NEVADA SUNRISE GOLD CORPORATION

MANAGEMENT DISCUSSION & ANALYSIS ("MD&A")

For the six months ended March 31, 2016

PRESIDENT'S MESSAGE

Nevada Sunrise has been active in the exploration and acquisition of mineral properties during the first several months of 2016, all focused in Nevada, one of the best mining jurisdictions in the world. The Company is adapting to a changing marketplace, and in 2015 made the decision to explore for lithium brines in Nevada. We intend to maintain our three Nevada gold properties during these volatile times for precious metals, and at the same time offer its shareholders the potential rewards that a new lithium discovery might offer.

A resource estimate for the Kinsley Mountain Gold Project was produced by the Pilot Gold Inc. - Nevada Sunrise joint venture and filed on SEDAR in late 2015. We consider this an important milestone and a good foundation for future growth of the gold resource at Kinsley Mountain. Pilot Gold Inc. has developed new drill targets by 3-D modeling of integrated geological, geochemical and geophysical data and began a drilling program at Kinsley Mountain in April 2016.

In May 2016, Nevada Sunrise received approval of its Plan of Operations for the Golden Arrow Project. This landmark achievement is the culmination of nearly two years of work by the Company, and allows ten years of drilling at Golden Arrow to potentially find and develop new mineralized zones to complement the known gold resources.

In the field of lithium, demand for lithium ion batteries in automobiles, energy storage, and other chargeable devices is increasing month by month, and lithium prices rose substantially in 2015 and early 2016. A corresponding interest in lithium is growing among investors worldwide. Nevada Sunrise was an early participant in a staking rush within the Clayton Valley that extended to other proximal desert valleys, and now has over 20,000 acres under claim for lithium exploration.

Prior to commencing exploration drilling in March 2016 at the Neptune Lithium Project, the Company acquired a 1,770 acre/feet/year water right to complement its three Clayton Valley properties. We believe that this acquisition is a pre-requisite for any exploration or development of lithium brine properties in the Clayton Valley.

The Company has optioned certain of its lithium properties to exploration partners and may offer options on additional properties in the coming months due to strong demand from other public companies wishing to participate in lithium exploration.

We look forward to an exciting year of exploration in Nevada.

Sincerely,
"Warren Stanyer"
Warren Stanyer, President and CEO

INTRODUCTION

Nevada Sunrise Gold Corporation ("Nevada Sunrise" or the "Company") is an exploration stage company whose common shares are listed for trading on the TSX Venture Exchange under the symbol NEV. The Company's business is the acquisition, exploration and evaluation of mineral properties located in the State of Nevada, USA. The Company has a wholly-owned Nevada subsidiary, Intor Resources Corporation, through which it conducts business in Nevada. Nevada Sunrise holds interests in three gold exploration properties, namely:

- 20.94% participating interest in the Kinsley Mountain property with Pilot Gold Inc. ("Pilot Gold") holding the other 79.06% interest;
- 100% interest in 374 mining claims at the Golden Arrow property;
- 100% interest in 105 mining claims and an option to earn a 100% interest in an additional 15 mining claims at the Roulette property.

The properties are each subject to certain royalties held by the property vendors.

Nevada Sunrise holds interests in six lithium exploration properties, namely:

- an option to purchase a 100% interest in the Neptune property;
- an option to purchase a 100% interest in the Clayton NE property;
- an option to purchase a 100% interest in the Jackson Wash property;
- an option to purchase a 100% interest in the Atlantis property;
- 100% interest in the Gemini property by way of claim staking;
- 100% interest in the Aquarius property by way of claim staking.

Four of the six lithium properties are subject to certain royalties held by the property vendors.

The Company also has an option to purchase water rights in the Clayton Valley, Nevada. The pre-existing water right allows for 1,770 acre/feet of water use for mining and milling per year.

This discussion and analysis of financial position, results of operations and cash flows of Nevada Sunrise for the six months ended March 31, 2016 includes information up to and including May 30, 2016 and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the six months ended March 31, 2016 and the Company's audited annual consolidated financial statements for the years ended September 30, 2015 and 2014. All the consolidated financial statements were prepared using International Financial Reporting Standards. All dollar figures are in Canadian dollars unless otherwise stated.

The reader is encouraged to review the Company's statutory filings on www.sedar.com and to review other information about the Company and its properties on its website at www.nevadasunrise.ca

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A includes certain forward-looking statements or information. All statements other than statements of historical fact included in this MD&A including statements relating to the potential mineralization or geological merits of the Company's mineral properties and the future plans, objectives or expectations of the Company are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include among other things, statements regarding future commodity pricing, estimation of mineral reserves and resources, timing and amounts of estimated exploration expenditures and capital expenditures, costs and timing of the exploration and development of new deposits, success of exploration activities, permitting time lines, future currency exchange rates, requirements for additional capital, government regulation of mining operations, environmental risks, anticipated reclamation expenses, timing and possible outcome of pending litigation, timing and expected completion of property acquisitions or dispositions, and title disputes. They may also include statements with respect to the Company's mineral discoveries, plans, out-look and business strategy. The words "may", "would", "could", "should", "will", "likely", "expect", "anticipate", "intend", "estimate", "plan", "forecast", "project" and "believe" or other similar words and phrases are intended to identify forward-looking information.

Forward-looking statements are predictions based upon current expectations and involve known and unknown risks and uncertainties. There can be no assurance that such statements will prove to be accurate. Actual results/future events could differ materially from those anticipated in such statements.

Important factors that could cause actual results to differ materially from the Company's plans or expectations include risks relating to the actual results of exploration programs, fluctuating commodity prices, the possibility of equipment breakdowns and delays, the availability of necessary exploration equipment including drill rigs, exploration cost overruns, general economic or business conditions, regulatory changes, and the timeliness of government or regulatory approvals to conduct planned exploration work, political events, fluctuations in mineralization grade, geological, technical, mining or processing problems, future profitability on production, the ability to raise sufficient capital to fund exploration or production, litigation, legislative, environmental and other judicial, regulatory, political and competitive developments, inability to obtain permits, environmental liability for work programs, general volatility in the equity and debt markets, accidents and labor disputes and the availability of qualified personnel. Additionally, the Company is not the operator of the Kinsley Mountain joint venture and factors that could affect the Kinsley Mountain joint venture and the Company's interest therein include: the Company does not control the timing, cost or nature of the work programs; the Company may be subject to unexpected cash calls relating to the operation of the Kinsley Mountain joint venture; if the Company is unable to fund its share of the work programs it will suffer dilution to its interest; and the Company cannot guarantee that the operator will conduct successful work programs or further develop the Kinsley Mountain property.

Although the Company has attempted to identify all of the factors that may affect our forward-looking statements or information, this list of the factors is not exhaustive. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks and uncertainties detailed throughout this MD&A. The Company disclaims any intention or obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise, except where required by applicable securities laws.

GOLD PROPERTIES

Kinsley Mountain

The Kinsley Mountain property ("Kinsley Mountain" or the "Project") is located in eastern Nevada in Elko County between the towns of Ely and Wendover, Nevada. The Company's Nevada subsidiary has the rights to a mining lease covering 141 unpatented lode mining claims on U.S. Bureau of Land Management ("BLM") land covering an area of approximately 2,807 acres (1,136 ha). New staking has increased the size of the Project to 513 unpatented lode claims on BLM land plus 6 leased patents totaling 4,213 hectares (10,410 acres), and hosts a past-producing mine with an extensive exploration database and numerous, untested gold targets.

Kinsley Mountain lies roughly 75 kilometres (45 miles) southeast of the Long Canyon property where the geological/technical team of Pilot Gold, then part of Fronteer Gold Inc. (acquired by Newmont Mining Corp. in 2011), defined a significant gold resource in what is now recognized as an emerging gold district.

On October 28, 2013, Nevada Sunrise announced the signing of the Kinsley Mountain joint venture agreement between the Company and Pilot Gold. A Delaware limited liability company, Kinsley Gold LLC, was formed to manage the joint venture with Pilot Gold as the operator.

Pilot Gold has conducted exploration programs at Kinsley Mountain from 2011 to 2014, and has earned a 79.06% interest in the property. The Company has contributed to exploration programs approved by the joint venture in 2014, 2015 and 2016 to maintain its current 20.94% interest in the Project.

History of Exploration

Gold mineralization was discovered on Kinsley Mountain in 1984. Subsequent exploration defined sediment-hosted gold mineralization concentrated in the Kinsley trend, and includes at least five distinct deposits hosted in strata ranging from middle-to-late Cambrian in age. Gold mineralization occurs within a stratigraphic section of Middle to Upper Cambrian-age sedimentary rock units including limestone, dolomite and shale. This mineralization exhibits characteristics similar to other sedimentary rock-hosted "Carlin-type" gold deposits in Nevada. Gold enrichments occur in both preferred bedding strata and structurally-controlled zones as disseminated mineralization within altered sedimentary rocks.

Between 1994 and 1999, Alta Gold Co. ("Alta Gold") produced approximately 138,000 ounces of gold at .042 opt gold (1.4 grams/tonne gold) from oxide ore in a heap leach operation at Kinsley Mountain. Mining by Alta Gold was restricted to a cluster of deposits aligned along a northwest-oriented fault zone. Exploration drilling has identified several other mineralized centres which are yet to be developed. Mining by Alta Gold ceased during a period of low gold prices.

