NORTHERN EMPIRE RESOURCES CORP.

Management Discussion and Analysis
For the three months ended June 30, 2017

August 29, 2017

The following discussion and analysis should be read in conjunction with the unaudited condensed interim financial statements for the three months ended June 30, 2017 and the audited financial statements for the years ended March 31, 2017 and 2016 notes included therein. All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars. Additional regulatory filings for the Company can be found on the SEDAR website at www.sedar.com.

As of April 1, 2011, the Company adopted International Financial Reporting Standards ("IFRS") and the following disclosure and associated audited financial statements are presented in accordance with International Accounting Standards unless otherwise indicated.

On May 31, 2017, the Company consolidated its share capital on a 3:1 basis. All share and per share amounts have been restated to reflect the share consolidation.

Forward-Looking Statements

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments.

Overview

Northern Empire Resources Corp. ("Northern Empire" or the "Company") is a junior natural resource company focused on the acquisition, exploration, and development of precious metals properties. Northern Empire was incorporated under the Canada Business Corporations Act on September 10, 2010.

Acquisition of Sterling Property

On February 14, 2017, the Company entered into a Letter of Intent ("LOI") with Sterling Gold Mining Corporation ("SGMC"), a wholly owned subsidiary of Imperial Metals Corporation ("Imperial Metals") (TSX:III) to acquire a 100% interest in the Sterling property, located in Nye County, Nevada, and certain royalty rights for claims located in Nevada and California (the "Proposed Transaction").

The Sterling property is located approximately 100 miles NW of Las Vegas on the eastern flank of the Bare Mountains within the Walker Lane trend. The mine is accessed via highway I-95 and gravel roads. The Sterling mine has previously operated as both an open pit and underground operation. Production records show that from 1980 to 2000 mining on the Sterling orebodies produced 194,996 oz gold ("Au") at an average grade of 7.44 g/t Au. Recoveries have averaged 88% without milling. The Bureau of Land Management has issued a Finding of No Significant Impact ("FONSI") and approved the next phase of mining at Sterling. This permit was issued on May 12, 2016 and has an indefinite term. To achieve the FONSI, Imperial Metals created designs for the new pits and heap leach facilities that Northern Empire will be able to use going forward. Imperial Metals ceased underground mining of a separate orebody in 2015. Processing facilities, mine offices and staff are on site and are currently being used to rinse heaps from prior operations.

Under the terms of the Proposed Transaction with SGMC, the Company acquired:

- A 100% interest in the Sterling Mine Property (the "Sterling Property") located in Nye County, Nevada being comprised of 707 unpatented mining claims encompassing approximately 14,605 acres.
- A 100% interest of the Hoodoo Canyon Property (the "Hoodoo Property") located in Nye County, Nevada, being comprised of 209 unpatented mining claims encompassing approximately 4,318 acres. Newmont Mining Corporation through Fronteer Development Inc. have assumed the lease and the obligations for an annual advance royalty payment.
- A three percent (3%) Net Smelter Return Royalty up to a limit of US$1,250,000 on the Tenabo Robertson) Property located on Lander County, Nevada. By agreement dated June 20, 2016, the subject property was purchased by Barrick Cortez Inc. from Coral Gold Resources Ltd.
- A ten percent (10%) Net Profits Royalty Interest ("NPR Interest") on the Blue Moon Property located in Mariposa County, California.

The purchase price for the assets consisted of:

- US$10.1 million cash, including a US$250,000 non-refundable deposit due within 5 days of the execution of the LOI;
- 5 million pre-consolidation shares of Northern Empire. Northern Empire will also issue additional shares to SGMC to allow SGMC to maintain its pro-rata percentage interest in Northern Empire post transaction if, at any time prior to a construction financing, Northern Empire issues additional shares pursuant to an equity financing, subject to a maximum of 5 million additional pre-consolidation shares;
- Northern Empire granted SGMC a two percent (2.0%) Net Smelter Returns royalty ("NSR") on the portions of the Sterling Property not currently burdened by a pre-existing NSR. Northern Empire has the right to purchase 50% of the NSR for US$7.5 million, and has a right of first refusal on any sale of the NSR.
- If Northern Empire elects to utilize the specific bioleaching technology developed by SGMC on the existing leach pads on the Sterling Property, then Northern Empire agreed to immediately reimburse SGMC for all expenses incurred by SGMC up to closing. In addition, SGMC shall be entitled to receive fifty percent (50%) of Net Operating Profits ("NOP") on the bioleaching production from these existing leach pads. SGMC shall be entitled to receive a ten percent (10%) NOP on revenue from bioleaching, associated with rinsing/reclaiming of any pads built to treat ores mined by Northern Empire subsequent to closing.

On March 29, 2017, the Company announced that it had closed a bridge financing. The Company raised $5,193,900 through the issuance of interest free convertible debentures (each, a "Debenture"). Proceeds of the financing were used in connection with the Company's proposed acquisition of a 100% interest in the Sterling property from Sterling Gold Mining Corporation ("SGMC"), a wholly owned subsidiary of Imperial Metals Corporation. In particular, the proceeds were used to pay a deposit of US$1,500,000 to SGMC, funding an updated NI 43-101 technical report on the Sterling property and for due diligence and working capital costs (see News Release dated February 15, 2017) with the remaining amount to be applied purchase price of the acquisition.

