THEMAC Resources Group Limited

Form 51-102F1

Management's Discussion & Analysis (MD&A)

AMENDED AND RESTATED

For the period ended March 31, 2017

Dated: July 25, 2017

Suite 488 – 625 Howe Street
Vancouver, BC
Canada V6C 2T6

This report covers financial and technical information related to the period ended March 31, 2017 and other relevant information available up to the date of this report. This report should be read in conjunction with the condensed consolidated interim financial statements for the period ended March 31, 2017 and audited consolidated financial statements for the year ended June 30, 2016 and the related notes.

Financial results are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

Additional information related to THEMAC Resources Group Limited ("THEMAC" or the "Company) is available for view on the Company's website at www.themacresourcesgroup.com and under the Company's profile on SEDAR at www.sedar.com.

Cautionary Note on Forward-Looking Statements

When used in this document, words such as 'estimate', 'expect', 'anticipate', 'believe', and similar expressions are intended to identify forward-looking statements. Such statements are used to describe management's future plans, objects, and goals for the Company, and, therefore, involve inherent risks and uncertainties.

Shareholders and prospective investors should be aware that the forward-looking statements are subject to known and unknown risks, uncertainties, and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risk, and uncertainties, both general and specific, which contribute to the possibility that the predictions, forecasts, projections, and various future events will not occur. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events, or such factors which affect this information, except as required by law.

Description of business and project update

The Company was incorporated on February 24, 1997 under the Business Corporations Act (Yukon), Canada. The Company is in the business of developing its Copper Flat Project in New Mexico ("Copper Flat" or the "Project") through its subsidiary New Mexico Copper Corporation ("NMCC").

The Company is a reporting issuer in the provinces of British Columbia and Alberta, Canada, and trades its shares on the TSX Venture Exchange ("TSX-V") under the symbol MAC.

About the Copper Flat Project

The Company's project is the Copper Flat Project. Substantially all of the Company's business efforts since the acquisition of the Copper Flat Project have been focused on developing Copper Flat with a view to bringing Copper Flat back into production.

Copper Flat is a former producing copper-molybdenum-gold-silver mine located in the Hillsboro Mining District of Sierra County, New Mexico, located approximately 150 miles (242 kilometers (km)) south of Albuquerque, New Mexico, and 20 miles (32 km) southwest of Truth or Consequences, New Mexico. The Project consists of 26 patented mining claims and 231 unpatented mining claims, (202 lode claims and 29 placer claims), 9 unpatented mill sites, and 16 fee land parcels in contiguous and non-contiguous land parcels and claim blocks.

The Company entered into an agreement with a local rancher (the “Fancher Agreement”) in April 2013 to purchase 1,200 acres (485 hectares) in five tracts of land located within or adjacent to the past producing Copper Flat mine bringing the Project’s total contiguous and non-contiguous land parcels and claim blocks to approximately 4,741 acres (1,918 hectares.) Completion of this transaction provides NMCC 100% control of the property contained in the approximate 2,190 acre (886 hectares) permit area, and provides space for future expansion of planned waste rock and tailings storage facilities.

The Copper Flat Mine (“Mine”) was operated by Quintana Minerals Corporation (Quintana) for a short period ending in June 1982 before operations were curtailed due to falling copper prices. During this period, Quintana mined and processed 1.48 million short tons (Mst) of ore to yield 7.4 million pounds (Mlbs) of copper, 2,301 ounces (Oz) of gold, and 55,966 Oz of silver. A salable molybdenum product was planned but not produced by Quintana due to the short operating period.

The Copper Flat Deposit is a Laramide-age porphyry copper-molybdenum-gold-silver deposit. The metal content of the deposit is evidenced by historic production and metallurgical test work, as well as additional assays obtained from the Company’s exploration drilling programs. Information regarding property exploration and resource estimation is provided in a 43-101 compliant Mineral Resource Statement, which was posted on SEDAR on February 2, 2012.

Civil infrastructure in place at Copper Flat includes a tailings dam (planned for replacement), largely pre-stripped open pit, power lines, water well field and pipeline, access roads, diversion channels, site grading, and building foundations. For more information, visit www.themacresourcesgroup.com.