Gold mineralization at Kinsley Mountain consists both of shallow low-grade oxide ore, which was mined and produced by Alta Gold, and deep higher-grade sulphide mineralization. This deeper mineralization was tested by a limited number of drill holes. Nevada Sunrise assembled a substantial historical archive for the Kinsley Mountain property, including records for 1,156 drill holes drilled prior to 2011, with a total length of 244,900 feet (74,700 metres) or an average depth of only 212 feet (64.7 metres).

Kinsley Mountain – (cont'd)

Development of the Kinsley Mountain Joint Venture, 2010-2013

April 2010: option agreement (the Kinsley Option") with Animas Resources Ltd. ("Animas"), which gave Animas the right to earn a 51% interest in Kinsley Mountain by spending US$1.5 million in exploration expenditures over three years. Animas agreed to spend US$200,000 in exploration expenditures during 2010 to maintain the Kinsley Option, and would act as operator of exploration at Kinsley Mountain.

Nevada Sunrise and Animas agreed to form a joint venture upon Animas earning its 51% interest in Kinsley Mountain for further exploration work to be carried out on the property. After earning its 51% interest in Kinsley Mountain, Animas had the right to earn an additional 14% interest by spending US$3.0 million in exploration expenditures within five years, which would bring its interest in Kinsley Mountain to 65%.

September 2011: Nevada Sunrise announced the purchase by Pilot Gold of the Kinsley Option from Animas. Pursuant to the amended terms of the Kinsley Option, Pilot Gold would have the exclusive right to earn a 51% undivided interest in Kinsley Mountain by incurring US$1.18 million in exploration expenditures by March 30, 2013 (incurred). Pilot Gold could earn an additional undivided 14% interest in Kinsley Mountain by incurring an additional US$3.0 million in exploration expenditures within five years of meeting the initial earn-in.

April 2013: Nevada Sunrise announced that Pilot Gold had completed US$3,000,000 in eligible expenditures at Kinsley Mountain to increase its participating interest to 65%. In addition, the Company received an exploration program proposal for 2013 from Pilot Gold, which included diamond drilling, a resource estimate as drilling progressed, and metallurgical studies planned in connection with the resource estimate.

August 2013: the Company announced that it had elected not to finance its 35% portion of the 2013 budget. As a result, Pilot Gold solely financed a modified US$3,400,000 exploration program. Pilot Gold's interest in Kinsley Mountain increased to 79.06% and the Company's interest in the joint venture was diluted to 20.94%.

October 2013: a definitive joint venture agreement was signed between Nevada Sunrise and Pilot for Kinsley Mountain. A Delaware limited liability company, Kinsley Gold LLC, was formed to manage the joint venture with Pilot as the operator.

Kinsley Mountain – (cont'd)

2013 Exploration Highlights

- Pilot Gold carried a follow-up drill program totaling 14,200 metres in 58 holes testing high-priority targets within the Western Flank, Candland Canyon, and the Main pit areas
- results showed that significant gold also occurs within a lower zone of silty limestone below the Candland Shale;
- a Plan of Operations permit was obtained allowing drilling on up to 70 acres for exploration and development drilling;
- initial results returned the highest grade intercept in more than 1,300 holes drilled to date at Kinsley Mountain in drill hole PK091CA.

Significant mineralized intersections included:

- 8.53 g/t Au over 36.6 metres, including 29.43 g/t Au over 7.6 metres in hole PK091CA;
- 15.6 g/t Au over 3.0 metres in hole PK083C;
- 2.21 g/t Au over 10.7 metres in hole PK073;
- 1.65 g/t Au over 24.4 metres in hole PK074;
- 2.51 g/t Au over 16.8 metres in hole PK102.

2014 Exploration Highlights

- 2014 exploration program was budgeted at US$4.47 million and the Company elected to finance its US$943,936 share of the proposed program;
- 2014 budget was subsequently increased to US$6.04 million, of which the Company's share was US$1,265,697;
- a total of 27,191 metres was completed in 81 holes;
- 1,080 acre/feet of water rights was secured.

Significant mineralized intersections from the 12-hole, 4,229 metre 2014 Phase 1 winter diamond drilling program at the Western Flank included:

- 6.85 g/t Au over 41.7 metres in PK127C;
- 10.5 g/t Au over 42.7 metres in PK131C;
- 7.53 g/t Au over 53.3 metres in PK132C;
- 10.6 g/t Au over 30.0 metres in PK133C;
- 1.44 g/t Au over 12.2 metres and 2.84 g/t Au over 18.9 metres in PK134C;
- 21.3 g/t Au over 29.0 metres in PK137C*;
- 15.6 g/t Au over 38.7 metres in PK137CA*.

**PK137C was lost in the mineralized zone due to poor ground conditions higher in the hole, and does not represent a complete intercept of the zone. PK137CA was wedged off the same hole from above the mineralized zone using NQ-size tools and was completed through the mineralized zone in a location immediately adjacent to PK137C, effectively representing a twin of PK137C and a complete intercept of the mineralized zone.*

Kinsley Mountain – (cont'd)

Significant mineralized intersections from Phase 2 summer drilling at the Right Spot area included:

- 3.35 g/t Au over 41.1 metres in PK144, including 5.11 g/t over 4.6 metres;
- 3.08 g/t Au over 19.8 metres in PK138;
- 2.43 g/t Au over 19.8 metres in PK139;
- 1.75 g/t Au over 22.9 metres in PK142.

Step-out drilling to the north and west of the high-grade gold mineralization in the Western Flank area at Kinsley Mountain returned long intercepts of gold mineralization in multiple horizons. Highlights of Western Flank step-out drilling included:

- 5.59 g/t gold over 38.1 metres in PK158C (22m step out), including
    - 9.99 g/t gold over 16.8 metres (Secret Canyon Shale host);
- 1.12 g/t gold over 7.0 metres in PK141C (50m step out) (Candland Shale host), and
    - 2.46 g/t gold over 16.8 metres (Secret Canyon Shale host), and
    - 3.81 g/t gold over 30.5 metres (Secret Canyon Shale host);
- 2.89 g/t gold over 19.1 metres in PK151C (Candland Shale host) and
    - 8.35 g/t over 12.5 metres (Secret Canyon Shale host), including
    - 10.5 g/t over 2.8 metres (Secret Canyon Shale host).

In September and December 2014, the Company announced additional results from the Western Flank, the Secret Spot and Racetrack targets.

Significant mineralized intersections from drilling in late 2014 in the Western Flank area included:

- 6.19 g/t (grams per tonne) gold over 45.7 metres in PK175CA, including
    - 13.8 g/t gold over 19.2 metres;
- 3.91 g/t gold over 18.3 metres in PK159C, including
    - 8.15 g/t gold over 7.6 metres;
- 2.89 g/t gold over 19.1 metres in PK162C, including
    - 10.5 g/t over 2.8 metres;
- 10.1 g/t (grams per tonne) gold over 39.6 metres in PK186C, including
    - 17.4 g/t gold over 21.6 metres (Secret Canyon Shale host);
- 6.05 g/t gold over 30.5 metres in PK187C (Secret Canyon Shale host);
- 4.39 g/t gold over 29.2 metres in PK188C (Secret Canyon Shale host);
- 6.88 g/t gold over 6.1 metres in PK177C, including
    - 11.0 g/t gold over 3.0 metres (Candland Shale host);
- 6.15 g/t gold over 7.6 metres in PK200, including 8.73 g/t gold over 4.6 metres (Secret Canyon Shale host).

Drilling at the Secret Spot target, located 2 kilometres to the south of the Western Flank target, resulted in discovery of a wide zone of gold mineralization in the Secret Canyon Shale, which is the same host rock for high-grade mineralization in the Western Flank. The existence of gold mineralization in the same unit two kilometres from the Western Flank suggests that mineralization could be wide spread in the Secret Canyon Shale.

Kinsley Mountain – (cont'd)

Secret Spot highlights included:

- 1.34 g/t gold over 25.9 metres *and* 1.09 g/t over 13.7 metres *and* 3.02 g/t over 6.1 metres in PK153;
- 2.03 g/t gold over 7.6 metres (shallow oxide mineralization in the Candland Shale host) in PK182.

The Racetrack zone is located 1.2 kilometres south of the Western Flank along a parallel north-northeast trending structure where surface mineralization in the Candland Shale was intersected over a 250 metre by 300 metre area by prior operators. Six holes were drilled, with PK180 returning mineralization in both the shallow oxide Candland Shale unit and the deeper Secret Canyon Shale.

Highlights from the Racetrack area included:

- 2.69 g/t gold over 7.6 metres (Shallow oxide mineralization in the Candland Shale host) and 1.25 g/t Au over 10.7 metres (Secret Canyon Shale host) in PK180

The 2014 drill program was designed to extend and delineate the high-grade Western Flank zone and test for mineralization in several stratigraphic horizons along a 2 kilometre-long, north-northeast trending corridor from the Western Flank discovery to the Right Spot and Secret Spot targets.

Results from the 2014 drilling in the Western Flank suggest a more complex, structurally-controlled body of mineralization than originally contemplated, with both an east-west and north-south elongation. In addition, a lower zone of mineralization, lying approximately 100 metres below the main high-grade zone was encountered in PK141C and PK158C.