Each Debenture converted into a unit of the Company consisting of a share and a half warrant (each full warrant, a "Warrant") on July 21, 2017. The conversion price was equal to $0.75 on post-consolidation basis. Each Warrant is exercisable into a common share of Northern Empire at a price of $1.00 for a period of 2 years following the closing of the financing.

On March 31, 2017, the Company announced changes to the Company's leadership team which included the appointment of Mr. Douglas Hurst as Chairman of the Board, Robert Scott as Chief Financial Officer, and Raymond Threlkeld as Senior Advisor to the Board.

On April 3, 2017, the Company announced that it had made an early payment to SGMC, in the amount of US$1,250,000, bringing to total pre-payments to US$1,500,000. In exchange for the payment, plus a US$100,000 increase in the total purchase price, SGMC agreed to grant the Company an irrevocable exclusivity period to complete the transaction to acquire the Sterling Property, with the same term as the Letter of Intent announced in the Company's February 15, 2017 news release. The total purchase price for the Sterling Property was US$10,100,000.

On May 2, 2017, the Company announced filing of the NI 43-101 resource estimate report on the Sterling Property, located in Nye County, Nevada. The Sterling Property hosts four different gold deposits, three of which are Carlin-type deposits (Sterling, Daisy, SNA) while the fourth is defined as an epithermal gold deposit (Secret Pass).

On May 30, 2017, the Company announced it had completed its acquisition (the "Acquisition") of Sterling Property, the Hoodoo Canyon Property and various royalty rights on mineral properties located in Nevada and California pursuant to a purchase and sale agreement with SGMC, a wholly owned subsidiary of Imperial Metals Corporation as previously announced by the Company on February 15, 2017.

Financing

On May 15, 2017, the Company announced its intent to complete a brokered private placement (the "Private Placement") of subscription receipts at a price of C$0.25 per pre-consolidation subscription receipt to raise gross proceeds of up to C$20,000,000. The Private Placement was conducted by a syndicate of agents led by Cormark Securities Inc. and included GMP Securities L.P., Haywood Securities Inc., and PI Financial Corp. The proceeds of the Private Placement was used in part by the Company to acquire the Sterling Property from Imperial Metals.

On May 30, 2017, the Company announced the completion of the previously announced Private Placement of subscription receipts. The Company issued 78,230,095 pre-consolidation subscription receipts at a price of $0.25 per pre-consolidation subscription receipt (the "Offering Price") for aggregate gross proceeds of $19,557,523.75. The gross proceeds have been released to the Company in connection with the closing of the Acquisition.

Coeur Mining, Inc. (NYSE:CDE) ("Coeur") acquired an aggregate of 16,000,000 subscription receipts or 5,333,333 post-consolidation shares, representing approximately 11.7 per cent of the then issued and outstanding shares of the Company.

Each subscription receipt will automatically convert into one pre-consolidation share or 0.333 post-consolidation shares without any further payment or action on the part of the holder thereof, on July 21, 2017 (the "Qualification Time").

Pursuant to the terms of an agency agreement dated May 30, 2017, the Agents were entitled to a cash commission equal to 6 per cent of the gross proceeds of the offering, which is reduced to 3 per cent on subscriptions received in respect of certain investors on the president's list. In addition to the cash commission, the Company issued to the agents 2,100,543 pre-consolidation compensation warrants to acquire, for no additional consideration, 2,100,543 pre-consolidation compensation options (the "Compensation Options") of the Company. Each pre-consolidation compensation option is exercisable into one pre-consolidation common share or 0.333 post-consolidation shares (each a "Broker Share") at $1.00. At the Qualification Time, the Compensation Warrants were automatically converted into Compensation Options on behalf of, and without any required action of, the Agents.

Stock Options

On June 12, 2017, the Company announced it had granted an aggregate of 2,650,000 stock options to directors, officers, employees and consultants of the Company. Each stock option entitles the holder to purchase one common share of the Company at a price of $0.79 per common share for a period of three years from the grant date. The options will vest over a period of 24 months. These stock options are governed by the Stock Option Plan of the Company and are subject to TSX Venture Exchange acceptance.

Property

On June 22, 2017, the Company announced that it had staked an additional 489 claims in the Bare Mountain District of Nevada. With this staking, the Company now controls approximately 95 square kilometers of contiguous prospective ground in the prolific Walker Lane trend, an increase of over 50% over the original land position.

Operating Activities

Sterling Property, Nevada

On February 15, 2017, the Company announced that the Company had entered into a Letter of Intent ("LOI") with Sterling Gold Mining Corporation ("SGMC"), a wholly owned subsidiary of Imperial Metals Corporation ("Imperial Metals") (TSX:III) to acquire a 100% interest in the Sterling property, located in Nye County, Nevada, and certain royalty rights for claims located in Nevada and California. On May 30, 2017, the Company announced it had completed the acquisition.

The information below has been compiled from the 43-101 technical report on the Sterling Property provided to the Company by Norwest Corporation, effective March 29, 2017 with the report dated July 12, 2017 (available under the Company's profile on SEDAR www.sedar.com).