The Company has obtained a Feasibility Study for restarting the Mine (the “Study”). The Study was prepared by M3 Engineering and Technology Corporation (M3) with assistance from independent Mining Consultants and Golder Associates. The Study is summarized in a Canadian Securities Administrators National Instrument 43-101 (“NI 43-101”) compliant technical report titled “Copper Flat Project – Form 43-101 Technical Report Feasibility Study” that was filed on www.sedar.com (SEDAR) on November 21, 2013. In connection with the completion of the Study, the Company identified the following principal steps necessary to advance Copper Flat to production:

- Secure Water Rights
- Receive Federal EIS Record of Decision from US Bureau of Land Management
- Receive State Groundwater Protection Permit and State Mine Permit
- Complete Plant Engineering
- Construction
- Commence Operations
- Achieve Design Production

Permitting

During the nine months ended March 31, 2017, the Company's activities have been directed to obtaining permits from Federal and State agencies, and securing sufficient water rights for the Project. Permitting the Project entails numerous interactions and decisions by Federal and State agencies, which are in turn subject to challenges by opponents of the Project. The Company has engaged in community and government outreach since acquiring the property in order to foster a positive working relationship with the permitting agencies and generate support in the local community. The Company is focused on completing four major permitting requirements necessary to obtain permission to operate Copper Flat in New Mexico. These four priorities are the Bureau of Land Management's (BLM) evaluation of the project through an Environmental Impact Statement (EIS), securing water rights for the project that result in a permit to pump water from the Office of the State Engineer, obtaining a Discharge Permit from the New Mexico Environment Department, and receiving a New Mine Permit from the New Mexico Mining and Minerals Division.

The EIS process, administered by the BLM, is underway. BLM released the Draft EIS (DEIS)for public review and comment in November 2015 and BLM accepted public comment on the DEIS and the Project through April, 2016. BLM has reviewed all public comments received on the DEIS and has asked the Company to respond to numerous technical questions to further clarify the mine plan. The Company is preparing responses to all BLM's technical questions. Once BLM receives and evaluates the new technical data, it is anticipated that BLM will direct preparation of the Final EIS for the Project.

Management continues to work towards securing the appropriate consents and permits for water rights for the Project. Water resources are carefully managed and controlled in the Western United States, and appropriation of water rights for use by the Copper Flat Project is managed by the Office of the State Engineer for New Mexico (NMOSE). NMCC has secured via purchase or contract 7,481 acre-feet of water per year ("acre-ft/yr") of declared water rights (1,019 acre-ft/yr was purchased in the Options and Purchase Agreement; the remaining 6,462 acre-ft/yr is under contract with a group of private individuals). NMCC has met all payment terms to date; the final payment of USD$700,000 is due within 60 days of securing the Mine Permit.

Currently NMOSE considered approximately 890 acre-feet to have been perfected through historical actual use by the Mine, far below the amount required for the operation. NMCC disagreed with NMOSE and filed for a court adjudication of water rights with the NMOSE based on the Quintana records and the Mendenhall Doctrine, an accepted legal argument in the State of New Mexico regarding pre-water basin claims to water (if a groundwater right was initiated prior to the declaration of a groundwater basin, but not placed to beneficial use at the time of declaration, an appropriator is allowed to place the groundwater to beneficial use after the declaration of a groundwater basin, so long as the appropriator does so pursuant to the original plan of development and with reasonable diligence).

The adjudication process to address NMCC's water rights in the lower Rio Grande is nearly complete. The NMCC case was presented to the court during the week of March 15, 2016 and opposing testimony was heard in June 2016. Post-trial briefs were submitted to the court in January 2017. The court decision is expected in 2017.

In a separate effort to secure additional water to support mine operations, NMCC has negotiated a Water Lease for 3,000 acre-ft/yr. This lease has been authorized by the United States Secretary of Interior and United States Bureau of Reclamation.

The Company continues to have discussions with the New Mexico State Engineer over the contents of a permit for the operation water supply. The Company will continue to make appropriate and timely disclosures as developments occur.

NMCC is also in the process of securing two necessary State permits regarding water quality protection and mine operation requirements: the New Mexico Environment Department (NMED) Discharge Permit and New Mexico Mining and Mineral Division's (NMMMD) New Mine Permit).

The NMCC application for the NMED Discharge Permit has been through several rounds of thorough technical review since submission in late 2015. In April 2017, NMCC provided responses on final technical comments from NMED. NMED is now considering a Draft Discharge Permit, which will trigger further public notice and public comment once it is complete. NMCC submitted the Mine Operation and Reclamation Plan, a necessary component of the application for the NMMMD New Mine Permit in October 2016 and NMMMD returned technical comments on this application in April 2017. NMCC will submit responses to all comments in July 2017 and is completing other reports necessary to make the permit application complete.

NMCC's other permitting work includes obtaining various other smaller but necessary permits, including a 404 permit from the Army Corps of Engineers regarding a small footprint of mine facilities in drainages, a Multi-Sector General Permit for potential stormwater discharges at the facility from the Environmental Protection Agency (EPA), and a dam permit for the mine's proposed Tailings Storage Facility from the Office of the State Engineer Dam Safety Bureau.