Metallurgical Test Results

On January 19, 2015, Nevada Sunrise reported results from an initial metallurgical program designed to address the recovery of gold from the Secret Canyon host rock to produce a high-grade concentrate. The metallurgical test results demonstrated that high-grade sulphide mineralization from the Western Flank zone can produce a concentrate with excellent gold recoveries, at potentially low capital and operating costs.

Initial geochemical analyses of mineralized intercepts, including characterization of carbon and sulfur, ICP analysis and determination of the solubility of gold in cyanide demonstrated that the concentration of gold relative to sulfur is high, in comparison to other sediment-hosted, Carlin-style gold deposits. As well, petrographic work showed that pyrite, in which the gold is believed to be resident, is relatively crystalline, dense (non-porous) and that there is a very small quantity of sulfides that are <20 microns. These data and observations demonstrate potential for producing a high-grade flotation concentrate, which could then be evaluated for direct sale to commercial smelters or potentially to any one of several Nevada mine operators who can process refractory concentrates via roasting or autoclaving, for final recovery of the gold.

Kinsley Mountain – (cont'd)

Metallurgical Test Results – (cont'd)

Secret Canyon gold mineralization at Kinsley Mountain, unlike more typical Carlin-style deposits, is unique in several aspects:

- The sulfides at Secret Canyon are crystalline, dense (not porous) and the lack of sulfides <20 microns make them prime candidates for flotation.
- The total sulfide sulfur content of Secret Canyon material averages about 1.0%, which is low for a typical Nevada refractory resource, indicating that flotation concentration ratios can be high and consistently produce high grade concentrates.
- The ratio of gold, in grams/tonne - to sulfide sulfur, in percent (Ratio: Au/S) is very high, ranging from 7.8 to 19.2 for the four master composites. Since refractory gold treatment facility capital and operating cost are most affected by sulfide sulfur content, the low sulfide sulfur feed grade and the high ratio of Au/S are very favorable indicators for low capital cost facilities for on-site treatment and low relative operating cost for concentrate treatment whether processed on or off-site by other commercial entities.
- Concentrate grade ranged from 98.6 to 312 g/t gold. At a US$1,200 gold price, the contained values of these concentrates range from $3,800 - $12,000 per tonne. Therefore, cost for on-site processing or shipping and processing concentrate at a commercial smelter or a local Nevada refractory treatment facility would only represent a small portion of the overall concentrate value.

Concentrates were assayed for deleterious elements and were found to contain arsenic and antimony. Arsenic in the concentrate tested ranged from 0.69% to 1.22% and averaged 1.01% while antimony in the concentrate tested ranged from 0.022% to 1.58% and averaged 0.60%. While arsenic and antimony are elevated, the levels would not preclude direct sale to a smelter, sale to a concentrate blender or to a typical Nevada refractory ore processing facility.

On July 13, 2015, Nevada Sunrise reported additional metallurgical results designed to test the amenability of gold mineralization hosted in the Dunderberg (Candland) Shale to produce a saleable concentrate. The Dunderberg Shale was the primary host rock in the historical Kinsley Mountain mining operation, and is the shallow host rock at the Western Flank.

Pilot Gold states that these recent metallurgical test results demonstrate that Kinsley Mountain's main host rocks can produce medium to high-grade concentrates with very good to excellent gold recoveries and the potential of low capital cost options for possible mining and processing at the Project.

The test work, initiated in March 2015, used the same flowsheet developed for mineralization hosted in the Secret Canyon Shale. Summary highlights include:

Composite	Overall Au Recovery (%)	Concentrate Grade (g/t)	Calculated Feed Grade (g/t)
WF-CC#1	83.0	52.3	4.82
WF-CC#2	82.6	42.0	2.81

Kinsley Mountain – (cont'd)

Metallurgical Test Results – (cont'd)

Overall, these results indicate that the Dunderberg Shale material, like that from the Secret Canyon Shale, may be amenable to production of a concentrate. The results may be improved with further study of primary and regrind sizes and flowsheet refinements particular to the Dunderberg Shale.

Flotation testing of Dunderberg Shale-hosted mineralization was undertaken after analyses revealed a relatively medium grain size for gold-bearing pyrites, relatively low sulfide sulfur concentrations and high gold to sulfide sulfur ratios (ranging from 2.3 to 2.6) relative to typical Carlin-style sediment-hosted gold deposits. These data suggested that the mineralized material may be amenable to producing a concentrate of sufficient grade to support low cost on-site or off-site treatment, over more expensive whole ore treatment options such as roasting or autoclaving.

Two composites with calculated feed grades of 4.82 and 2.81 g/t gold were selected. The scope of work was intended to provide a preliminary determination as to how the two composites would respond to the flowsheet developed previously for Western Flank Secret Canyon Shale-hosted gold mineralization. In the case of the latter, samples were subjected to rougher and scavenger flotation testing over a range of conditions including variations in grind size, followed by cyanidation of the flotation tails. Combined concentrate recoveries ranged from a low of 76% to a high of 89.6%. Combined with cyanidation of the flotation tails, the total recovery increased to 89.0% to 95.0%. The concentrate grades ranged from a low of 98.6 g/t gold to a high of 312 g/t gold, with gold recovery to concentrate highest in the higher-grade and less oxidized samples.

The two composites from Dunderberg Shale-hosted gold mineralization returned concentrate grades of 52.3 and 42.0 g/t gold, corresponding to overall recoveries of 83.0 and 82.6%, respectively. The mineralized material was not oxidized, and no benefit was realized from cyanide leaching of the tails. However, cyanide leach testing of tails would likely result in recovery of additional gold from partially oxidized material.

Concentrates were assayed for deleterious elements and were found to contain arsenic and antimony. Arsenic in the concentrate tested ranged from 1.55% to 3.14% and averaged 2.35% while antimony in the concentrate tested ranged from 0.048% to 0.067% and averaged 0.058%. While arsenic and antimony are elevated, it is believed the levels would not preclude direct sale to a typical Nevada refractory ore processing facility.

Gary Simmons, of GL Simmons Consulting, LLC (B.S. Extractive Metallurgy), a Qualified Professional with the Mining and Metallurgical Society of America is the Qualified Person, within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"), has overseen the collection and verification of the metallurgical data and reviewed and approved this technical disclosure. Mr. Simmons is independent of Pilot Gold and Nevada Sunrise. Metallurgical testing was conducted at Hazen Research, Inc. in Denver, Colorado.

Kinsley Mountain – (cont'd)

2015 Exploration Highlights

- the 2015 exploration program and budget for Kinsley Mountain was approved by the joint venture at US$2.0 million;
- an induced polarization ("I.P.") geophysical test survey was carried out in early 2015 to investigate a chargeability correlation of sulphide content, ranging up to 10%, associated with known gold mineralization in deeper portions of the Western Flank Zone;
- the current interpretation of the 2015 I.P. survey in conjunction with re-interpretation of historical I.P surveys has enhanced the understanding of the target model at Kinsley Mountain;
- A total of 5,075 metres of RC drilling in 13 holes was completed;
- Targets range from early stage tests in the Kinsley North area to fan drilling of the area between the Western Flank zone and the historical pits.

On June 23, 2015, Nevada Sunrise announced initial results from drilling within an area approximately 150 metres northeast of the high-grade Western Flank zone. High-grade gold was intercepted in two key stratigraphic horizons, indicating the presence of a new mineralized zone that remains open to the east and west.

Significant mineralized intersections included:

- PK208: 2.34 grams per tonne ("g/t") gold over 9.1 metres (Dunderberg shale host), *and* 3.46 g/t gold over 18.3 metres (Secret Canyon Shale host); *including* 13.7 g/t Au over 3.0 metres;
- PK210: 2.95 g/t Au over 13.7 metres (Secret Canyon Shale host).

The 2015 intercepts are from the Dunderberg Shale and the Secret Canyon Shale which contain most of the known gold mineralization at Kinsley Mountain and are believed to underlie a significant portion of the Project area. Pilot Gold believes the previously-discovered Western Flank zone is not an isolated occurrence and there is a high probability of ongoing discoveries at Kinsley Mountain, and that the 2015 results confirm their exploration model for the discovery of new areas of mineralization.

Mineral Resources Estimate Technical Report

On November 4, 2015, in conjunction with Pilot Gold, Nevada Sunrise announced the release of a NI 43-101 compliant technical report entitled "Updated Technical Report and Estimated Minerals Resources for the Kinsley Project" (the "Report"), effective October 15, 2015. The Report was subsequently filed on SEDAR dated December 16, 2015 and can be accessed at http://www.sedar.com.

The Kinsley Mountain resource estimate addresses well-explored mineralization in the historical Kinsley Mine area, as well as a significant high-grade component in the Secret Canyon shale unit in the Western Flank area at the northwest end of the Kinsley Mountain mine trend.

Kinsley Mountain – (cont'd)

The resource estimate for all mineralization types, using multiple cut-offs, is:

	Indicated			*Inferred*			
Mineralization	oz Au	g/t Au	Tonnes	oz Au	g/t Au	Tonnes	Cutoff (g/t Au)
All types	*405,000*	*2.27*	*5,529,000*	*122,000*	*1.13*	*3,362,000*	-
Secret Canyon Shale sulphide	284,000	6.04	1,461,000	39,000	2.41	508,000	1.0
Dunderberg Shale sulphide and transitional	45,000	2.67	520,000	37,000	2.44	470,000	1.3
Oxide	76,000	0.66	3,548,000	46,000	0.60	2,384,000	0.2

Mineralization hosted in the Secret Canyon Shale in the Western Flank zone includes 284,000 Indicated ounces at an average grade of 6.04 g/t gold.