Property Description and Location

The Sterling Property covers 95km2 on the east side of the Bare Mountain range in Nye County, southern Nevada, U.S.A. The Sterling Property is located 185 km northwest of Las Vegas, (Figure 1-1). The Bare Mountain Range is bounded to the east by Crater Flat and the northern Amargosa Desert to the south. It is located at the southern end of Pahute Mesa, in the Great Basin watershed. Bare Mountain is part of the southern Walker Lane.

Mineral Tenure

The Sterling Property is 100% owned by Northern Empire, through it's wholly owned U.S. subsidiary, Rockford Mining (US) Ltd. The Sterling Property is subject to various Net Smelter Royalties to a maximum of 2.25%. The royalties are payable to various parties depending on claim.

The Sterling Property consists of four mining claim blocks:

- Sterling – comprised of 272 unpatented lode mining claims and one millsite water well claim;
- Daisy-Fluorspar Canyon - comprised of 361 unpatented lode mining claims;
- Mary-Goldspar – comprised of 17 unpatented lode mining claims; and
- Tungsten Canyon – comprised of 57 unpatented lode mining claims.

The acquired four claim blocks have a total of 707 unpatented mining claims; which cover about 14,109 acres (5,710 hectares). The Company also announced on June 22, 2017 that it had staked 489 new unpatented claims which brings the total property package to 1,196 claims covering 23,475 acres, (95,000 hectares). The land is administered by the U.S. Bureau of Land Management (BLM) under the terms of the Mining Act of 1872 and subsequent amendments. The claims are recorded in the Nye County Recorder's Office in the Court House in Tonopah, Nevada and the Nevada State Office of the BLM in Reno. The annual BLM fees are $144 per claim, and are due on September 1. At the time of writing, the claims were in good standing. Annual rental fees are to be paid to the BLM, under a Notice of Intent to Hold Mining Claims, along with a registration fee that is filed annually at the Nye County Recorder's Office.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Sterling Property is located at an elevation of approximately 4,000 feet (1,219 m), on the lower and eastern slopes of Bare Mountain. The Sterling Mine and infrastructure are at approximately 4,100 feet (1,250 m) elevation.

The Sterling Property is accessible by road from Las Vegas, approximately 115 miles (185 km) via U.S. Highway 95. A well maintained eight-mile (13 km) gravel road turns off the north side of Highway 95 at mile 45.9.

Geological Setting and Mineralization

The deposits on the Sterling Property are typical of sedimentary and volcanic-hosted gold deposits in the western U.S., particularly in the Great Basin in Nevada. These deposits include sediment-hosted, disseminated precious metal deposits; known as Carlin-type deposits, as well as epithermal-style deposits hosted in volcanics (Teal and Jackson, 1997).

From oldest to youngest, stratified rock units on the Sterling Property range from the Upper Proterozoic to Ordovician part of the stratigraphic section. The host rocks of the 144 Zone mineralization span the bottom of the Bonanza King Formation and the top of the Carrara Formation. The South and West Zones (Daisy Deposit) are in the Cambrian Carbonate rocks and the Secret Pass Zone is in the Miocene ash-flow tuff (Greybeck and Wallace, 1991).

The Sterling deposits, which include the Sterling, Burro, Ambrose, Water Tank Hill, and Panama, occurred mainly at and below the Sterling Thrust contact between the Wood Canyon (above the thrust) and Bonanza King formations, and locally along the Burro fault. The main mineralized zones generally form longitudinal 'pipes' along the thrust, following the intersections between minor NNE-trending high-angle faults and the thrust.

Gold mineralization in the North Block deposits are hosted by Tertiary volcanics and Paleozoic-aged rocks. The Secret Pass Deposit is in Tertiary volcanics, while the Shear Zone, South and West Zones (Daisy), and SNA deposits are in altered Paleozoic-aged carbonates (Marr, 2006).

The West Zone of the Daisy Deposit is hosted by limestone of the Nopah Formation – Halfpint Member (Marr, 2006). The highest gold values are associated with intense silicification, fluorite, and iron oxide. The mineralized intervals commonly contain arsenic, antimony, mercury, thallium. A low angle fault forms the footwall (Greybeck and Wallace, 1991).

The South Zone of the Daisy Deposit is hosted by silty limestones and calcareous siltstones of the Carrara Formation. Mineralized intervals in this zone are characterized by weak decalcification and increased pyrite.

The Secret Pass Zone gold mineralization occurs within Miocene ash-flow tuffs that have undergone propylitization, argillization, and silicification. Secret Pass has anomalous concentrations of arsenic, antimony, mercury and thallium. Silver is also associated with the gold but in low concentrations of 4 Au: 1 Ag.

Exploration and Drilling

Between 1973 and 2015, 1,491 core and RC holes were drilled on the deposits in the Sterling area. Most of the post-2000 drilling on the Sterling claims focussed on the 144 Zone.

The following tables summarize the holes drilled at SNA Deposit, Secret Pass Deposit, and the South and West Zones (Daisy Deposit) that were included in the model (Table 1.2 to Table 1.4). The total number of holes drilled at the South and West Zones (Daisy Deposit) are 112 for a total of 55,690 feet.

