

# NEW NADINA EXPLORATIONS LIMITED

## MANAGEMENT DISCUSSION & ANALYSIS For the Year Ended August 31, 2016

December 14, 2016

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**Note to Reader: the year end MD&A of New Nadina Explorations Limited filed on December 19, 2016 on SEDAR, which contained an error on the “Fourth Quarter results (From NNA Annual report Annual discussion)” were refiled on December 22, 2016, with corrected figures on that page. This MD&A reflect the updated figures.**

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The following Managements' Discussion and Analysis (MD&A) is dated December 14, 2016, for the year ended August 31, 2016 and should be read in conjunction with New Nadina Explorations Limited (the "Company" or "New Nadina") accompanying audited financial statements for the year ended August 31, 2016 and August 31, 2015.

As at September 1, 2011, the Company was mandated under National Instrument 52-107 to change its accounting and reporting principles to International Financial Reporting Standards ("IFRS"). The audited financial statements for the year ended August 31, 2016 have been prepared in accordance with International Reporting Standards, as issued by the International Accounting Standards Board, and its interpretations. Accordingly, the accounting policies set out in Note 2 of the financial statements have been applied consistently to all periods presented. Results for the period ended August 31, 2016 are not necessarily indicative of future results.

New Nadina has continued its efforts to date with a sole business objective to identify, evaluate and explore mineral properties having high potential for the discovery of economic mineral deposits. The goal would be to involve a major mining company in the early stages of a discovery for the creation of value for our shareholders. The Company remains a publicly traded company without any substantive operations, and thus, have realized no significant mining revenues to date. New Nadina has a year end of August 31st, was incorporated on April 7, 1964 under the Company Act of British Columbia. On December 20, 1977 the name changed from Nadina Explorations Limited NPL to New Nadina Explorations Limited NPL. At that time, a one for four roll back occurred where 2,380,005 issued shares of the former company resulted in 595,001 of the new company. On April 9, 1985 the company converted from a specially limited company to a limited company under the name of New Nadina Explorations Limited.

On November 6, 2015 New Nadina acquired 100% of Kettle River Resources Ltd. ( "Kettle River" ) through a Plan of Arrangement (POA) for issuance of 27,716,711 common shares.

On March 4, 2016, the Company consolidated its share capital on a 10 to 1 basis. Accordingly, all equity accounts have been adjusted retroactively.

The Company is principally engaged in the acquisition, exploration and development of mineral and diamond properties in British Columbia, Saskatchewan, Northwest Territories, and formerly in Nunavut, and accordingly has no revenue from any of its properties. The Company trades on the TSX Venture Exchange under the trading symbol "NNA" and is extra-provincially registered in the Province of Saskatchewan and extra-territorial registered in the Northwest Territories.

The wholly owned subsidiary (Kettle River) owns 100% of its Greenwood area properties and 43.37% of DHK Diamonds Inc with diamond property interests in the Northwest Territories.

### **Forward-Looking Information**

This management discussion and analysis ("MD&A") contains certain forward-looking statements and formation relating to the Company that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect", "significant" and similar expressions, as they relate to the Company or its management are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and developments of the Company's exploration properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievement of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

## **Mineral Project Activity**

### **Silver Queen Property – Central British Columbia (100%)**

The Company owns 100% interest in 17 crown-granted and 45 tenure claims covering 18,852 hectares in the Omineca Mining Division, near Owen Lake, British Columbia. The Silver Queen property is located at kilometre 43 on the all-weather Morice/Owen forest service road that originates in Houston B.C. continuing 125 kilometres south to Huckleberry Mine. There is a 10 person camp established on the property.

Historical production was from the Cole, Chisholm and Wrinch (No.3) vein systems. The most recent production occurred during (early 1970's) Bradina Joint Venture of material from the north end of No.3 Vein. Since then

significant surface and underground exploration has proven extended length and depth vein systems and its. During the 1980's a decline was installed and intersected the No.3 Vein at the 2425 level where a seven feet channel sample returned 0.302 opt gold, 19.22 opt silver and 12.63% zinc. The No. 3 and NG3 (the extension of No.3, vein) system remains open on strike and to depth. High grade results from 2012 - 2013 drilling indicate potentially economic concentrations of silver, lead, zinc and locally gold a further kilometre east of the current underground workings.