The resource estimate includes three separate cut-off grades, reflecting depth from surface, oxidation, and metallurgical considerations. These include shallow oxidized rock (0.2 g/t Au cut-off); shallow transitional and sulphide mineralization, primarily hosted in the Dunderberg Shale (1.3 g/t Au cut-off), and Secret Canyon Shale-hosted sulphide and transitional mineralization (1.0 g/t Au cut-off). Cut-off grades assume an open-pit mining scenario, using a pit floor elevation generated using Whittle software, reasonable assumptions for mining and milling costs, and a US$1,300/oz gold price.

The Report was prepared by Michael M. Gustin, C.P.G., with Mine Development Associates, Inc. of Reno, Nevada; Gary Simmons, BSc, Metallurgical Engineering, of G L Simmons Consulting, LLC; and Dr. Moira Smith, Ph.D., P. Geo. Chief Geologist for Pilot Gold, all of whom are "Qualified Persons" as defined by NI 43-101. Mr. Gustin and Mr. Simmons are independent of Pilot Gold and Nevada Sunrise.

2016 Exploration Program and Budget

Nevada Sunrise and Pilot Gold have approved an amended 2016 program and budget for Kinsley Mountain totaling US$776,000 which includes a 4-hole drilling program. The Company's share of the 2016 budget is approximately US$162,500, which is subject to further amendment depending on general market conditions.

On April 25, 2016, the Company announced that the four-hole RC drill program had commenced targeting high-grade gold mineralization in the Secret Canyon Formation.

New drill targets were developed using 3-D modeling software, including the integration of recent and historical geological, geochemical and geophysical data as detailed below. As a result, a new high-priority target area, immediately southwest of the historic Main Pit and at a lower stratigraphic level (the Secret Canyon Formation), was identified and are currently being tested in four reverse circulation holes of approximately 425 metres each for a total of 1,700 metres. If the 2016 drill program successfully intersects gold-bearing sulphide mineralization, additional induced polarization ("IP") surveys and drilling along the Kinsley Trend may be undertaken.

Golden Arrow

The Golden Arrow property is located in Nye County, Nevada and consists of 357 unpatented lode mineral claims and 17 patented lode mineral claims. In total, Golden Arrow covers an area of 5,684 acres. Golden Arrow has a number of favorable attributes for exploration: gentle topography, mild climate, available ground water and close proximity to highways and towns. Historical exploration has resulted in the discovery and subsequent drill-definition of two centers of gold-silver mineralization. A large exploration database shows exceptional exploration potential.

Golden Arrow is situated along the eastern margin of the Walker Lane structural zone and along the western margin of the Kawich volcanic caldera. The Walker Lane has past production and defined resources of more than 30 million ounces of gold and 400 million ounces of silver. Notable districts include the Comstock Lode, Rawhide, Paradise Peak, Santa Fe, the historic Tonopah and Goldfield districts, and Round Mountain, one of the most significant gold mines in Nevada.

Gold and silver mineralization at Golden Arrow includes mineral zones typical of both low-sulphidation quartz-adularia veins and high-sulphidation hot-spring type mineralization. Historic production was realized from discrete high-grade ore shoots within larger fault-controlled quartz-adularia-gold veins in andesite of the volcanic basement. More recent exploration has mainly focused upon definition of large-tonnage disseminated mineralization, with the discovery and delineation of two centers of mineralization – the Gold Coin and Hidden Hill deposits. The Gold Coin deposit outcrops and extends northwestward from the Confidence Mountain rhyolite flow dome. The Hidden Hill deposit, located approximately 300 metres northwest from Gold Coin, is largely hosted in silicified rhyolite-arkose maar sediments deposited in a basin extending away from the rhyolite center. Much of the higher grade mineralization is spatially associated with pepperite breccia at the margin of latite dikes.

A considerable array of geophysical information has been collected on Golden Arrow over the years using various methods of measurement, including gravity, ground and aeromagnetic surveys, airborne EM, IP-resistivity, and radiometrics. During 2007, the Company reprocessed most of the original digital geophysical data to complete three-dimensional interpretive geophysical models for the Golden Arrow district. The known deposits occur in distinct geologic settings, with discernable geophysical signatures. The geophysical models define additional exploration targets for drill testing.

The historical archive that has been assembled by the Company includes drill core and cuttings, as well as technical data, for 291 drill holes – 281 RC percussion holes and 10 diamond core holes – for a total of 45,141 metres of drilling. Of this, approximately 90% of the drilling has been concentrated within the Gold Coin and Hidden Hill deposits. All of the available core and cuttings were re-logged in a consistent format by the Company's geologists; the resulting geologic model formed the foundation for a Mineral Resource estimate.

Mine Development Associates of Reno, Nevada completed a NI 43-101 compliant Mineral Resource Estimate for the Golden Arrow property in a report entitled "Updated Technical Report on the Golden Arrow Project, Nye County, Nevada, USA", co-authored by Steve Ristorcelli, C.P.G., and Odin Christensen, Ph.D., C.P.G. dated May 1, 2009. Geo-statistical modeling was completed by zones for the Hidden Hill and Gold Coin deposits. This defined the deep high-grade structurally-controlled mineralization from the near-surface horizontal disseminated mineralization. Geologically-defined mineral zones separated the gold and silver resource blocks.

Golden Arrow – (cont'd)

In the table below are the Mineral Resources estimated and effective May 1, 2009, as contained in the Technical Report, republished for the convenience of investors. Investors are requested to refer to the Technical Report for a fulsome discussion of the Mineral Resource estimates along with all assumptions, parameters and methods used to prepare the Mineral Resource estimates and risk associated with relying on the Mineral Resource estimates.

Golden Arrow Project Total Gold and Silver Resources

Oxidized						
Cutoff oz AuEq/ton	Tonnes	AuEq oz/t	Au oz/t	Au Ozs	Ag oz/t	Ag Ozs
Measured						
Variable	1,099,000	0.029	0.024	26,600	0.26	291,000
Indicated						
Variable	5,637,000	0.022	0.018	102,600	0.22	1,263,000
Measured and Indicated						
Variable	6,736,000	0.023	0.019	129,200	0.23	1,554,000
Inferred						
Variable	2,040,000	0.013	0.009	17,700	0.25	510,000

Un-Oxidized						
Cutoff oz AuEq/ton	Tonnes	AuEq oz/t	Au oz/t	Au Ozs	Ag oz/t	Ag Ozs
Measured						
Variable	751,000	0.047	0.034	25,800	0.67	505,000
Indicated						
Variable	4,685,000	0.038	0.030	141,500	0.42	1,949,000
Measured and Indicated						
Variable	5,436,000	0.039	0.031	167,300	0.45	2,454,000
Inferred						
Variable	1,750,000	0.026	0.019	32,700	0.42	739,000

Total (Revised)						
Cutoff oz AuEq/ton	Tonnes	AuEq oz/t	Au oz/t	Au Ozs	Ag oz/t	Ag Ozs
Measured						
Variable	1,850,000	0.036	0.028	52,400	0.43	796,000
Indicated						
Variable	10,322,000	0.029	0.024	244,100	0.31	3,212,000
Measured and Indicated						
Variable	12,172,000	0.030	0.024	296,500	0.33	4,008,000
Inferred						
Variable	3,790,000	0.019	0.013	50,400	0.33	1,249,000

Note: Silver to gold ratio is 55/1; variable cut-off grades are 0.01 oz/t gold for oxide and 0.015 oz/t gold for un-oxidized material.

The technical information related to and including the reported Mineral Resources for the Golden Arrow Project was reviewed and approved by Steven Ristorcelli, C.P.G., a qualified person as defined by NI 43-101.

Golden Arrow – (cont'd)

2012 Exploration by Nevada Sunrise

In October 2012, the Company reported the results from a total of 5,570 metres of RC drilling in 21 holes completed during the 2012 drill campaign. The program was designed primarily to evaluate areas in the vicinity of the previously-defined resources at Hidden Hill and Gold Coin for additional potential centers of gold mineralization. Targets were chosen to be less than 300 metres in depth and were based primarily on the previously completed Orion 3D DCIP/MT geophysical survey over an approximately 8 square kilometre area performed by Quantec Geoscience in November 2011.

Eight holes in two areas about 300 metres west of Hidden Hill defined a new target region with the following highlights:

- Hole GA12-361 intersected 7.6 metres containing 1.00 g/t Au;
- Hole GA12-356 intersected 7.6 metres containing 0.54 g/t Au, including 6.1 metres containing 0.61 g/t Au;
- Hole GA12-355 intersected two separate intervals, 4.7 metres containing 0.42 grams g/t Au and 4.6 metres containing 0.83 g/t Au, the latter includes 3.1 metres of 1.05 g/t Au;
- Hole GA12-363 intersected 4.6 metres containing 0.55 g/t Au.