Table 1.2
South and West Zones (Daisy Deposit) Historical Drilling

Series Name	# Holes	Feet Drilled
D	112	55,690

The total number of holes drilled at the SNA Deposit is 149 for a total of 52,562.5 feet.

Table 1.3
Sunday Night Anomaly (SNA) Historical Drilling

Series Name	# Holes	Feet Drilled
D	29	9565
MC	5	1196
ML	106	37977
MR	6	1,950
MW	2	1570
SN09	1	304.5

There were 160 holes drilled at Secret Pass for total of 92,534.3 feet.

Table 1.4
Secret Pass Historical Drilling

Series Name	# Holes	Feet Drilled
D	136	76301.3
FC	24	16233

Environmental Studies, Permitting and Social or Community Impact

There are no known ongoing environmental issues with any of the regulatory agencies. An environmental assessment was recently completed for the Project. Results indicate limited biological and cultural issues, air quality impacts appear to be within State of Nevada standards, traffic and noise issues are present but at low levels, and socioeconomic impacts are positive.

The Project has the four major permits required to operate the Project as planned. The amended Plan of Operations for the BLM was approved on May 12, 2016. The necessary bonding for implementation of this permit still needs to be placed with the BLM. Bonding is further discussed within the technical report. The amended WPCP was approved on October 23, 2015. The permit expires on March 15, 2018. Therefore, a renewal application must be submitted to the Bureau of Mining Regulation and Reclamation (BMRR) in early September 2017 in order for the permit to remain in effect during the renewal process. The Nevada Reclamation Permit for the Project was issued in 2007 and is good for the life of the Project. The Company is investigating whether or not the permit has been amended to incorporate the new mining and heap leach facility. This is because the amount for the bonding has not be finalized between the BMRR/BLM and the operator. The air quality operating permit was issued on June 16, 2014 and expires June 16, 2019. A renewal application must be submitted in early April 2019 in order for the permit to remain active during the renewal process.

There are no known social or community issues that would have a material impact on the Project's ability to extract mineral resources. Identified socioeconomic issues (employment, payroll, services and supply purchases, and state and local tax payments) are anticipated to be positive.

Interpretations and Conclusions

Four gold deposits are identified on the Sterling Property. These deposits are Sterling, Daisy, Secret Pass and SNA. The Daisy, Secret Pass and SNA deposits are located north of the Sterling Deposit and are collectively called the North Block deposits. The Sterling, Daisy, and Secret Pass deposits were previously mined. Sterling, Daisy and SNA are carbonate-hosted and classified as Carlin-type deposits, while Secret Pass is volcanic-hosted and classified as an epithermal deposit. Gold mineralization is concentrated along faults or is aligned with the regional structural fabric.

The available data for these deposits is sufficient to support an Inferred gold mineral resource within each deposit. These resources have been classified as Inferred due to lack of documentation for a substantial amount of the historical sampling and assay programs. Much of available data was collected between 1980 to 1997, before the current stringent quality control standards were implemented for resource reporting.

Resource estimates are separated into two categories, namely pit constrained surface resources and remaining non-pit constrained resources below. The surface resource includes the gold resource limited to within a 45-degree constant slope pit shell whose limits are defined by fixed gold price of US$1,200 per ounce and mining cost of US$2.10 per ton (US$2.31 per tonne) and gold recoveries in the range of 80 – 88% (dependent upon rock type and particle size). Only pit constrained resources are reported for the North Block deposits. All resource estimates include estimates of contained ounces within the constrained pit shells.

The Sterling Deposit contains both pit constrained and non-pit constrained resources. The Sterling Deposit non-pit constrained resources have been defined based on underground mining methods similar to those previously used at Sterling Mine using a cutoff grade of 0.05opt based on a US$45/ton mining cost.

Table 1.9B
Summary of Deposits Inferred Gold Resource (Metric Measurement)

Effective Date March 29, 2017

Deposit	Cutoff Grade (Au g/t)	Tonnes ('000)	Average Grade (Au g/t)	Contained Au (oz '000)
Sterling – Surface*	1.0	1,958	3.67	231
Daisy – Surface	1.0	2,556	2.12	174
Secret Pass – Surface	1.0	3,534	1.65	188
SNA – Surface	1.0	1,510	1.61	78
Surface Total	**1.0**	**9,558**	**2.18**	**671**
Sterling Non-Pit Constrained*	1.7	350	3.38	38

Notes

- ***Denotes resources that are calculated based on cyanide soluble assays.
- CIM definitions are followed for classification of Mineral Resource.
- Mineral Resource surface pit extent has been estimated using a gold price of US$1,200 per ounce and a US$2.10 per ton mining cost with gold recovery ranging from 80 – 88% depending upon rock type.
- Sterling non-pit constrained resources below the surface pit and targeted for underground mining are based on a gold price of US$1,200 per ounce and mining costs of $US45 per ton. Other modifying factors remain unchanged.
- Gold recovery estimated to range from 80 – 88% depending upon rock type.
- The Mineral Resource estimate has been prepared by Derek Loveday, P. Geo. of Norwest Corporation in conformity with CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines and are reported in accordance with the Canadian Securities Administrators NI43-101. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

Potential risks that impact the accuracy of the Inferred gold resource estimate include:

- Much of the available data was collected between 1980 and 1997, before the current stringent quality control standards were required for resource reporting.
- The accuracy of the underground excavation survey data impacting the Sterling resource cannot be directly measured since these galleries are no longer accessible due to safety concerns and/or they may have collapsed.
- North Block resource estimates are based on grade trends observed in the provided assay data only. These grade trends are associated with structural features and lithologies not recorded in sufficient detail in the available exploration data as of the effective date of the resource estimate.