The NG3 and a sister vein high grade assay (news release Dec. 23, 2015) are within the Itsit Copper Molybdenum Gold porphyry on strike and 300metres east of any previous drill intercepts.

The Company's focus of exploration will be to develop the underground vein system.

#### **High grade silver results (December 23, 2015 News Release)**

Samples for lab over detection limits from drillhole 12S-05 (2013) were rerun for silver resulting in high silver of 1,580 g/t (46 opt) and include 3.15 g/t (0.092 opt) gold, 1.25% copper, 0.90% lead and 0.48% zinc. True-width of the vein within the porphyry is 2.2 metres (7 ft) and the intercept was from 332.5 to 338.0 metres.

A sub-parallel footwall vein of 3.70 meters (true width) intersected in the same drill hole, returned assays of 166 g/t (4.86 opt) silver, 2.3 g/t (0.067 opt) gold, 0.26% copper, 0.22% lead and 0.90% zinc. Core intercept was from 410.5 to 419.75 metres.

These vein intersections are located approximately 300 metres east of previously known furthest easterly extent of the NG-3 Vein. The higher grade and substantial width within an unexplored and sizable area presents new exciting potential.

This information has been reviewed by James Hutter, PGeo., a Qualified Person as defined by National Instrument 43-101, who approves the applicable content.

In September 2011 the hidden Itsit copper-molybdenum-gold porphyry was discovered by drill testing geophysical targets where a zone of high chargeability was identified southeast of the No.3 – NG3 Vein system. The drilling identified porphyry style copper, molybdenum and gold stockwork mineralization hosted by a quartz-feldspar porphyry intrusion.

To date, eight drill holes in an area roughly 650 meters SW-NE by 500 meters NW-SE have intersected significant Co-Mo-Au mineralization in the approximately two by one and a half kilometre system which remains open in all directions including depth. Drill holes in 2011, 11S-03, 11S-06 and 11S-13 intersected encouraging grades. Between November 12, 2012 and February 23, 2013 a further six HQ/NQ2 diamond drill holes were completed.

A complete table of Itsit drill hole results are available in the April 4, 2013 News Release, summarized in previous MD&A reports and displayed on a map on the Company website: nadina.com.

Drilling is planned to extend the high grade zone of the NG3 in 2017.

#### **SILVER QUEEN: PLANNED EXPLORATION AND ACTIVITY**

An approved work permit is in place to include drilling and trenching. Financing is required to fund the recommended program set out below. The Company is open to joint venture participation. Until then, allowed exploration and continued reclamation and site maintenance will ensue.

Drill step-outs to the east and west of the 12S-05 intercept, will test multiple elevations to extend the high grade silver vein. Plans also include down hole geophysics and mineralogy studies. If these veins prove to be economically viable, and considering additional veins discovered within the porphyry anomaly, access could be facilitated through the continuation of the existing underground drift.

It is a legal requirement that tenure holders are required to provide 8 days notice to a private property landowner prior to entry. The landowner(s), C. Donald Christmann and 0712249 B.C. Ltd., through opposition and Judicial system avenues prevented exploration access since the porphyry discovery in 2011. A Surface Rights Board (SRB) decision favourable to New Nadina (Sept 6, 2013) was challenged by the landowners through the Judicial system, that decision favourable to New Nadina (November 24, 2014) was again challenged resulting in a final favourable decision (June 3, 2015) from the BC Court of Appeal. Subsequently land owner notice was served (June 23, 2015) and again opposed. Mediation and site visit was conducted (July 27, 2015) through the Chief Gold Commissioners office and failed to make a decision in adequate time to allow a work program. The Company was finally given approval to enter and conduct reclamation work (Sept 2015).

New Nadina made application to the Surface Rights Board (SRB) (Aug 20, 2015) where again delays resulted in the expiry of the land owner notice. Due to this, the SRB allowed the existing application to stand and due to continued

landowner opposition, a site visit (July 26, 2016) was conducted by the mineral titles inspector of the Chief Gold Commissioners office.