The Company is building community relationships through public outreach meetings and through communication and education efforts such as interviews and Op-Ed articles in local newspapers, presentations to the local governing bodies and service organizations, and participation in local events. As a result of this and other related efforts, the Company has received resolutions of support from the County and two of the three incorporated communities in the vicinity of the mine.

The Copper Flat Project is a past producing Copper, Molybdenum, Gold, Silver project, and project economics may be effected by fluctuations in the price of those commodities. The Company continues to monitor copper prices as the material commodity of the Copper Flat Project while it works through the permitting process. The Company published its NI 43-101 Feasibility Study in 2013. Average annual prices of copper, gold, molybdenum and silver for the period from the publication of the Study as well as the average prices so far in 2017 are shown in the table below:

Year	Copper (US$/lb)	(Gold US$/oz)	(Molybdenum US$/lb)	Silver (US$/oz)
2013	3.32	1,411	9.97	23.83
2012	3.23	1,266	11.07	19.08
2015	2.49	1,160	6.52	15.70
2016	2.20	1,248	6.33	17.10
2017	2.61	1,236	6.95	17.14

1. Source: Copper and molybdendum prices - LME Official Cash Price as provided at www.lme.com. Gold and silver prices – LME Official Cash Price as provided at http://www.lbma.org.uk/pricing-and-statistics.

Negative trends in metals prices can adversely impact the Company's ability to finance development of the Copper Flat Project.

To date, the Company's project development has been funded by a loan from the Company's controlling shareholder, and has not been generally affected by industry or other economic conditions. However, project finance may be affected by variable commodity prices as the Project is advanced.

Expenditures on the Copper Flat Project are as follows:

	Period ended March 31, 2017	Year ended June 30, 2016
Deferred exploration expenditures, beginning of the period	$ 34,111,007	$ 30,425,231
Asset retirement obligation	-	20,901
Depreciation	203,709	85,826
Engineering	-	3,981
Exploration	42,917	54,600
Lease and land payments	-	115,338
Legal	232,334	699,008
Permitting	1,129,265	1,747,959
Site maintenance	920,595	-
Additions for the period	2,528,820	2,727,613
Cumulative foreign currency translation adjustment	1,100,430	958,163
Deferred exploration expenditures, end of the period	$ 37,740,257	$ 34,111,007

The Company's efforts are driven to the water rights and permitting process at this time and are subject to third party timelines. The Company's progress toward its objectives has been estimated in the Permitting discussion above. Material changes will be communicated as available.

Material expenditures with respect to permitting relate to the pursuit of the permits as discussed above. This entails legal support, third party specialists in environmental assessments, additional biological assessment work, charge back costs from the BLM and internal staff salaries and benefits.

Legal costs relate materially to the water rights legal process detailed above. Site maintenance relates to internal salaries and general upkeep on the property while the Company works through the permitting process. Site maintenance has been implemented as a cost category in the current year to capture internal salaries for project oversight and general communications and upkeep on the Copper Flat property while the Company focuses on permitting.

Financings and Working Capital

Financings

During the period ended March 31, 2017, the Company drew funds of $2,210,857 on its loan (the "Loan") with Tulla Resources Group Pty Ltd. ("Tulla") a mining-focused investment firm with a proven track record in the resource space. Mr. Kevin Maloney, Chairman of THEMAC is also a director of Tulla. Refer to "Capital resources" and "Transactions with Related Parties" for additional discussion.

Working Capital

As at March 31, 2017, the Company had working capital deficiency of $77,920,446 (June 30, 2016 - $68,072,062). The significant decrease in working capital relates to the accumulation of amounts due on the Loan.

Prepaid expenses and deposits of $67,667 (June 30, 2016 - $45,761) consists of advances to vendors and contractors, lease and rent deposits, and prepaid insurance.

Trade and other payables were $465,178 (June 30, 2016 - $617,500) not including amounts to related parties of $1,922,205 (June 30, 2016 - $976,029). The decrease in trade payables was largely attributable to the timing of payments. Amounts due to related parties consist of amounts due for expense reimbursement and accrued fees and bonus' for directors and officers, and are unsecured and are non-interest bearing.

Debt

As at March 31, 2017, the Loan payable of $75,373,917 (June 30, 2016 - $66,877,904), including interest, relates to the loan agreement with Tulla detailed in the accompanying condensed consolidated interim financial statements. The Loan is due on demand and accrues interest at a simple interest rate of 20% per annum. Subsequent to March 31, 2017, the Company and Tulla extended the maximum facility to $44,500,000 and drew down an additional $652,693 on the Loan.