Richardson Property, Alaska

The Richardson property is located immediately north of the Richardson highway, 115 kilometers southeast of Fairbanks, Alaska. The property, covering approximately 28,000 acres (11,300 hectares), is accessed by gravel and dirt roads and trails, a legacy of nearly 100 years of intermittent placer gold production.

On October 30, 2014, the Company entered into a property acquisition agreement with NEM to purchase 100% undivided interest and title to the Richardson Property located in Alaska. The Richardson Property is held by Bluestone Resources (Alaska) Inc., a wholly-owned subsidiary of NEM.

On May 15, 2015, the Company entered into a Share Sale and Placer Mining Rights Agreement with Chilcotin whereby the Company acquired 100% undivided interest and title to the Richardson Property through acquisition of all the issued and outstanding shares of NEM, which is 100% owned by Chilcotin in consideration for granting all of the Placer Rights back to Chilcotin. The acquisition was completed on March 24, 2016.

Results from the 2016 exploration program were announced on October 18 and November 7, 2016. Highlights included chip-channel samples taken within the Richardson pit that identified high grade structures at a high angle to the Richardson lineament. The Richardson lineament had been thought to be the controlling structure to mineralization prior to the sampling. 2016 sampling within the Richardson pit returned 32 meters grading 5.73 g/t Au with 29.8 g/t Ag and a separate interval grading 2.57 g/t Au and 39.3 g/t Ag over 6 meters. Individual samples ranged from a low of 0.016 g/t Au to a high of 90.5 g/t Au and 0.23 g/t Ag to 512 g/t Ag within the entire sample sequence. The Company performed a ground magnetic survey over a portion of the Richardson property including the Democrat pit. The survey was able to identify the possible extension of the high grade structures.

On January 6, 2017, the Company filed a "NI 43-101 Technical Report for the Richardson Gold Project, Richardson Mining District, Alaska". The report was authored by independent Qualified Persons, R. Bob Singh, P. Geo, Curtis J. Freeman, P. Geo as well as the Company's Chief Geologist William Cronk, P. Geo.

The report is available under the Company's profile on www.sedar.com.

Kiyuk Lake Property, Nunavut

On August 23, 2016, the Company entered into a purchase and sale agreement with Montego Resources Inc. ("Montego") whereby Montego purchased the right, title and interest in the Kiyuk Property. In consideration for the interest in the property, Montego issued 668,000 of its common shares, equal to 19.9% of its issued and outstanding shares. The shares were valued at $701,400 based on the market value of the Montego shares at the date the common shares were received. The following is the calculation of the gain on the sale of the property:

Fair value of Montego shares received	$	701,400
Assumption of restoration, rehabilitation and environmental obligations (Note 7)		394,018
Write-off of carrying value of cumulative acquisition costs		(660,748)
Legal costs associated with the sale		(3,818)
Gain on sale of Kiyuk Lake Property	$	430,852

Hilltop Gold Project, Alaska

The Hilltop property is located immediately north of the Richardson highway, 70 kilometers southeast of Fairbanks, Alaska. The property, covering approximately 31,370 acres (12,600 hectares), is accessed by gravel and dirt roads and trails from the paved all weather Richardson Highway.

On June 12, 2015, the Company signed a definitive agreement with Sonoro, to which Sonoro has been granted the option to acquire 60% interest in the Hilltop Gold Project in Alaska. The Hilltop Gold Project is contiguous with the Richardson Property and consists of claims acquired from the Richardson Property and claims that were staked by the Company.

El Reventon Silver Project, Mexico

The Company has dropped El Reventon and will no longer hold any property interest. Therefore, total acquisition costs of $25,000 relating to the property were written off as at March 31, 2016.

Manson Creek Property, BC

The Company has now terminated the Manson Creek option agreement and acquisition costs of $33,829 were written off as at March 31, 2016.

Eric Lake and Noomut River Properties, Nunavut

During fiscal 2017, the Company decided to abandon the project, resulting in a write-off of $250,313.

Operations – Going Forward

The board of directors and management of the Company have the view that the mineral exploration sector is highly cyclical in terms of commodity pricing and availability of investment capital with which to acquire and advance mineral projects to commercial production. At the current point in the cycle, industry participants are subject to difficult financing conditions, however the costs of project acquisitions are substantially lower than in previous market cycle highs. Thus, subject to having sufficient capital and the ability of obtaining additional financing, the Company intends to maintain key project holdings while also looking for new accretive acquisition opportunities. Current projects will be held, expanded or dropped and new projects may be acquired within the context of the market and the Company's determination of value on a project by project basis.

Qualified Person

The technical information regarding the Company's mineral property contained in this MD&A has been reviewed by Michael G. Allen, P. Geo. Mr. Allen is a Qualified Person ("QP") as defined in the "Canadian Institute of Mining, Metallurgy and Petroleum, CIM standards on Mineral Resources and Reserves" and NI 43-101.