The recommendation delivered (Oct 4, 2016) a decision that conditions acceptable to the landowners would require that drilling could be conducted between Nov 20, 2016 and Feb 10, 2017 subject to adequate snow pack and frozen ground with no ground surface damage to occur.

As the Company had previously conducted a winter drill program (Nov 2, 2012 to Feb 15, 2013) where weather returned unfavourable conditions creating significant surface and road damage, it was determined that past experience would not allow the landowners conditions to be met in attempts to conduct another winter drill program. Weather during the winters following have been tracked and found there is no time period adequate to meet these conditions.

In December 2016 the Company conferred with the landowners and SRB for a Right of Entry order with adequate time to prepare and conduct a fall drill program. A SRB hearing date has been set for March 6, 2017 promising to allow adequate time for a fall program on a favourable decision. The Company feels confident they can prove a fall drill program to be less damaging than that encountered in the previous winter drill program.

It's been determined there were no adverse weather conditions in Sept-Oct 2016 that would have impacted a drill program. Following the 2016 weather conditions there was not adequate snow pack nor frozen ground to commence a drill program Nov 20, 2016 as conditions set out. The changing climate is recognized in the Owen Lake/Silver Queen Mine property and become unpredictable and unreliable.

**Current:** Silver Queen expenditures for the year ended August 31, 2016 totalled \$69,141 compared to expenditures of \$85,870 for the similar period in 2015. On a project to date basis, New Nadina's Silver Queen expenditures to August 31, 2016 are \$8,116,793. Joint Venture partners spent in excess of \$10 million during the underground exploration and development program during the 1980's (Houston Metals Corp).

### **Monument Diamond Property - Lac de Gras, Northwest Territories (57.49%)**

The Company owns 57.49% of certain mineral leases in the Mackenzie District Mining Division, NWT. The property is subject to 2% gross overriding royalty. New Nadina is the operator of the joint venture where two parties hold the remaining 42.51%.

The property located at Lac de Gras, is approximately 300 km north of Yellowknife, accessible by float and ski plane and winter ice road. The property contains 12 proven diamond bearing kimberlites. An all season camp is positioned on the south shore of Lac de Gras.

News as to activity and results by other operators in the area states that drill testing, using a reverse circulation drill, of a kimberlite indicator mineral (KIM) train to the north west of the Monument property failed to find kimberlite. The source of the train remains unknown. Further drill testing of potential kimberlite targets will occur when a program is presented and funding available

A five year Type "A" Land Use Permit expires September 2017 and a two year extension is being sought. It is hoped that further drill testing of potential kimberlite targets will occur. Another joint venture partner would be considered for a program that might include further ground geophysics and drilling a number of untested anomalies, and acquire larger samples from proven kimberlites.

### **Summary of Slave Surficial Project: Northwest Territories Geological Survey - Barrett Elliot**

The Northwest Territories Geological Survey (NTGS) Slave Province Surficial Materials and Permafrost Study team completed a 2-year, \$3.5M government-industry-academic research program and has now moved to a new region. Results were presented at the Geoscience Forum in Yellowknife in November.

Project partners include Dominion Diamond Ekati Corp., Diavik Diamond, Mines, North Arrow Minerals Inc., Peregrine Diamonds Ltd., New Nadina Explorations Limited, Arctic Star Exploration Corp., the Canadian Mining Industry Research Organization (CAMIRO), the University of Waterloo, Simon Fraser University, Carleton University and the University of British Columbia.

Reports are can be viewed at <http://www.nwtgeoscience.ca/>

### **For a History Recap and Property summary see website [www.nadina.com](http://www.nadina.com) and Monument Project**

For the year ended August 2016 the Company has expended \$8,398 (2015 - \$16,333) on direct costs applicable to this property less recoveries of \$9,337 for a net expenditure of \$(939).

### **Saskatchewan Silica Sand Lease (100%)**

On acquisition of Kettle River, Nov. 6, 2015, the Company now owns 100% of this property. The quarry lease covers an area of 54 acres, and is valid until December 2019. To date, no income has been received from the lease. For the year ended August 31, 2016 Saskatchewan JV expenses totalled \$1,033 (2015 - \$1,570). See Corporate Activities below.