2013 Mining Lease Amendment

On December 30, 2013, Nevada Sunrise announced an amendment to a mining lease on the Golden Arrow property. Several claim blocks at Golden Arrow totalling 185 unpatented lode mining claims are held through a mining lease between Intor and Nevada Eagle Resources LLC, a subsidiary of Newmont Mining Corp. In 2010, the mining lease was extended from its previous expiry date of December 31, 2011, for an additional five years to December 31, 2016, with additional one-year extensions of the mining lease at the option of Nevada Sunrise. The additional one-year extensions under the previous mining lease terms resulted in a doubling of the advance royalty payment for each one-year extension, beginning January 1, 2017. The terms of the amendment to the mining lease were as follows:

- The advance minimum royalty payment is now reduced, from $50,000 to $25,000 per year, for the remainder of the term of the mining lease. The mining lease can be extended year to year at the Company's option by making the advance royalty payments, which are capped at $25,000 per year.
- The advance royalty payment due on Jan. 1, 2014, was deferred to July 1, 2014. Each subsequent annual advance royalty payment of $25,000 is due and payable on January 1 of each succeeding calendar year.
- The production royalty, currently at 2.0 %, is increased by one percentage point to 3.0 %.
- Nevada Sunrise may purchase one percentage point of the amended production royalty from Nevada Eagle Resources LLC for US$1,000,000 at any time during the remaining term and any subsequent terms. All other provisions of the mining lease continue in full force and effect.

Golden Arrow – (cont'd)

2014 Activities

In 2014, Nevada Sunrise conducted an evaluation program of historical geophysical and drilling data for Golden Arrow. Drilling samples from selected mineralized areas were re-analyzed with the goal of identifying target areas that may contain extensions of known mineralization. Concurrently, biological and cultural surveys were undertaken at Golden Arrow as key components of the Company's Plan of Operations application in order to permit a future drilling program.

Atherton Resources Agreement

On November 25, 2014, Nevada Sunrise announced the signing of a letter agreement for Golden Arrow.

Under the terms of the letter agreement, Atherton Resources LLC ("Atherton"), a private Delaware mineral exploration company, had the right to conduct due diligence on Golden Arrow until January 31, 2015 (the "Exclusivity Period"). This would include an assessment by Atherton of all historical geoscientific data, and a title opinion. Atherton had the right to extend the Exclusivity Period for up to two additional sixty (60) day periods by paying to Nevada Sunrise (a) US$25,000 on or before January 31, 2015, and (b) an additional US$25,000 on or before March 31, 2015. The payments made by Atherton to extend the Exclusivity Period would be applied to a payment of US$250,000 to be made by Atherton upon signing a definitive agreement (the "Definitive Agreement").

The terms for the Definitive Agreement described in the letter agreement allowed Atherton to initially earn a 65% interest in Golden Arrow by completing eligible expenditures in the amount of US$4,500,000 during a four-year period with a minimum expenditure in any year of US$750,000, and making US$1.6 million in scheduled cash payments to Nevada Sunrise over the same four-year period on subsequent anniversaries of the signing of the Definitive Agreement.

Upon completing $4,500,000 in qualified work expenditures and fulfilling the cash payments, Atherton could earn a 65% interest in Golden Arrow. Atherton could earn an additional 5% interest if it completed a pre-feasibility study for the development of a mine on the Property. Should Atherton proceed and solely fund a subsequent feasibility study, it could earn an additional 10% interest in Golden Arrow to a maximum of 80%.

Should Atherton earn a 65%, 70% or 80% interest, as applicable, the parties would form a joint venture and each party would be responsible for funding its proportionate share of joint venture expenditures. If through dilution either party's interest becomes less than 10%, its interest would convert automatically to a non-executive and nonworking 5% net profits royalty.

On February 3, 2015, the Company amended the terms of the letter agreement signed with Atherton. The amendment to the letter agreement allowed Atherton to extend the Exclusivity Period to May 31, 2015 for a payment of US$8,000 and the completion of a historical geological and geophysical data compilation to be completed at Atherton's cost.

On March 30, 2015, the Company received a payment of US$25,000 from Atherton to maintain Atherton's right to continue its due diligence on an exclusive basis.

Golden Arrow – (cont'd)

On May 30, 2015, Atherton's Exclusivity Period expired, and its right to complete a transaction under the negotiated terms of the letter agreement therefore expired in July 2015. Nevada Sunrise continues to seek exploration partners for Golden Arrow.

Nevada Sunrise received the benefit of a historical geophysical and geological data compilation from Atherton that has greatly enhanced the Golden Arrow data archive. The Company currently stores historical samples and sample rejects in Reno, Nevada to aid in the due diligence process on Golden Arrow by potential optionors or joint venture partners.

Plan of Operations Approved

In early 2015, Nevada Sunrise submitted a Plan of Operations (the "Plan") for Golden Arrow to the BLM. The Plan contemplates approximately 73,000 metres (240,000 feet) of drilling in 240 holes to explore for areas of new gold mineralization at Golden Arrow, and to further refine the known gold resources. The submission of the Plan was the culmination of a process initiated by the Company in June 2014, when biological surveys commenced at Golden Arrow. During the summer and fall of 2014, a cultural survey was carried out in conjunction with the biological surveys to meet the requirements for the Plan. A geological review was also initiated by Nevada Sunrise which included the design of the surface drilling program and surface sampling and mapping. In August 2015, an Environmental Assessment was filed by the Company in support of the Plan, and Nevada Sunrise received and replied to comments from the BLM during the fall of 2015.

After a public review period in the spring of 2016, the Plan for Golden Arrow was approved by the BLM in May 2016. The Company is required to increase the reclamation bond on Golden Arrow to US$94,011 from the current amount of US$18,037.

Obtaining approval of the Plan is a major step for the Company and required for future exploration activities at Golden Arrow. The Company is currently assessing its options for an exploration program at Golden Arrow and is actively seeking a joint venture partner for the property.

Roulette

The Roulette Gold Project ("Roulette") consists of 120 unpatented claims covering 2,400 acres (971 hectares) located approximately 30 miles north of Ely, Nevada at the southeast end of the Carlin Trend in an active area of mineral exploration. In November 2014, the Company announced an option agreement to acquire 15 unpatented claims at Roulette and added an additional 105 claims by staking.

To the north of Roulette is McEwen Mining Inc.'s ("McEwen") Limousine Butte project, which according to McEwen's public disclosure in three deposits hosts a measured resource of 168,350 ounces of gold, and an indicated resource of 72,730 ounces of gold, for a measured plus indicated total resource of 241,080 ounces of gold, and an inferred resource of 50,700 ounces of gold (source: "NI 43-101 Technical Report for the Limousine Butte Project, White Pine County Nevada," dated July 1, 2009, authored by Telesto Nevada Inc.). To the northwest, Freeport-McMoran Inc. ("Freeport") holds a large claim block (approximately 30,000 acres or 12,000 hectares) prospective for porphyry copper/gold deposits, which encompasses the Butte Valley copper prospect Freeport acquired in 2012 from Quaterra Resources Inc.

Roulette – (cont'd)

For the option to earn up to a 100% interest in Roulette, Nevada Sunrise agreed to pay the following cash payments (the "Option Payments") to the vendors on the anniversaries of the agreement (all dollar figures are in US dollars) as follows:

- On signing definitive agreement: $ 7,500 (paid)
- 1st Anniversary: $ 12,500 (paid)
- 2nd Anniversary $ 20,000
- 3rd Anniversary $ 25,000
- 4th Anniversary $ 30,000
- 5th Anniversary $ 35,000 (or a $200,000 buyout as described below)

Nevada Sunrise can elect to pay 50% of any future Option Payment in common shares of Nevada Sunrise (plus a 20% surcharge in favour of the vendors if common shares of the Company are elected for 50% of the Option Payment), with the exception of the initial down payment. On the fifth anniversary, the Company would have the right to purchase a 100% interest (the "Ownership Interest") in Roulette for a total of $200,000 (the "Option Purchase"), subject to a 2.5% net smelter returns royalty ("NSR"). At any time before a decision to commence production, Nevada Sunrise would have the right to purchase 1.0% of the NSR for $1,000,000, and the remaining 1.5% NSR for $2,000,000.

In August 2014, John R. Kerr, P. Eng., Nevada Sunrise's Qualified Person, carried out a site visit and collected two chip samples from a jasperoid outcrop on Roulette known as the Parlay showing, which returned the following gold values:

- 4.44 ppm gold over sample length of 3.30 metres (10 feet)
- 1.045 ppm gold over sample length of 2.64 metres (8 feet)

Nevada Sunrise believes that Roulette is underexplored. There are no known ground or airborne geophysical surveys in the public record, and any historical drilling is unconfirmed as to drill hole location, footage or results.

Roulette shows geological similarities to the Alligator Ridge gold deposits located about 24 miles to the west, part of the Bald Mountain gold mine now owned by Kinross Gold Corporation. The Alligator Ridge mine was discovered in the mid-1970s in an area of no previous exploration or mining history after a mineralized outcrop was found by a prospector. The area was subsequently mapped, sampled and drilled. Production of approximately 700,000 ounces of gold from three deposits at Alligator Ridge was reported by various operators into the 1990s, until its assimilation into the Bald Mountain mine.