Summary of Quarterly Results

The following table sets out selected quarterly information for the eight most recently completed quarters. All quarters presented are in compliance with IFRS.

Three months ended	**Jun 30, 2017**	**Mar 31, 2017**	**Dec 31, 2016**	**Sep 30, 2016**
	$	$	$	$
Interest income	-	89	475	607
Net loss	2,474,899	818,994	523,998	243,728
Comprehensive loss	2,541,699	854,897	926,045	270,878
Net loss per common share	0.22	0.07	0.06	0.03
Three months ended	**Jun 30, 2016**	**Mar 31, 2016**	**Dec 31, 2015**	**Sep 30, 2015**
	$	$	$	$
Interest income	Nil	Nil	299	865
Net loss	166,925	64,863	256,575	286,604
Comprehensive loss	166,925	52,363	256,575	299,104
Net loss per common share	0.03	0.03	0.03	0.03

The results of operations reflect the overhead costs incurred for mineral property acquisitions and exploration expenses incurred by the Company to maintain good standing with the various regulatory authorities and to provide an administrative infrastructure to manage the acquisition, exploration, regulatory compliance and financing activities of the Company. General and administrative costs can be expected to increase or decrease in relation to the changes in activity required as property acquisitions and exploration continues.

Disclosure of Outstanding Share Data

The following table summarizes the maximum number of common shares outstanding as at June 30, 2017 and as of the date of this MD&A if all outstanding stock options were converted to common shares:

	June 30, 2017	As of the date of this MD&A
Common shares	12,769,864	45,790,369
Options to purchase common shares	3,541,667	3,541,667
Share purchase warrants	6,653,531	6,653,531
Fully Diluted	23,015,062	55,985,567

If all Company's share purchase options were exercised on the date of this MD&A, the Company would raise $7,879,661.

Results of Operations

Three months ended June 30, 2017 (“Q1 2018”) compared with the three months ended June 30, 2016 (“Q1 2017”)

The loss and comprehensive loss for the three months ended June 30, 2017 was $2,541,699 compared with $166,925 in the three months ended June 30, 2016. The increase in loss and comprehensive loss from the comparative period was due mostly to an increase in exploration and evaluation expenditures, property investigation costs, share-based compensation and office, rent, salary and miscellaneous offset by an increase in gain on sale of the Kiyuk Lake property. Explanations for significant variances are discussed below:

- Exploration and evaluation expenditures increased from $76,781 in Q1 2017 period to $357,608 in the Q1 2018 period. The increase of $280,827 was due to an increase of exploration activity on the Sterling property;
- Office, rent, salary and miscellaneous increased from $14,463 in the Q1 2017 period to $271,735 in the Q1 2018 period. The increase was due to the acquisition of Sterling property which resulted in additional personnel costs to support the increase in exploration and property investigation activities
- Property investigation costs increased from $6,300 in the Q1 2017 period to $127,987 in the Q1 2018 period. The $121,687 increase was due to increased efforts by management and consultants in search for potential property acquisitions;
- Share-based compensation expense increased from $nil in the Q1 2017 period to $425,150 in the Q1 2018 period. The share-based compensation expense in the Q1 2018 period was from the vesting of the stock options during the period; and
- Shareholder communication expense increased from $5,775 in the Q1 2017 period to $289,335 in the Q1 2018 period. The $283,560 increase was due to investor relations expenses regarding the Companies recent activities.

Liquidity and Capital Resources

The Company’s ability to meet its obligations and its ability to finance exploration activities depends on the ability of the Company to obtain necessary financing to complete the exploration and development of its properties, and upon future production or proceeds from the disposition of its properties. The Company does not currently generate revenues from operations and will require additional financing in the future. There can be no assurance that such financing will be available to the Company in the future or, if available, that it will be offered on terms acceptable to the Company.

<u>Cash</u>

On June 30, 2017, the Company had cash of $11,883,243, compared with $2,824,871 of cash on June 30, 2016. The $9,058,372 increase in cash position is due to receiving $18,129,602 from financing activities, offset by investing activities of $7,728,058 and operating activities of $1,343,172.

<u>Cash Used in Operating Activities</u>

Cash used in the operating activities during the three months ended June 30, 2017 was $1,343,172, compared with $270,868 of cash used in operating activities during the comparative period. During the period, 357,608 (Q1 2017: $76,781) was spent on mineral exploration and evaluation cost, $127,987 (Q1 2017: $6,300) was spent on property investigation costs and $952,547 (Q1 2017: $84,355) was spent on general and administrative expenses (mostly consisting of consulting and management, professional fees, office, rent and miscellaneous and shareholder communications and promotion costs).

<u>Cash Used in Investing Activities</u>

During the three months ended June 30, 2017, the Company spent $7,728,058 (Q1 2017: $nil) in acquisition costs.

<u>Cash Generated from Financing Activities</u>

During the three months ended June 30, 2017, the Company received $19,557,724 from a private placement and paid $1,470,271 of deferred financing costs relating to the private placement.

During the three months ended June 30, 2017, the Company also received net proceeds of $42,149 from stock options and warrants that were exercised.