## Properties acquired through the acquisition of Kettle River Resources Ltd:

### Greenwood Area:

Kettle River owns a 100% legal and beneficial interest in the Greenwood Area properties in southern British Columbia within an approximate 44 square kilometre area. The Company currently holds 75 Crown Grants and 28 Reverted Crown Grants covered by mineral tenure cell claims - prospective for gold, silver and copper.

On Oct 17, 2016 a Letter of Intent (LOI) was signed with Golden Dawn Minerals Inc. (Golden Dawn) with respect to the sale of New Nadina's 100% owned subsidiary, Kettle River Resources Ltd. (Kettle River). On closure, the sale will include the Greenwood Area Properties (GAP) in southern British Columbia in the Greenwood Mining District and all related assets.

Golden Dawn has paid non-refundable deposits totaling \$95,000 and on closure will issue shares valued at \$600,000, and cash payments totalling CAD\$1,000,000 (inclusive of deposits). The agreement is subject to a 1% NSR where Golden Dawn can purchase a ½% for \$1,000,000 up to five years and thereafter \$1,200,000 up to 10 years leaving a ½% NSR payable to New Nadina. Following the ninety day due diligence period by Golden Dawn, the closing, subject to regulatory approvals will be earlier or about January 31, 2017 and within five days of conditional Exchange approval.

### DHK DIAMONDS INC. – WO Joint Venture – operated by Peregrine Diamonds Inc.

The 43.37% of DHK Diamonds Inc. is being retained by New Nadina through a share certificate owner change acquired through the acquisition of Kettle River. DHK is owned 43.37% each by Dentonia Resources Ltd. and New Nadina (formerly by Kettle River) with Cosigo Resources Ltd. (formerly Horseshoe Gold Mining Inc.) owning 13.26%. The ownership of DHK is subject to change depending on cash call contributions of which there have been none in the past year. The Company continues to pay ongoing DHK administrative costs which are charged directly to Accounts Receivable. The balance to July 31, 2015 is \$5,487 and includes our portion of \$804 which once invoiced, will be adjusted for a net receivable of \$4,683.

DHK Diamonds holds a 1% gross overriding royalty on New Nadina's Monument property and an interest in the WO joint venture, subject to change with Peregrine cash calls. DHK has not recently contributed and has accepted dilution. DHK as of April 15, 2016 has a 10.3165% (2015 - 10.326%) contributing interest in the WO Joint Venture operated by Peregrine Diamonds Ltd. ("Peregrine"). Should DHK reduce to less than a 4% participating interest, they revert to a 0.25% Gross Overriding Royalty.

### Selected Annual Information and Summary of quarterly reports

The following discussion and analysis of financial conditions and results of operations should be read in conjunction with the Company's audited financial statements and related costs for the years ended August 31, 2016 and August 31, 2015 and with the Company's interim financial statements and related costs.

#### Selected Annual Information – Audited statements

Year ended August 31st	Income or (Loss) from Continued Operation and Net Income (loss)	Basic and Fully diluted Earnings (Loss) per share from Continued Operation and Net Income (loss)	Total Assets	Total Liabilities
<b>2016</b>	<b>(1,010,959)</b>	<b>(0.09)</b>	<b>217,328</b>	<b>633,144</b>
2015	(189,803)	(0.00)	241,566	66,290
2014	(17,629)	(0.00)	434,727	69,648
2013	(1,602,156)	(0.02)	449,715	67,007
2012	(1,031,639)	(0.02)	461,222	254,163

### Fourth Quarter results (From NNA Annual report Annual discussion)

Note that the 2015 amounts reported are pre-Kettle River acquisition and the 2016 amounts include consolidation with Kettle River amounts.

Net loss for the fourth quarter ended August 31, 2016 was \$63,267 (\$0.00 per share) compared to a net loss of \$73,695 (\$0.00 per share) in 2015, a difference of \$8,037. This decrease is attributed mostly to administration costs, recovery of expenses and joint operator fees.

