | 1,900,000 | 0.05 |
| | | **2,550,000** | |

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. The options have been valued using the black-scholes method with a riske free interest rate of 0.55%, expected volatility of 219%, dividend yield of nil and an expected life of 5 years.

On April 18, 2017, 650,000 stock options expired unexercised.

## Transactions with related parties

The Company defines its key management as the Board of Directors, Chief Executive Officer and Chief Financial Officer. For the three months ended February 28, 2017, $26,000 was paid as management compensation (for the three months ended February 29, 2016 – $3,000 and is included in trade and other payables). Share based compensation awarded to key management for the three months ended February

28, 2017 was $nil (for the three months ended February 29, 2016 - $nil). As at February 28, 2017, there is $41,500 in accrued liabilities for fees owed to the CFO.

| | For the three months ended February 28/29 | | For the six months ended February 28/29 | |
|---|---|---|---|---|
| | **2017** | 2016 | **2017** | 2016 |
| | **$** | $ | **$** | $ |
| Management fees | **18,000** | - | **36,000** | - |
| Professional fees | **8,000** | 3,000 | **12,000** | 8,000 |
| | **26,000** | 3,000 | **48,000** | 8,000 |

During the year ended August 31, 2016, a loan was provided by Thorsen-Fordyce Merchant Capital Inc. (controlled by Lewis Lawrick, CEO) for the amount of $29,000. $1,500 was added to the loan during the six months ended February 28, 2017 and then fully repaid. The loan was non-interest bearing, unsecured and without fixed repayment terms.

## Going concern assumption

The 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 six months ended February 28, 2017, the Company had net income of $451,782 (for the six months ended February 29, 2016 – a loss of $51,042), had used cash in operations of $236,051 for the six months ended February 28, 2017 – used $23,938 for the six months ended February 29, 2016), and as at February 28, 2017, had an accumulated deficit of $2,278,654 (August 31, 2016 - $2,730,436) and a working capital surplus of $2,618,328 (August 31, 2016 – a surplus of $2,166,546). During the year ended August 31, 2016, the Company sold its interest in the Pitt Gold property for cash of $250,000 and $1 million of common shares on First Mining. Currently the Company has marketable securities with a total value of $2,176,275.

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 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 February 28, 2017, the Company has $137,339 in cash to settle current liabilities of $75,488. 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.

Additional risks are as disclosed in the audited financial statements of the Company for the year ended August 31, 2016.

## 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 May 1, 2017. Additional information on the Company is available through regular filings of press releases and financial statements on SEDAR (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 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.

May 1, 2017.

(signed) "Lew Lawrick"
Lew Lawrick
President and Chief Executive Officer

(signed) "Errol Farr"
Errol Farr
Chief Financial Officer