Plan of Operations and Commitments

The Company has sufficient cash to fund its property option agreement commitments, regulatory compliance and general and administrative costs for the next 12 months. The Company raised $19,557,724 in subscriptions. These funds were partially used in the acquisition of Sterling property and the balance will be used for the anticipated required working capital of this fiscal year.

There were no material credit facilities in place as at June 30, 2017.

Any commitments to pay cash or issue shares are disclosed in the notes to the financial statements.

Related Party Transactions

The Company's related parties and key management personnel consist of the Board of Directors, Executive Officers and companies owned or controlled by them.

Compensation of Key Management Personnel

Key management personnel consist of current directors and senior management including the former President, Chief Executive Officer. Key management personnel compensation for the three months ended June 30, 2017 and 2016 includes:

Name of related party	Nature of transactions	*Q1 2018*	*Q1 2017*
CDM Capital Partners[1]	Consulting and management fees, professional fees, office, rent and miscellaneous and share-based compensation	33,906	19,500
Corex Management[2]	Consulting and management fees, rent and professional fees	27,311	-
Douglas Hurst	Consulting and management fees and share-based compensation	47,561	3,000
James Paterson	Consulting and management fees and share-based compensation	33,906	9,500
John Robins	Consulting and management fees and exploration and evaluation expenditures and share-based compensation	34,804	3,000
Michael G. Allen	Consulting and management fees, salary, and share-based compensation	114,596	10,957
RockWorks NZ Ltd.[3]	Consulting and management fees and share-based compensation	33,906	3,000
Sundar Consulting[4]	Consulting and management fees and share-based compensation	63,906	15,000
Total		389,896	57,457

Notes:
1. Co-owned by a Director of the Company.
2. Controlled by the CFO of the Company.
3. Controlled by a Director of the Company.
4. Controlled by a Director of the Company.

There was $299,896 (Q1 2017: $Nil) of share-based compensation paid to related parties for the three months ended June 30, 2017.

The accounts payable and accrued liabilities of the Company include the following amounts due to related parties:

	June 30, 2017	March 31, 2017
Key management personnel	$ 81,732	$ 74,459

Subsequent Events

Management

On July 10, 2017, the Company announced that Douglas J. Hurst has been appointed by the Board of Directors to the position of Executive Chairman of the Board and Shayla A. Forster has been appointed to the role of Corporate Secretary.

Final Short Form Prospectus

On July 19, 2017, the Company announced that it had filed a final short form prospectus (the "Prospectus") dated July 18, 2017, with the British Columbia, Alberta and Ontario securities commissions, and has obtained a decision document dated the same date. The Prospectus qualifies the issuance of 26,076,698 common shares upon the exercise of 78,230,095 subscription receipts and 6,925,200 units (each consisting of one share and one-half warrant) upon conversion of previously issued convertible notes. The shares and the units were issued effective July 21, 2017.

In connection with the filing of the Prospectus the Company has also filed on SEDAR an amended National Instrument 43-101 resource estimate technical report on the Sterling Property to address certain comments received from the securities commissions during the review of the Prospectus. The resource estimate as previously reported by the Company (see press release dated May 2, 2017) has not changed as a result of the revisions to the report.

Exploration Program

On August 1, 2017, it was announced by the Company that the board of directors had approved a phase 1 exploration budget for the Nevada based Sterling Property. The phase 1 program will consist of 52 drill holes totalling approximately 5,200 meters of drilling. Of the 52 drill holes, 25 will be reverse circulation holes totalling 3,000 meters and 27 will be core holes totalling 2,200 meters. The phase 1 program will focus on the Sterling, Daisy, Secret Pass and SNA deposits. In addition, the Company will perform a regional evaluation of the 95-square kilometer claim package and fly a geophysical survey of the entire property. It is anticipated that drilling will start in mid-August.

Approximately, 3,700 meters of drilling will be on the Sterling Deposit, where Northern Empire recently outlined a pit constrained inferred resource of 231,000 oz Au grading 3.67 g/t Au. This work will allow for an upgrade of the confidence of the resource, test for extensions along strike and provide metallurgical samples prior Northern Empire beginning economic studies.

The Sterling deposit is permitted to restart open pit mining, and has significant existing infrastructure.

Off Balance Sheet Arrangements

The Company is not a party to any off balance sheet arrangements or transactions.

Proposed Transactions

There were no proposed transactions as at June 30, 2017 and the date of the MD&A.

Risks and Uncertainties

RISK FACTORS

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties. Due to the nature of the Company's proposed business and the present stage of exploration of its mineral properties, the following risk factors, among others, will apply:

Resource Exploration and Development is Generally a Speculative Business: Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Substantial expenditures are required to establish ore reserves through drilling and metallurgical and other testing techniques, determine metal content and metallurgical recovery processes to extract metal from the ore, and construct, renovate or expand mining and processing facilities. No assurance can be given that any level of recovery of ore reserves will be realized or that any identified mineral deposit, even it is established to contain an estimated resource, will ever qualify as a commercial mineable ore body which can be legally and economically exploited. The great majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.

Fluctuation of Metal Prices: Even if commercial quantities of mineral deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has, or has the right to acquire, an interest may be mined at a profit.