The Company has acquired 1,200 acres of land pursuant to the Fancher Agreement within the Copper Flat Project area. The total purchase price of the land is US$2,500,000 ("Purchase Price") of which US$325,000 (the "Initial Payment") was paid during the year ended June 30, 2013. On the second anniversary of the agreement in the year ended June 30, 2015, the Company paid an installment of US$277,250 (US$125,000 plus accrued interest). On the third anniversary of the agreement in the year ended June 30, 2016, the Company paid an installment of US$206,693 (US$125,000 plus accrued interest). Subsequent to March 31, 2017, the Company paid an installment of US$213,069 (US$125,000 plus accrued interest) on the fourth anniversary of the Initial Payment. The Company will pay the balance of US$1,800,000 ("Final Payment") on or before the fifth anniversary of the Initial Payment with applicable interest charges, subject to exercise of any extension terms. Interest accrues at a rate of 3.5%, adjusted to changes in LIBOR, per year on the Purchase Price less installments paid to date. As at March 31, 2017, the carrying value of the property obligation was $2,658,980 (June 30, 2016 - $2,502,542).

Selected Annual Information

	Years ended June 30 ($)		
	2016	**2015**	**2014**
a) Loss for the year	(9,397,405)	(8,603,344)	(8,175,756)
➢ Per share - basic & diluted	(0.12)	(0.11)	(0.11)
b) Comprehensive income (loss) for the year	(7,275,324)	424,112	(7,786,469)
Per share - basic & diluted	(0.10)	0.01	(0.10)
c) Long term liabilities*	2,784,081	2,819,535	2,361,823
d) Total assets	72,337,667	67,390,735	55,581,327
e) Cash dividends per share	Nil	Nil	Nil

The loss per year has increased over the period presented due to the interest expense accruing on the Loan. The difference between the comprehensive loss and loss relates to the foreign currency translation of the assets and liabilities of NMCC denominated in US dollars at each reporting period.

Summary of quarterly results:

	Quarter ended (three-month unaudited figures, unless otherwise specified)			
	Mar 31, 2017 $	Dec 31, 2016 $	Sept 30, 2016 $	Jun 30, 2016 $
Net loss for the period	(2,723,233)	(2,528,463)	(2,422,779)	(2,538,445)
Per share basic & diluted	(0.03)	(0.03)	(0.03)	(0.03)
Total comprehensive income (loss) for the period	(3,257,150)	(870,756)	(1,367,422)	(2,893,154)
Per share basic & diluted	(0.04)	(0.01)	(0.02)	(0.04)
Total assets	76,313,030	76,186,146	73,634,073	72,337,667
Total liabilities	80,903,957	77,519,923	74,097,093	71,433,265
Shareholders' equity (deficiency)	(4,590,927)	(1,333,777)	(463,020)	904,402
Cash dividends declared	Nil	Nil	Nil	Nil

	Quarter ended (three-month unaudited figures, unless otherwise specified)			
	Mar 31, 2016 $	Dec 31, 2015 $	Sept 30, 2015 $	Jun 30, 2015 $
Net loss for the period	(2,246,917)	(2,361,962)	(2,250,081)	(2,203,874)
Per share basic & diluted	(0.03)	(0.03)	(0.03)	(0.03)
Total comprehensive income (loss) for the period	(6,707,431)	201,926	2,123,335	(3,090,305)
Per share basic & diluted	(0.08)	0.00	0.00	0.00
Total assets	71,885,947	75,811,931	72,542,333	67,390,735
Total liabilities	68,088,392	65,306,944	62,239,271	59,211,009
Shareholders' equity	3,797,555	10,504,987	10,303,062	8,179,726
Cash dividends declared	Nil	Nil	Nil	Nil

The trend presented by the tables above demonstrates continued investment in the Copper Flat Project which is predominantly financed by drawing on the Tulla Loan. The difference between net loss and comprehensive loss reflects the foreign exchange translation of the holdings of the Company's subsidiary NMCC which holds title to the Copper Flat Project.

Results of Operations

Nine month periods ended March 31, 2017 and 2016

Nine months ended March 31	**2017**		2016		
	$	**% of expenses**	$	% of expenses	% change
Accounting and audit	**50,802**	**0.66%**	68,182	0.99%	-25.49%
Depreciation	**141,033**	**1.84%**	26,667	0.39%	428.87%
Director's fees	**253,333**	**3.30%**	262,500	3.83%	-3.49%
Filing fees and transfer agent fees	**9,447**	**0.12%**	14,428	0.21%	-34.52%
Finance expenses	**6,285,156**	**81.90%**	5,673,267	82.71%	10.79%
Interest on property obligation	**76,056**	**0.99%**	84,650	1.23%	-10.15%
Legal fees	**2,797**	**0.04%**	43,187	0.63%	-93.52%
Management fees	**424,595**	**5.53%**	188,890	2.75%	124.78%
Office and sundry	**399,318**	**5.20%**	411,525	6.00%	-2.97%
Travel	**31,939**	**0.42%**	85,665	1.25%	-62.72%
Loss for the period	**(7,674,476)**	**100%**	(6,858,961)	100%	11.89%
Exchange differences on translating foreign operations	**2,179,147**		2,476,790		
Comprehensive loss for the period	**(5,495,329)**		(4,382,171)		