Administration costs increased to \$40,057 in the fourth quarter 2016 from \$33,437 in 2015. Printing, stationery and office costs increased to \$16,640 from \$8,067. During the fourth quarter in 2016, reimbursement from Joint Venture parties to cover administration expenses was \$ Nil compared to \$ Nil in 2015.

The following table sets out financial information for the last 8 most recently completed quarters of the Company's interim financial statements which are prepared in accordance with International Financial Reporting Standard ("IFRS") as issued by the International Accounting Standard Board.

#### Selected quarterly information

Period	Net loss (earnings) for quarter \$	Basic and diluted loss (earnings) per share \$	Total assets \$	Total Liabilities \$
<b>4<sup>th</sup> Quarter 2016</b>	<b>63,267</b>	<b>0.00</b>	<b>217,328</b>	<b>633,144</b>
<b>3rd Quarter 2016</b>	<b>32,594</b>	<b>0.00</b>	<b>252,004</b>	<b>747,253</b>
<b>2nd Quarter 2016</b>	<b>62,206</b>	<b>0.00</b>	<b>232,382</b>	<b>695,037</b>
<b>1st Quarter 2016 (amended)</b>	<b>852,892</b>	<b>0.00</b>	<b>231,631</b>	<b>629,689</b>
4 <sup>th</sup> Quarter 2015	73,695	0.00	241,566	66,290
3 <sup>rd</sup> Quarter 2015	(2,364)	0.00	286,181	37,210
2 <sup>nd</sup> Quarter 2015	50,578	(0.00)	288,031	41,424
1 <sup>st</sup> Quarter 2015	67,894	(0.00)	360,565	63,380

#### Discussion of Operations and Financial Condition for the Year

During the year ended August 31, 2016, the Company sustained a loss of \$1,010,959 (\$0.09 per share) compared to a loss of \$189,803 for the similar period in 2015 (\$0.02 per share). This difference of \$821,156 is attributed mostly to transaction costs related to the acquisition of the subsidiary, Kettle River.

The difference is attributed to: a decrease in legal, audit and accounting to \$28,025 from \$29,657, an increase in transfer agent fees to \$23,552 from \$7,644 in 2015, and an interest income decrease to \$329 from \$1,815. There were increases in travel and promotion to \$3,451 from \$3,253. Joint Venture reimbursements of administration expenses and promotional services were \$4,387 (2015 – \$6,156).

General exploration costs decreased from \$99,823 in 2015 to \$42,567 in 2016. Property, assessment and taxes increased to \$20,166 from \$8,461 in 2015. Camp/worksites preparation costs decreased to \$4,183 from \$7,202 in 2015.

Amounts due to directors and shareholders totalled \$164,589 at August 31, 2016 compared to \$18,158 on August 31, 2015.

There has been no change in the nature of or manner neither in which business is conducted nor in business conditions which would affect the Company's financial results.

The Company is engaged in the exploration, development and exploitation of mineral resources for precious metals and diamonds. The properties of the Company are without a known economically feasible ore body. The exploration programs undertaken and proposed constitute an exploratory search and there is no assurance that the Company will be successful in its search. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation. The amounts shown as property acquisition costs represent acquisition and holding cost, less amounts written off, and do not necessarily represent present or future values.

#### Investing Activities

There were no investing activities during the year ended August 31, 2016.

#### Financing Activities

There were no financing activities resulting in shares issued during the years ended August 31, 2016 and 2015.

## Capital stock

	Number of Shares		Value
Balance end of period August 31, 2014	8,448,657	\$	\$13,262,912
Shares issued - flow through	-		-
Units issued - private placement	-		-
Shares allotted and issued – exercise of warrants	-		-
Units issued – for debt	-		-
<b>Balance end of period August 31, 2015</b>	<b>8,448,657</b>	<b>\$</b>	<b>\$13,262,912</b>
November 6, 2015 – shares issued for acquisition of Kettle River Resources Ltd. – completion of Plan of Arrangement (see Corporate Activities below)	2,771,671		277,167
June 24, 2016 shares issued for settlement of debt *	1,427,000		142,700
<b>Balance end as of August 31, 2016</b>	<b>12,647,433</b>	<b>\$</b>	<b>13,682,779</b>

On TSX approval (June 1, 2016) the Company issued 1,427,000 common shares (June 24, 2016) for settlement of \$142,700 of outstanding debt at a fair value of \$0.10 per common share. These Shares are subject to a four-month hold period and cannot be traded before October 25, 2016.