Roulette and Alligator Ridge share certain sedimentary rock formations known to host Carlin-style mineralization, namely a sequence of Devonian/Mississippian limestones and shales, including the Guilmette limestone, Pilot shale, Joana limestone and Chainman shale. Nevada Sunrise believes that the potential exists for undiscovered gold mineralization at Roulette, with Alligator Ridge as a model for future exploration on the project.

Roulette – (cont'd)

Historical exploration on Roulette discovered gold-bearing jasperoids in outcrop in the 1980s. From 2007 to 2009 the original claims at Roulette were held by Columbus Gold Corporation who conducted extensive rock-chip sampling reporting gold and strong arsenic values within and associated with jasperoids. The conceptual target at Roulette is Carlin-type gold deposits. Gold is commonly micron-sized, and is associated with epithermal alteration of carbonate host rocks.

2015 Exploration

In May 2015, SJ Geophysics Ltd. completed a Volterra 3-D I.P. survey at Roulette. The survey consisted of 17 line kilometres and was intended to map the geophysical properties, resistivity and chargeability of the subsurface rocks. In addition, 3.4 kilometres of reconnaissance 2-D I.P. lines in the southern half of the project was completed. A magnetic survey on all the surveyed lines was also completed to assist in the mapping of interpreted geological structures. The results of the I.P. survey show three strong chargeability anomalies:

- The largest chargeability high is located near the south end of the survey grid, east-northeast of the Parlay jasperoid gold showing.
- A second chargeability high is located in the north-central part of the grid, immediately east of a second jasperoid, known as Gambit.
- A third chargeability high is located on the northernmost line of the survey, on strike with the Parlay and Gambit jasperoids, and is open to the north.

Two of the three chargeability anomalies are observed to coincide with resistivity highs, which are commonly associated with jasperoid bodies. The high chargeability anomalies possibly reflect significant sulfide content within these bodies. Other resistivity anomalies located along strike of the two known jasperoid outcrops may reflect the presence of additional buried jasperoid bodies. The magnetic survey showed little contrast between the interpreted rock units, which is not unexpected due to the relatively homogenous sedimentary rocks present at Roulette. However, a strong magnetic anomaly was detected on the northern boundary of the survey grid. Other weaker magnetic anomalies within the grid may indicate a north-northeast-trending fault and possible contact zones. An animated 3-D view of the 2015 survey results can be viewed at the Company's website.

2016 Exploration

A multi-element geochemical survey is planned over the geophysical survey grid to test for gold-in-soil anomalies and other pathfinder elements. Upon its completion, Nevada Sunrise will integrate the geochemical and geophysical results and select targets for a future drilling program, if warranted.

John R. Kerr, P.Eng., is the Company's designated qualified person for this MD&A within the meaning of NI 43-101 and has reviewed and approved the technical information contained in this MD&A for the Kinsley Mountain, Golden Arrow and Roulette projects, with the exception of the mineral resource estimate described for the Golden Arrow project, which was prepared by Steven Ristorcelli, C.P.G., a qualified person as defined by NI 43-101, and the description of the collection and interpretation of Kinsley Mountain metallurgical data overseen by Gary Simmons, of GL Simmons Consulting, LLC, a qualified person as defined by NI 43-101.

LITHIUM PROPERTIES

Nevada Sunrise has adopted an exploration strategy targeting desert basins, or playas, that exhibit similar geological and geophysical characteristics to the Clayton Valley basin where brines containing economic contents of lithium are known to accumulate in faults and porous lithologic traps in sub-basins. Such sub-basins can be delineated by gravity surveys that detect strong gravity lows.

Neptune

On August 21, 2015, the Company entered into an option agreement to purchase a 100% interest in the Neptune lithium exploration property located in the Clayton Valley, Esmeralda County, Nevada.

Neptune is located 37 miles (55 kilometres) southwest of Tonopah, Nevada, in an active area of lithium exploration and mining. The Silver Peak lithium brine mine, now owned by Albemarle Corporation, has extracted lithium minerals from brines continuously since 1966 and is 10 miles (16 kilometres) to the north of the Neptune property. The Silver Peak mine is the only operating lithium mine in North America. Pure Energy Minerals Ltd., a Canadian-based exploration company, has recently published a technical report on an inferred lithium resource for its Clayton Valley South project located near the Silver Peak mine.

The Company agreed to pay the following consideration to the vendors on TSX-V acceptance of the agreement (received) and on subsequent anniversaries of the agreement:

- On receipt of TSX-V acceptance of the agreement: 200,000 common shares (issued)
- On the first anniversary of the agreement: 300,000 common shares
- On the second anniversary of the agreement: 500,000 common shares

Neptune is subject to a 3% gross overriding royalty ("GOR"). On the third anniversary of the agreement, the Company has the right to purchase 1% of the GOR for US$1,000,000.

In October, 2015, Nevada Sunrise carried out a re-staking program that expanded the size of Neptune to 316 unpatented 20-acre placer claims totaling 6,320 acres (2,557 hectares). Under the terms of the Neptune option agreement, a 1.5-mile (2.25-kilometre) area of interest applies to the property.

The southern Clayton Valley area demonstrates enrichment in lithium in the nearby mountain ranges, desert sediments and in local plants. Nevada Sunrise has carried out ASTER (advanced space-borne thermal emission and reflection radiometer) spectral analysis of satellite imagery over the property and surrounding areas of the Clayton Valley. Results indicate that hectorite, a lithium-bearing clay mineral is derived from bedrock in areas to the north, west and southeast of Neptune. Biogeochemical data collected by the Company in October 2015 have confirmed anomalous lithium concentrations ranging from 11 parts per million (ppm) up to 35 ppm in a specific desert plant common to the Clayton Valley and sampled near the planned Neptune drill holes.

Neptune – (cont'd)

In 2013, the USGS released a paper describing the Clayton Valley's potential to host lithium deposits based on the hypothesis that lithium is liberated by weathering of host rocks or derived from hydrothermal fluids from a variety of rock sources within a closed basin. The floor of Clayton Valley has an area of about 100 square kilometres and a catchment of about 1,400 square kilometres, and is the topographically lowest of at least five adjacent basins that are hydrologically linked by groundwater flow (Zampirro, 2004). It is the combined area of all five linked catchments that matters, making the effective area of the Clayton Valley lithium-brine system much larger than the footprint of the Clayton Valley proper (source: from USGS open file 13-1006, 2013).

Historical reports acquired by Nevada Sunrise indicate that geologic formations and structures exist at Neptune that are similar to lithium-bearing brine deposit models present elsewhere in the Clayton Valley. Ground gravity and controlled source audio-frequency magnetotellurics ("CSAMT") surveys were carried out over Neptune in 2011. CSAMT is a geophysical survey method that measures ground resistivity with considerable depth penetration and high lateral resolution suitable for the exploration of alluvial and sedimentary rock aquifers. Gravity surveys can outline basin depth and controlling structures. Brine-rich aquifers are expected to exhibit low resistivities and be stratiform in geometry, and the conductive layers interpreted from the CSAMT in the Neptune basin fit these criteria.

2016 Drilling Program

In January 2016, Nevada Sunrise received a drilling permit from the Bureau of Land Management ("BLM") for up to 10 exploration drill holes at Neptune. The Company posted a reclamation bond with the BLM of US$18,132 as a guarantee of exploration site restoration at Neptune. The Company expects that at upon completion of exploration activities, the site will be restored and refund of the bond would be expected.

There are no known drill tests for lithium brines within the targeted Neptune sub-basin. Exploration drilling began in March 2016.

On April 19, 2016, the Company released an update on the first two completed holes of the Neptune drilling program. Hole N-2016-1 was drilled to a total depth of 1,500 feet (457 metres) targeting a conductive horizon detected by the 2011 CSAMT survey. A second hole, N-2016-6, was abandoned in poor ground conditions at a depth of approximately 500 feet, and a new hole, N-2016-6R, was drilled approximately 50 feet from the original site to a total depth of 1,760 feet (537 metres). In each of the completed holes, permeable sedimentary, lacustrine strata (interbedded with volcanic ash and ejecta) were logged at various levels throughout the holes. A total of 45 water samples and 256 sediment cuttings samples were collected and sent for multi-element analysis. Analytical results are scheduled for release following their receipt, compilation and interpretation. Nevada Sunrise has completed the construction of two additional drill pads and plans to resume drilling on other targets developed from gravity surveys and CSAMT data at Neptune.

Neptune – (cont'd)

Option Agreement – Resolve Ventures Inc.

On May 3, 2016, the Company entered into a definitive joint venture and option agreement with Resolve Ventures Inc. ("Resolve") in which Resolve can earn up to a 50% interest in the Neptune property. The definitive agreement supersedes the interim agreement between the companies dated March 2, 2016.

Under the terms of the definitive agreement, Resolve can earn an initial 25% interest in Neptune by making cash and share payments to the Company and by financing exploration expenditures as follows:

- $50,000 upon execution of the interim agreement (paid);
- $50,000 upon delivery by the Company of a co-addressed National Instrument 43-101 compliant technical report in a form acceptable to the TSX Venture Exchange (paid);
- 200,000 common shares of Resolve issued to the Company on the execution of the definitive agreement (issued);
- $300,000 for exploration and evaluation expenditures to be incurred by the Company according to the recommendations in the National Instrument 43-101 report (paid).