The Company recognized a comprehensive loss of $5,495,329 (2016 - $4,382,171) for the nine months ended March 31, 2017 inclusive of the exchange differences on translating foreign operations. The operating loss for the nine months ended March 31, 2017 was $7,674,476 (2016 - $6,858,961).

Overall the period's activity was relatively consistent with prior year as the Company focuses on the permitting and water rights processes for the Copper Flat Project in New Mexico. Significant changes to the prior period are as follows:

- Depreciation expense increased to $141,033 (2016 - $26,667) as the estimated useful life of certain assets were adjusted in the fourth quarter of 2016.
- Finance expense of $6,285,156 (2016 - $5,673,267) increased over the prior period as the principal of the Loan has increased. No payments have been made against the accrued Loan and interest.
- Management fees, which relates to fees payable to the CEO, have increased to $424,595 (2016 - $188,890). During the third quarter the Company accrued an unpaid bonus for the CEOs past service. The timing and structure of the payment of the bonus (US$184,432) remain subject to review and approval by the Board.
- Travel has decreased to $31,939 (2016 - $85,665) as the timing and expense of such costs are relative to the number of in person Board meetings and pursuit of corporate opportunities. During the prior period senior management engaged in more extensive corporate development work related to the letter agreement with Yunnan Halilaya, which was terminated in August of 2016.

Three month periods ended March 31, 2017 and 2016

Three months ended March 31	**2017**		2016		
	$	**% of expenses**	$	% of expenses	% change
Accounting and audit	**19,313**	**0.71%**	38,342	1.71%	-49.63%
Depreciation	**106,811**	**3.92%**	9,122	0.41%	1070.92%
Director's fees	**83,750**	**3.08%**	87,500	3.89%	-4.29%
Filing fees and transfer agent fees	**6,066**	**0.22%**	7,047	0.31%	-13.92%
Finance expenses	**2,098,171**	**77.05%**	1,926,690	85.75%	8.90%
Interest on property obligation	**25,028**	**0.92%**	36,826	1.64%	-32.04%
Legal fees	**451**	**0.02%**	10,775	0.48%	-95.81%
Management fees	**294,385**	**10.81%**	73,965	3.29%	298.01%
Office and sundry	**86,727**	**3.18%**	37,581	1.67%	130.77%
Travel	**2,531**	**0.09%**	19,069	0.85%	-86.73%
Loss for the period	**(2,723,233)**		(2,246,917)		
Exchange differences on translating foreign operations	**(533,917)**		(4,460,514)		
Comprehensive loss for the period	**(3,257,150)**		(6,707,431)		

The Company recognized a comprehensive loss of $3,257,150 (2016 - $6,707,431) for the three months ended March 31, 2017 inclusive of the exchange differences on translating foreign operations. The operating loss for the three months ended March 31, 2017 was $2,723,233 (2016 - $2,246,917).

- Depreciation expense increased to $106,811 (2016 - $9,122) as the estimated useful life of certain assets were adjusted in the fourth quarter of 2016.

- Finance expense of $2,098,171 (2016 - $1,926,690) increased over the prior period as the principal of the Loan has increased. No payments have been made against the accrued Loan and interest.
- Management fees have increased to $294,385 (2016 - $73,965) as the CEO was accrued an unpaid bonus for past service. The timing and structure of the payment of the bonus (US$184,432) will be subject to review and approval by the Board.
- Office and sundry costs increased to $86,727 (2016 - $37,581. The timing and structure of the payment of the bonus (US$12,870) will be subject to review and approval by the Board. Some increase was due to the timing of insurance renewals as expenses are down overall for the nine month period.
- Travel has decreased to $2,531 (2016 - $19,069) as the timing and expense of such costs are relative to the number of in person Board meetings and pursuit of corporate opportunities. Senior management engaged in more extensive corporate development work in the prior period, noted above.

Liquidity

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. The Company's financial liabilities are comprised of trade and other payables, due to related parties, property obligation and loan payable. The Company frequently assesses its liquidity position by reviewing the timing of amounts due and future obligations compared to the Company's current cash position and expected cash receipts. The objective of the Company is to manage its liquidity risk by maintaining sufficient cash to meet its anticipated operational needs. Due to the relatively low cash position of the Company, the Company is exposed to liquidity risk.