## Shares issuable under share purchase warrants

	2016		2015	
	Number of Warrants	Weighted Price \$	Number of warrants	Weighted Price \$
Opening balance	-		652,674	1.40
Granted	-		-	
Expired	-		(652,674)	1.40
<b>Closing balance to August 31, 2016</b>	<b>-</b>		<b>-</b>	

Weighted average years to expiry

-

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At August 31, 2016 there are no outstanding share purchase warrants. The weighted average remaining contractual life of share purchase warrants is Nil years (2015 – Nil years) and the weighted average exercise price is \$ Nil (2015 - \$ Nil).

## Shares issuable under stock options

	2016		2015	
	Number of Options	Weighted Price \$	Number of Options	Weighted Price \$
Opening balance	465,000	1.20	485,000	1.20
Granted	-		-	
Expired / cancelled	(215,000)	1.50	(20,000)	1.00
<b>Closing balance to August 31, 2016</b>	<b>250,000</b>	<b>1.00</b>	<b>465,000</b>	<b>1.20</b>

Weighted average years to expiry

1.46

1.73

As of August 31, 2016, all 250,000 shares issuable have vested (2015 – 465,000). On August 31, 2016 the weighted average remaining contractual life of stock options is 1.46 years (2015 – 1.73 years) and the weighted average exercise price is \$1.00 (2015 - \$1.20).

There were no options granted as a result of the Plan of Arrangement with Kettle River.

## Outstanding Share Data

The Company's authorized share capital consists of an unlimited number of common shares without par value.

As at December 14, 2016 the Company had 12,647,433 common shares outstanding. In addition, the Company had stock options to purchase up to an aggregate of 250,000 common shares at an exercise price of \$1.00, which expire on February 14, 2018.

## Corporate Activities

A Plan of Arrangement whereby New Nadina acquired Kettle River as a wholly owned subsidiary was finalized on November 6, 2015. Full copies of News Releases can be seen on SEDAR Company filings:

### **November 6, 2015 – New Nadina Explorations Limited and Kettle River Resources Ltd. Complete Plan of Arrangement.....**

New Nadina Explorations Limited ("New Nadina") (TSX-V:NNA) and Kettle River Resources Ltd. ("Kettle River") (TSX-V:KRR): are pleased to report that the previously announced arrangement ("Arrangement") [see news releases dated July 20, 2015, August 17, 2015, October 19, 2015] has been completed. New Nadina has acquired all of the outstanding common shares of Kettle River by way of a plan of arrangement under the Business Corporations Act (British Columbia) in exchange for issuing 27,716,711 common shares of New Nadina to former Kettle River shareholders, resulting in Kettle River becoming a wholly-owned subsidiary of New Nadina. Fractional shares of New Nadina have been rounded down to the nearest lower whole share.....

For complete details of the Plan of Arrangement, you can view the Kettle River Information Circular filed on SEDAR ([www.sedar.com](http://www.sedar.com)) under its SEDAR profile. "Management Information Circular" September 29, 2015

Kettle River common shares were delisted from the TSX Venture Exchange at the close of business November 6, 2015. On this date, New Nadina issued and allotted 2,771,671 common shares in a one for one exchange. Computershare Trust implemented electronic exchange through brokerage houses and where certificates are held in the holders' name, they are to be submitted for exchange to Computershare. For further instructions contact Computershare Investor Services Inc. at: 1-800-564-6253 e-mail: [corporateactions@computershare.com](mailto:corporateactions@computershare.com).