The Company will act as the operator and will charge a 10% fee on exploration expenditures. All claim maintenance payments due by September 1, 2016 will be split 75/25 between the companies.

In order to proceed with the second option to earn an additional 25%, Resolve must provide notice to the Company 60 days before the first anniversary of TSX-V acceptance of the definitive agreement. If Resolve does not elect to proceed with the second option, a standard dilution formula will apply to its 25% interest, if additional exploration expenditures are incurred.

Upon election to proceed, Resolve can earn an additional 25% interest in Neptune by making cash or share payments to the Company and by financing exploration expenditures as follows:

- $100,000 or 300,000 common shares of Resolve, at Resolve's option;
- $700,000 for exploration and evaluation expenditures to be incurred by the Company according to the recommendations in the National Instrument 43-101 report on or before the second anniversary of TSX-V acceptance of the definitive agreement, which Resolve may satisfy by paying in cash to the Company on or before the first anniversary of TSX-V acceptance of the definitive agreement.

After completion of the exploration expenditures for both options and the payment of the cash and the common shares as detailed above, Resolve will earn a 50% interest in the Neptune lithium property and a joint venture will be formed. The Company would be the operator of the joint venture and would be responsible for administrating all exploration activities, including drilling, geophysical surveys, consulting and payment of claim maintenance fees according to usual business practice for a joint venture. Under the terms of the definitive agreement, the companies have agreed that, if the joint venture exercises the US$1,000,000 royalty buy-down, it will be paid by both companies according to their respective interests.

Clayton NE

On December 3, 2015, the Company entered into an option agreement to purchase a 100% interest in the Clayton NE lithium exploration property located in the Clayton Valley, Esmeralda County, Nevada.

The Clayton NE property consists of 50 unpatented placer claims totaling approximately 1,000 acres (404 hectares) and is contiguous to the Silver Peak lithium mine property operated by Albemarle Corp. A Silver Peak lithium production well is located 45 metres from the Clayton NE western boundary.

It is reported in the United States Geological Survey ("USGS") open file report 82-415 (1982) that historical drill hole CV-5 is located on the property. The hole was drilled as part of a 1977 regional drilling program carried out by the USGS, and to a depth of 479 feet (146 metres). Hole CV-5 encountered lithium values in groundwater ranging from 24 ppm to 110 ppm, averaging 69.3 ppm for a group of 11 samples, and averaging 65.75 ppm for another group of 12 samples, analyzed both in the laboratory and in the field. Nevada Sunrise believes that drilling deeper holes at Clayton NE could intersect additional aquifers potentially hosting brines of similar or better contents of lithium than were encountered in the relatively shallow historical hole.

The Company agreed to pay the following consideration to the vendors on TSXV acceptance of the agreement (received) and on subsequent anniversaries of the agreement:

- On receipt of TSXV acceptance of the agreement: 100,000 common shares (issued)
- On the first anniversary of the agreement: 150,000 common shares
- On the second anniversary of the agreement: 250,000 common shares

Clayton NE is subject to a 3% GOR. On the third anniversary of the agreement, the Company has the right to purchase 1% of the GOR for US$1,000,000.

Aquarius

Aquarius consists of 83 unpatented placer claims totaling 1,660 acres (672 hectares) located in the Clayton Valley, approximately 3 miles (5 kilometres) southwest of the Silver Peak Mine. Nevada Sunrise owns a 100% interest in Aquarius with no applicable royalties. Aquarius was acquired by staking in January and May 2016 following a review of the results of proprietary gravity surveys carried out by a geological team led by Dr. John Oldow of the University of Texas, Dallas, which outlined a significant gravity low indicative of a deep, faulted sub-basin.

A follow-up time domain electromagnetic ("TDEM") survey carried out by Nevada Sunrise in March 2016 detected conductive horizons at depths ranging between 250 and 450 metres. Nevada Sunrise plans to submit a permit application to the U.S. Bureau of Land Management (the "BLM") for a drill program to test for lithium brines at Aquarius.

Jackson Wash

On December 17, 2015, the Company entered into an option agreement to purchase a 100% interest in the Jackson Wash lithium exploration property located in the Jackson Valley to the southeast of the Clayton Valley, Esmeralda County, Nevada.

Jackson Wash is situated on a flat, desert basin having the potential to host lithium brine deposits in aquifers beneath the valley floor. Nevada Sunrise is not aware of any modern exploration or drilling for lithium-bearing brines at Jackson Wash. With additional staking completed in May 2016, Jackson Wash consists of 164 unpatented placer claims totaling 3,280 acres (1,327 hectares) and is located on the east side of the Montezuma Range 20 miles (30 kilometres) southeast of the Silver Peak lithium brine mine.

Historical exploration on the property in 2011 discovered widespread deposits of obsidian fragments on the valley floor, possibly derived from tertiary felsic rhyolite and tuff volcanic rock units present in the Montezuma Range to the north and west of Jackson Wash. Fragments at six locations were sampled and returned lithium values ranging from 97.3 ppm lithium to 117 ppm lithium (R. M. Allender Jr., 2011). Weathering of the felsic volcanic rocks containing lithium is believed to be the source of lithium contained in subterranean brines.

The results of a detailed gravity survey and two CSAMT lines surveyed in 2011 by a previous operator were interpreted as a layered sequence of unconsolidated, saturated alluvial sediments filling a deep basin beneath the valley floor. The Jackson Wash basin is believed to be related to north-south basin and range fault systems. Drilling and sampling of the sediments and groundwater in the interpreted basin are the next steps in the exploration process for Jackson Wash. In February 2016, Nevada Sunrise received approval from the BLM to drill up to 10 exploration holes over a two year period. The Company is planning the first test of the Jackson Wash basin with a three to four hole drill program of holes at least 400 metres deep to test specific structural and stratigraphic targets believed prospective for lithium brine deposits.

The Company agreed to pay the following consideration to the vendors on TSXV acceptance (received) of the agreement and on subsequent anniversaries of the agreement:

- On receipt of TSXV approval of the agreement: 100,000 common shares (issued)
- On the first anniversary of the agreement: 150,000 common shares
- On the second anniversary of the agreement: 250,000 common shares

Jackson Wash is subject to a 3% gross GOR. On the third anniversary of the agreement, the Company has the right to purchase 1% of the GOR for US$1,000,000.

Atlantis

On December 30, 2015, the Company entered into an interim agreement to purchase a 100% interest in the Atlantis lithium exploration property located in Fish Lake Valley, Esmeralda County, Nevada. The interim agreement for Atlantis provided Nevada Sunrise with an exclusive 30-day due diligence period subject to certain conditions, including approval by the board of directors of the Company, execution of a definitive option agreement and acceptance of the agreement by the TSXV. A definitive agreement for Atlantis was signed on February 17, 2016.

Atlantis – (cont'd)

Atlantis comprises unpatented placer association claims totaling 2,882 acres (1,166 hectares) located 25 miles (38 kilometres) northwest of the Silver Peak lithium brine mine. A 1.5-mile (2.25-kilometre) area of interest applies to the property.

The Company agreed to pay the following consideration to the vendors on TSXV acceptance of the agreement and on subsequent anniversaries of the agreement:

- On receipt of TSXV acceptance of the agreement: 100,000 common shares (issued)
- On the first anniversary of the agreement: 150,000 common shares
- On the second anniversary of the agreement: 250,000 common shares

Atlantis is subject to a 3% GOR. On the third anniversary of the agreement, the Company has the right to purchase 1% of the GOR for US$1,000,000.

Nevada Sunrise made the decision to acquire Atlantis after a review of geological mapping that shows the presence of lithium-bearing rocks in the ranges draining into the property, and historical ground gravity data that show a distinct gravity low in the heart of the Atlantis claims. Nevada Sunrise believes that the interpreted gravity low indicates the presence of a deep, sub-basin that could host lithium-bearing brines. Geophysical exploration at Atlantis in the form of detailed gravity and electromagnetic surveys would assist in determining if conductive brines are present at depth, followed by exploratory drilling of interpreted geophysical targets.

As part of a regional lithium exploration program, the United States Geological Survey reported in open-file report 81-962 (1981) that historical drill hole FL-11a is located outside the eastern boundary of the property, three miles (4.5 kilometres) east of the centre of the interpreted sub-basin. Hole FL-11a was drilled to a depth of 450 feet (147 metres) and encountered lithium values in sediments ranging from 10 parts per million to 115 ppm and averaging 61.7 ppm for 67 samples analyzed. Lithium in sampled ground water ranged from trace at the end of the hole to 21 ppm at a depth of 55 feet (18 metres). Nevada Sunrise believes that drilling deeper holes at Atlantis within the area of the interpreted sub-basin could intersect aquifers potentially hosting trapped brines with higher contents of lithium than were encountered in the relatively shallow USGS hole drilled to the east of the gravity low anomaly. Also reported in USGS open-file report 77-54 (1977) was the collection of 10 surface brine samples with lithium contents ranging 37 to 350 milligrams per litre (ppm), and averaging 159 mg/l (ppm) to the north of the sub-basin.

Atlantis – (cont'd)

Option Agreement - American Lithium Corp

On March 8, 2016, the Company entered into a property option agreement with a private company for an option to earn an 80% interest in the Atlantis lithium property.