The Company has identified the outstanding Tulla Loan and negative working capital position as a significant liquidity risk to the Company. Tulla has not made demand for payment of the Loan to date.

The Company used cash of $1,181,029 (2016 - $756,772) in operating activities for the nine months ended March 31, 2017. Major expenditure changes discussed in the results of operations were largely non-cash. The increased rate of cash use is largely attributable to the timing of payment of trade payables.

Cash used in deferred exploration and development expenditures (investing activities) on the Copper Flat project were $1,543,865 (2016 - $2,066,150). The spend rate has decreased as the Company submitted the DEIS in the prior period and is incurring a lower spend rate while working through the DEIS comments, awaiting responses in respect of other permitting activities, and awaiting the decision of the court in the water rights legal process.

Cash generated from financing activities of $2,210,857 (2016 - $2,502,266) relates to draws on the Tulla Loan and is proportionate to the spend rate and approved draw requests.

The Company will depend on future financings from its majority shareholder (Tulla) and other alternatives to continue its operations.

The condensed consolidated interim financial statements of the Company were prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business for the foreseeable future.

The Company's forecast cash requirements for the next 12 months exceeds the current amount available under the Company's Loan with Tulla. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. The continued support of shareholders and the ability to raise funds through the issuance of equity or debt will be required in order to enable the Company to continue and to develop the Copper Flat Project. Realization values may be substantially different from carrying values, as shown, and the condensed consolidated interim financial statements do not give effect to the adjustment that would be necessary to the carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

Transactions with related parties

During the nine month period ended March 31, 2017 and 2016, the Company incurred the following expenditures in respect of transactions with related parties:

Period ended March 31	**2017**	**2016**
Management fees paid or accrued to Mr. Andrew Maloney, CEO	140,771	117,675
Bonus accrued to Mr. Andrew Maloney, CEO (Notes 1,2)	259,012	-
Salary paid to Mr. Jeffrey Smith, COO (Note 3)	247,657	282,621
Bonus accrued to Mr. Jeffrey Smith, COO (Notes 1,3)	653,375	-
Directors fees paid or accrued to:		
Mr. Kevin W. Maloney	60,000	60,000
Mr. Barrett Sleeman	37,500	37,500
Mr. Kenneth Pickering (resigned December 7, 2016)	27,083	48,750
Mr. Joel Schneyer	52,500	52,500
Mr. Andrew Maloney	41,250	41,250
Ms. Deborah Peacock (appointed July 1, 2014 to NMCC board, December 7, 2016 to THEMAC board)	35,000	22,500
Loan advances received from Tulla(Note 4)	2,210,857	2,502,266
Interest incurred on loan payable to Tulla (Note 4)	6,285,156	5,673,267

Note 1: Bonus payments are made at the discretion of the board of directors. Timing and form of payment of these bonuses remains subject to the board's discretion. The form and timing is being designed to reflect the Company's financial capacity and long term incentive nature of the compensation. Due to ongoing capitalization constraints, the Board has determined that management and staff will not be adequately compensated by the granting of stock options and has recognized bonuses for past service in the current period.
Note 2: Bonus accrued to Mr. Maloney is included in management fees expense.
Note 3: Compensation paid to Mr. Smith is capitalized to the Copper Flat Project.
Note 4: Tulla is an Australian based mining investment company of which Kevin Maloney, the Chairman of the Company, is a director, and in which Andrew Maloney, the CEO of the Company, has a financial interest. Tulla also owns 47,950,000 common shares of the Company, and together with shareholdings held directly or indirectly by Mr. Maloney represents 76% of the outstanding shares of the Company. The material terms of the Loan are set out under the heading "Debt" above. The Loan is repayable on demand. The Loan has provided the only source of

financing, other than the accrual or settlement of director and management fees for shares, for the Company since 2010.

Capital resources and outlook

The Company's ability to raise further funds from the equity markets will largely depend upon general market conditions. The Company and Tulla have agreed to extend the facility to $44,500,000 of which $42,848,103 has been drawn at March 31, 2017 and a further $652,693 subsequent to March 31, 2017. The Loan is due on demand and accrues interest at 20% per annum.

Due to challenging market conditions, the Company is considering all potential opportunities for financing and development partnerships.

Commitments

The Company had engaged a third party to act as its exclusive financial advisor in connection with financing requirements for the Copper Flat Project. That relationship was terminated in October 2016 and has a twelve-month tail (the "Tail Period"). During the Tail Period, the fee payable on completion of a financing transaction will be US$100,000 if completed with certain listed parties, or 2.5% of the aggregate gross proceeds with a minimum fee of US$250,000 if completed with unlisted parties.