### **Certificate exchange:**

#### **By mail:**

Computershare Investor Services Inc  
P.O. Box 7021  
Toronto, ON M5C 3H2  
Attn: Corporate Actions

#### **By Registered mail, hand or courier**

Computershare Investor Services Inc  
100 University Avenue  
Toronto, ON M5J 2Y1  
Attn: Corporate Actions

## Liquidity

The financial statements for the period ended August 31, 2016 have been prepared on the basis of accounting principles applicable to a going concern. This assumes that 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. The Company has incurred operating losses over the last several fiscal years, has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to further explore its mineral property projects and to cover the overhead costs necessary to maintain a public company in good standing. At August 31, 2016, the Company had a working capital deficiency of \$205,385 compared to a working capital of \$40,077 at August 31, 2015.

### **Additional Disclosure for Venture Issuers without Significant Revenue**

Additional disclosure concerning the Company's general and administrative expenses and resource property costs is provided in the Company's "Statement of Operations and Deficit" and the "Schedule of Exploration Expenses by Property" contained in its "Audited Financial Statements for August 31, 2015" and its "Interim financial statements for August 31, 2016" available on its SEDAR page at [www.sedar.com](http://www.sedar.com).

### **Transactions with Related Parties**

Related party transactions are negotiated in the best interest of the Company at arms length basis market terms and are detailed below as in Note 8 of the "Audited Financial Statements for August 31, 2016."

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management



personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

	Years ended August 31	
	2016	2015
Share-based compensation	\$ -	\$ -
Charged by the President's private company, (Ellen Clements) for exploration management services and equipment rental	\$ 14,400	\$ 10,200
Paid or owing to directors John Jewitt and William Meyer for reimbursement of incidental office expenses	\$ 4,800	\$ 4,800
Paid or owing to director David Huck for consulting fees	\$ 2,000	\$ 4,500

As at August 31, 2016 the Company owed \$164,589 (2015 - \$28,728) to directors for general exploration and consulting services, exploration management services, equipment rental and office rent. Of this amount, \$22,955 (2015 - \$24,730) is owing to the President and CEO, Ellen Clements, and a company controlled by the President and CEO of the Company, while \$2,400 (2015 - \$3,998) was payable to directors, John Jewitt and William Meyer, of the Company. These amounts are unsecured, do not bear interest, and are due on demand.

In addition to the above balances, as at August 31, 2016, there are advances owing to the President and CEO of the Company in the amount of \$133,542 (2015 - \$ nil ) and accrued interest of \$5,692 (2015 - \$nil) for costs related to the Plan of Arrangement (Note 3). Terms of the advances were set by the Company's Board of Directors, who approved a non-arm's length bridge financing with the President and CEO for a principal amount of up to \$100,000 due on the earlier of a term of six months or the completion of a private placement by the Company sufficient to repay the advances made. The advances bear interest at an annual rate equal to 5.0%, to be paid in full, if not before then at the expiry of the term.

As at August 31, 2016 a loan balance of \$411,900 (for cash advances and expenses paid on behalf of the company) assumed from Kettle River, is owing to the President and CEO of the Company. The loan is unsecured, does not bear interest and is not required to be repaid within the next 12 months.

As at August 31, 2016, a total of \$5,487 (2015 - \$nil) was owing from a company with officers and directors in common and has been included in receivables and prepaids.

### Changes in Accounting Policies

During the year ended August 31, 2016, the Company adopted certain new accounting standards and amendments to existing standards, none of which had a significant impact on the financial statements. See Note 2 in the Annual Audited Consolidated Financial Statements for a list of the Company's significant accounting policies.

### Management and Directors

On December 4, 2014 David R. Huck was added to the Board of Directors. Officers and directors are Ellen Clements, President and CEO, John Jewitt, William Meyer and David R. Huck; Arlene Ashton is Secretary and CFO.

### Investor Relations

There were no particular investor relation activities undertaken or contracts entered into during the period. Investor relation functions were accomplished through directors whose duties include dissemination of news releases and provision of information as requested by interested parties and information available on the Company website. [www.nadina.com](http://www.nadina.com)

### Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, receivables and prepaids, reclamation deposits, payables and accruals, due to Kettle River Resources Ltd. and due to related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

### Approval

The Board of Directors of the Company has approved the disclosure contained in this report. A copy of this MD&A will be provided to anyone who requests it. Financial Statements of the Company are available in .pdf on the Company website [www.nadina.com](http://www.nadina.com) and [www.sedar.com](http://www.sedar.com).