Financing Risks: Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

Increased costs: Management anticipates that costs at the Company's projects will frequently be subject to variation from one year to the next due to a number of factors, such as the results of ongoing exploration activities (positive or negative), changes in the nature of mineralization encountered, and revisions to exploration programs, if any, in response to the foregoing. Increases in the prices of such commodities or a scarcity of consultants or drilling contractors could render the costs of exploration programs to increase significantly over those budgeted. A material increase in costs for any significant exploration programs could have a significant effect on the Company's operating funds and ability to continue its planned exploration programs.

Mining Industry is Intensely Competitive**:** The Company's business of the acquisition, exploration and development of mineral properties is intensely competitive. Increased competition could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

Permits and Licenses: The operations of the Company will 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, on reasonable terms or at all. Delays or a failure to obtain such licenses and permits or a failure to comply with the terms of any such licenses and permits that the Company does obtain, could have a material adverse effect on the Company.

Government Regulation: Any exploration, development or mining operations carried on by the Company, will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In addition, the profitability of any mining prospect is affected by the market for precious and/or base metals which is influenced by many factors including changing production costs, the supply and demand for metals, the rate of inflation, the inventory of metal producing corporations, the political environment and changes in international investment patterns.

***Environmental Restrictions*:** The activities of the Company are subject to environmental regulations promulgated by government agencies in different countries from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. Certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are 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.

Foreign Countries and Political Risk: Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business, or if significant enough, may make it impossible to continue to operate in the country. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, foreign exchange restrictions, export controls, income taxes, expropriation of property, environmental legislation and mine safety.

Title Matters: Although the Company has taken steps to verify the title to the mineral properties in which it has or has a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties for which titles have been issued are in good standing.

***Exploration and Mining Risks*:** Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of gold or other minerals produced, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Short term factors, such as the need for orderly development of ore bodies or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in geological resources, grades, stripping ratios or recovery rates may affect the economic viability of projects.

***Regulatory Requirements*:** The activities of the Company are subject to extensive regulations governing various matters, including environmental protection, management and use of toxic substances and explosives, management of natural resources, exploration, development of mines, production and post-closure reclamation, exports, price controls, taxation, regulations concerning business dealings with indigenous peoples, labour standards on occupational health and safety, including mine safety, and historic and cultural preservation. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties, enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions, any of which could result in the Company incurring significant expenditures. The Company may also be required to compensate those suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspension of the Company’s operations and delays in the exploration and development of the Company’s properties.

No Assurance of Profitability: The Company has no history of earnings and, due to the nature of its business there can be no assurance that the Company will ever be profitable. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares or, possibly, from the sale or optioning of a portion of its interest in its mineral properties. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there can be no assurance that any such funds will be available on favorable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Uninsured or Uninsurable Risks: Exploration, development and mining operations involve various hazards, including environmental hazards, industrial accidents, metallurgical and other processing problems, unusual or unexpected rock formations, structural cave-ins or slides, flooding, fires, metal losses and periodic interruptions due to inclement or hazardous weather conditions. These risks could result in damage to or destruction of mineral properties, facilities or other property, personal injury, environmental damage, delays in operations, increased cost of operations, monetary losses and possible legal liability. The Company may not be able to obtain insurance to cover these risks at economically feasible premiums or at all. The Company may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

***Enforcement of Civil Liabilities*:** As substantially all of the assets of the Company are located in Canada or the United States, and certain of the directors and officers of the Company are resident in Canada and/or the United States, it may be difficult or impossible to enforce judgments granted by a court in Canada or the United States against the assets of the Company or the directors and officers of the Company residing in differing jurisdictions.

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the financial statements.

FINANCIAL INSTRUMENTS

a) Fair Values

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The fair value of cash, receivables, and accounts payables and accrued liabilities approximates their carrying value due to their short-term maturity. The Company's available-for-sale investments are measured at fair value with changes recorded in other comprehensive income. Cash and investments are measured using level one of the fair value hierarchy.

b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company's financial obligations are limited to accounts payable and accrued liabilities, all of which have contractual maturities of less than a year. The Company is subject to liquidity risk.

c) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. Cash is held with a major Canadian financial institution and the receivables are due from Government entities. Management is of the view that all amounts are fully collectible.

d) Interest Rate Risk

The Company is nominally exposed to interest rate risk. The Company's bank account earns interest income at variable rates. The Company's future interest income is exposed to short-term rates.

e) Political Risk

The Company has a subsidiary in Mexico. This operation is potentially subject to a number of political, economic and other risks that may affect the Company's future operations and financial position.

f) Foreign Currency Fluctuation Risk

The Company has vendors in Canada, the United States, and Mexico; therefore, the Company's operations are affected by the currency fluctuations in these jurisdictions. The Company's exposure to foreign currency fluctuations is minimal.

CORPORATE DATA

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DIRECTORS AND OFFICERS

Michael G. Allen	President, CEO & Director
Douglas Hurst	Executive Chairman & Director
James Paterson	Director
John Robins	Director
Darryl Cardey	Director
Adrian Fleming	Director
Jeff Sundar	Director
Robert Scott	CFO
Shayla Forster	Corporate Secretary

LISTINGS
TSX Venture Exchange

Trading Symbol: NM

CAPITALIZATION

Authorized:	Unlimited
Issued:	45,790,369 (as at August 29, 2017)
Escrow:	Nil