Off-balance sheet arrangements

The Company does not have any off-balance sheet arrangements.

Financial Instruments

The Company's financial instruments consist of cash, receivables, bonds, trade and other payables, amounts due to related parties, loan payable and property obligation. The fair value of cash is measured on the statement of financial position using Level 1 of the fair value hierarchy as it is based on unadjusted quoted prices in active market. The fair value of receivables, bonds, trade and other payables and loan payable approximate their carrying values due to their short-term nature.

The property obligation is carried at amortized cost. The fair value of the property obligation approximates its carrying value as it reflects the amount payable as at the reporting date to discharge the liability.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below:

Currency Risk

The Company is subject to currency risks. The Company's Copper Flat project is located in the United States of America, and many of the Company's expenditures on this project are denominated in US dollars. The Company maintains its principal office in Canada, and has monetary assets and liabilities in Canadian and US dollars. The currency exchange rate between the US and Canadian dollars fluctuated from a low of US$0.74 to a high of US$0.78 for CAD$1 during the period ended March 31, 2017. The Company has estimated that a change of 10% in the currency rate could affect the total comprehensive income (loss) by approximately $7,190,000. As such, the Company's results of operations are subject to foreign currency fluctuation risks and such fluctuations may adversely affect the financial position and operating results of the Company. The Company has not undertaken to mitigate foreign currency risk at this time, and does not use derivative instruments to reduce its exposure to currency risk.

Interest rate and credit risk

The Company has a cash balance, taxes recoverable, trade and other payables, amounts due to related parties, Tulla Loan and Fancher property obligation. Amounts owed to related parties, excluding the loan payable, do not bear interest, and, therefore, these amounts are not exposed to interest rate variations. The loan payable bears an interest rate of 20% per annum on outstanding amounts. The property obligation bears interest at a rate of 3.5% per annum adjusted for fluctuations in LIBOR. While changes in LIBOR were insignificant in the period presented, it is possible that adjustments in the future could be significant.

Receivables typically consist of Canadian Goods and Services Tax ("GST") due from the Federal Government of Canada and bonds for the Project refunded after period end. Management believes that the credit risk with respect to receivables is remote. In addition, the Company is satisfied with the credit rating of the banks where the cash is held.

Liquidity risk

Please see above under "Liquidity."

Risk elements

Forward-Looking Statements

Certain statements made and information contained in this MD&A and elsewhere constitutes "forward-looking information" within the meaning of the British Columbia Securities Act and the Alberta Securities Act. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to the interpretation of drill results and the estimation of mineral resources, the geology, grade and continuity of mineral deposits, the possibility that future exploration, development results will not be consistent with the Company's expectations, accidents, equipment breakdowns, title matters and surface access, labour disputes, the potential for delays in exploration activities, the potential for unexpected costs and expenses, commodity price fluctuations, currency fluctuations, failure to obtain adequate financing on a timely basis, and other risks and uncertainties, including those described under Risk Factors.

In addition, forward-looking information is based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long term-price of copper, gold, silver and molybdenum, that the Company will receive required permits and access to surface and water rights, that the Company can access financing, appropriate equipment and sufficient labour and that the political environment within the jurisdictions where the company operates or is planning to operate will continue to support the development of environmentally safe mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements.

Risk Factors

Companies in the development stage face a variety of risks and, while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible. The Company faces a variety of risk factors such as project feasibility and practically, risks related to determining the validity of mineral property title claims, grant of mining permits, commodities prices, changes in laws and environmental laws and regulations. Management monitors its activities and those factors that could impact them in order to manage risk and make timely decisions.

THEMAC will require additional funding.

At March 31, 2017 the Company held cash of $26,237 and had current liabilities of $77,054,732. The Company has historically relied upon extensions to its loan with Tulla to satisfy its capital requirements and will likely continue to depend upon these sources to finance its activities. There can be no assurances that the Company will be successful in raising the desired level of financing on acceptable terms.

THEMAC will require various permits and title agreements to enable it to conduct its current and anticipated future operations.

The Company's current and anticipated future operations, including further exploration and development activities and the commencement of production from the Company's Copper Flat Project in New Mexico, USA requires the granting of the necessary permits and right of ways from various federal, state and local authorities and private property holders. The granting, continuing validity and enforcement of the terms of such permits are, as a practical matter, often subject to the discretion of government officials. There can be no assurance that all concessions and permits that the Company requires will be obtainable on reasonable terms, or at all, or will continue to be valid. Further, delays or failure to obtain such concessions and permits, the withdrawal, expiry or non-renewal of existing concessions and permits, or failure to comply with the terms of such concessions and permits could have a material adverse impact on the Company.

THEMAC must obtain certainty of water rights in order to successfully develop the Copper Flat Project

Negotiating rights to water involves certain inherent risks. Management continues to engage with the NMOSE to secure the appropriate consents and permits for Project water rights. Specifically, the NMOSE has provided confirmation to some of the Project's water rights, and the Company is in legal proceedings regarding the balance of the water rights. The basis of the Company's position is the Mendenhall Doctrine, an accepted legal argument in the State of New Mexico regarding pre-water basin claims. As the Company progresses in this regard, the appropriate disclosures will be made. Despite the Company's efforts, there can be no guarantee that the Company will be able to secure surface access, water rights, or the other permits necessary to re-start operations at Copper Flat.

THEMAC is subject to government regulation

The Company's mineral exploration is, and any development activities will be, subject to various laws governing exploration, development, production, taxes, labour standards and occupational health, mine safety, environmental protection, toxic substances, land use, water use and other matters. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory authorities curtailing the Company's operations or requiring corrective measures, any of which could result in the Company incurring substantial expenditures. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development.

Exploration, development and mining activities can be hazardous and involve a high degree of risk.

The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of base metals, including, without limitation, unusual and unexpected geologic formations, seismic activity, rock bursts, pit-wall failures, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and legal liability. Milling operations, if any, are subject to various hazards, including, without limitation, equipment failure and failure of retaining dams around tailings disposal areas, which may result in environmental pollution and legal liability.

THEMAC may be adversely affected by fluctuations in commodity prices.

The value and price of the Company's common shares, the Company's financial results, and exploration, development and mining activities of the Company, if any, may be significantly adversely affected by declines in the price of copper and other key commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control such as interest rates, exchange rates, inflation or deflation, global and regional supply and demand, and the political and economic conditions of mineral producing countries throughout the world.

Market volatility during the current reporting period

The capital markets around the world are subject to significant volatility, which could affect the Company's ability to secure financing, as well as adversely affect the market price of its common shares.

Given the Company's present situation, while it may affect the trading price of its common shares, it is not expected that this volatility will have an effect on the Company's operations or on its financial statements for the next few months. The Company has depended on financing from its majority shareholder in the past, but with the expansion of operations at Copper Flat, it will be more dependent on public markets, in addition to the support from controlling shareholders.

Management's responsibility over financial information

The Company's management is responsible for presentation and preparation of the financial statements and the MD&A. The condensed consolidated interim financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

The condensed consolidated interim financial statements and information in the MD&A necessarily include amounts based on informed judgments and estimates of the expected effects of current events and transactions with appropriate consideration to materiality. In addition, in preparing the financial information we must interpret the requirements described above, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. The MD&A also includes information regarding the impact of current transactions and events, sources of liquidity and capital resources, operating trends, risks, and uncertainties. Actual results in the future may differ materially from our present assessment of this information because future events and circumstances may not occur as expected.

Cautionary note for USA readers

As a corporation, the Company is subject to certain rules and regulations issued by the British Columbia Securities Commission; the Company is required to provide detailed information regarding its properties including mineralization, drilling, sampling and analysis, on security of samples and mineral reserve estimates. Further, the Company describes any mineral resources associated with its properties utilizing terminology such as "inferred" or "indicated" which are terms recognized by Canadian regulators but not recognized by the United States' Securities and Exchange Commission (SEC).

Other MD&A requirements

a) Copies of all previously published financial statements, management discussions, meeting materials, etc., are available on the SEDAR website at www.sedar.com.

b) Information pursuant to sections of National Instrument 51-102:

   i) Section 5.3: The Company's continued operations are dependent on its ability to raise adequate funds from the capital markets or other sources of financing.

   ii) Section 5.4: Outstanding share data as at the date of this MD&A:

      - Common shares:
         - Authorized: unlimited number, without par value.
         - Issued and outstanding: 79,400,122.

      - Stock options: 9,577,194 with a weighted average exercise price of $0.05 with a weighted average remaining life of 5.24 years.

The fully diluted capital of the Company as at the date of this MD&A is 88,977,316.

Directors and officers

The qualified person under NI 43-101 responsible for the review of the technical content of this MD&A is Mr. Jeffrey Smith, P.E.

Directors	Officers
Kevin W. Maloney (Chairman)	Andrew Maloney, Chief Executive Officer
Andrew Maloney	Mark McIntosh, Chief Financial Officer
Barrett Sleeman	Jeffrey Smith, Chief Operating Officer
Joel Schneyer	Stephen L. Law, Secretary
Deborah Peacock	

On behalf of the Board of Directors:

"*Andrew Maloney*"

Andrew Maloney
Chief Executive Officer