The private company or its successor or assignee will have the option to earn an 80% interest in Atlantis by making payments of cash and common shares to the Company, by incurring exploration and evaluation expenditures on the property and by meeting certain other conditions, as follows:

- US$48,050 to reimburse the Company for all its expenditures incurred related to the acquisition of the Atlantis property (paid);

- $100,000 on receipt of satisfactory evidence of the recording of additional claims staked by the Company at Atlantis (paid subsequently);

- US$1,000,000 in exploration and evaluation expenditures on the property, consisting of US$100,000 on or before the first anniversary of the agreement, an additional US$250,000 on or before the second anniversary of the agreement and an additional US$650,000 on or before the third anniversary of the agreement;

- Completion of a going public transaction (on May 6, 2016, the private company was acquired by American Lithium Corp, a TSX Venture Exchange listed company);

- 1,250,000 common shares of American Lithium Corp. issued to the Company, with 250,000 common shares issuable on or before July 5, 2016 (issued subsequently), 500,000 common shares issuable on or before July 5, 2017 and 500,000 common shares issuable on or before July 5, 2018. All the common shares will be subject to no more than a four month hold period from their date of issue.

Should American Lithium Corp. not make future common share payments to the Company or not incur the required exploration and evaluation expenditures, the property option agreement will terminate without notice. Any shortfalls in exploration expenditures in any year may be paid to the Company in cash to keep the option in good standing. Any excess amounts of exploration expenditures incurred in a year can be applied to future years.

Gemini

Nevada Sunrise acquired a 100% interest in the Gemini lithium exploration property ("Gemini") located in the western Lida Valley, Esmeralda County, Nevada by claim staking in the months of November and December 2015. Gemini is located 6 miles (10 kilometres) east of the town of Lida, Nevada and consists of 247 placer claims totaling 4,940 acres (2,000 hectares), in two non-contiguous claim groups (Gemini West and Gemini East). The Gemini West and East claim groups are separated by a Solar Energy Reserve administered by the BLM. Placer and mining claims are prohibited within the Solar Energy Reserve.

The Lida Valley is a flat, desert basin with a similar geological setting to the Clayton Valley basin which hosts the Silver Peak mine 40 kilometres (26 miles) to the northwest. Previous ground gravity surveys in the Lida Valley area were widely-spaced and limited in scope, however in 2012 and 2013 a geological research team led by Dr. John Oldow of the University of Texas, Dallas collected approximately 500 gravity measurements along 7 transects crossing the Lida Valley.

The detailed gravity survey results indicate significant gravity lows within two, faulted sub-basins approximately 7 kilometres (4.5 miles) apart, each interpreted to be hundreds of metres deep. Nevada Sunrise made the decision to acquire claims covering the available land after reviewing the geophysical results in conjunction with favourable local geology, namely late Miocene felsic volcanic tuffs adjacent to Gemini. These rocks provide the source of lithium for trapped, lithium-rich saline ground-waters (brine) within the sub-basins.

Two separate follow-up TDEM surveys over Gemini West and Gemini East carried out in early 2016 by Nevada Sunrise have each detected conductive zones within the sub-basins interpreted to represent conductive brines at depth located well below the non-conductive sediments at and near surface. Nevada Sunrise plans to submit a permit application to the BLM for a drill program to test for lithium brines at Gemini by the end of the second quarter of 2016.

On January 20, 2016, the Company entered into a letter agreement to sell a 50% interest in Gemini to Eureka Resources Inc. ("Eureka"). Pursuant to the terms of the agreement, Eureka can acquire a 50% interest in Gemini by reimbursing the Company for 50% of Gemini's acquisition and evaluation costs, and by issuing the Company 500,000 common shares. The reimbursable acquisition and evaluation costs include staking, surveying, consulting, data acquisition and claims maintenance fees. Eureka will issue the 500,000 common shares as a prospect fee with 300,000 shares to be issued on receipt of acceptance of the agreement by the TSX-V and an additional 200,000 shares to be issued on the first anniversary of such acceptance. The Company will act as the operator of exploration in exchange for a 10% fee on exploration expenditures. The transaction constitutes a non-arm's-length transaction under TSX-V policies as the companies have certain directors and officers in common.

On May 4, 2016, the companies entered into an addendum to the letter agreement in which the Company acknowledged receipt of $96,794 from Eureka, representing 50% of the acquisition and evaluation costs. The companies agreed that a definitive joint venture agreement would be entered into on or before September 30, 2016, or such other date as may be mutually agreed to by the companies. In the event that one of the companies divests of its 50% interest in Gemini, the remaining company will become the operator of exploration at Gemini by default. Upon acceptance of the letter agreement and its addendum by the TSX-V, Eureka will issue 300,000 common shares to the Company and will become the owner of a 50% interest in Gemini.

Water Rights – Clayton Valley

On January 25, 2016, the Company entered into a letter agreement for an option to purchase water rights in the Clayton Valley, Nevada. The pre-existing water rights allow for 1,770 acre/feet of water use for mining and milling per year. In consideration for the option to purchase the water rights, the Company agreed to pay the vendors a combination of cash, common shares and share purchase warrants on the following schedule:

Date of Payment	Cash	Common Shares	Share Purchase Warrants
US$50,000 to be paid upon execution of a letter agreement (paid) and a further US$75,000 to be paid upon execution of a definitive agreement (paid)	US$125,000	200,000 on execution of a definitive agreement (issued)	750,000 @ CDN$0.50 750,000 @ CDN$0.70 750,000 @ CDN$1.00 Issuable on execution of a definitive agreement (issued)
1st Anniversary	US$150,000	250,000	n/a
2nd Anniversary	US$175,000	300,000	n/a
3rd Anniversary	US$200,000	350,000	n/a
4th Anniversary	US$300,000	400,000	n/a
5th Anniversary	US$350,000	500,000	n/a
Total	US$1,300,000	2,000,000	2,250,000

Nevada Sunrise acquired the water right prior to commencing exploration for lithium brines in the Clayton Valley. The Company believes that the acquisition of water rights is a prerequisite for future lithium brine development in the area. In December, 2015, Nevada Sunrise received a written appraisal from an independent appraiser certified in the state of Nevada, which valued the rights at US$1.42-million. According to the appraisal report, the Clayton Valley basin is currently "over-appropriated" and any new application for water use in an over-appropriated basin would be carefully reviewed by the Nevada Division of Water Resources ("NDWR"). It is uncertain if any new applications for water rights would be granted in the Clayton Valley.

On March 16, 2016, the Company entered into a definitive water rights purchase agreement and on March 29, 2016, the Company received TSX-V acceptance of the agreement. On March 30, 2016, the Company issued 200,000 common shares for the initial option payment on the water rights. The shares had a fair value of $36,000.

On March 30, 2016, the Company issued 2,250,000 share purchase warrants with respect to the water rights purchase agreement as follows:

Number of Warrants	Exercise Price	Expiry Date
750,000	$0.50	March 30, 2018
750,000	$0.70	March 30, 2019
750,000	$1.00	March 30, 2020

Water Rights – Clayton Valley – (cont'd)

The share purchase warrants had a fair value of $210,000 calculated using the Black-Scholes Option Pricing Model.

In addition to the above, the definitive water rights purchase agreement included the following terms:

- If within 10 years after the execution of the agreement, the Company sells the water rights to a third party, the vendor will receive 50% of the proceeds of such sale, less the amounts already paid to the vendor in cash and common shares, with the common shares valued by way of a 20 day volume weighted average price (the "VWAP"), with the VWAP to begin following the day the 4 month hold has expired for each tranche of common shares released. Upon a sale of the water rights in total to a third party, the Company's obligations under the agreement will terminate.

- The payment of US$75,000 and 200,000 common shares made upon execution of the agreement will be refundable to the Company within the first year from the date of execution of the letter agreement should the Company's ability to use the water rights to its fullest extent be restricted by any regulation or statute.

- The Company will have the right to accelerate the timing of cash payments and common share payments to the vendor, at its discretion.

On April 22, 2016, Nevada Sunrise, through its Nevada subsidiary, Intor Resources Corp., filed an application to transfer the water right from its current location in the adjacent mountain range to a location due east on the desert floor within the boundaries of the Company's Aquarius project. The proposed place of use and point of diversion lies approximately five kilometres (three miles) from the town of Silver Peak and Albemarle's Silver Peak lithium mine and eight kilometres (five miles) from its nearest lithium brine production well.

Albemarle Corporation Protest of Nevada Sunrise Water Rights Transfer Application

Albemarle Corporation of Baton Rouge, Louisiana, has filed an official protest with the NDWR against Nevada Sunrise's application to transfer the place of use and point of diversion of its recently acquired water right in the Clayton Valley, Nevada. Albemarle is one of the world's largest producers of lithium chemical products and currently operates the only producing lithium mine in North America in the Clayton Valley at Silver Peak.

Nevada Sunrise will respond to Albemarle's protest in due course and outline the reasons why its application to transfer a certificated water right should not be unfairly prejudiced by Albemarle's action.

John R. Kerr, P.Eng., and Robert M. Allender, Jr., CPG, RG, SME are the Company's designated qualified persons for the Company's lithium projects within the meaning of NI 43-101 and have reviewed and approved the technical information contained in this MD&A.

SELECTED ANNUAL INFORMATION

The following table sets out selected annual financial information for the Company for the years ended:

	Sept. 30 2015 $	Sept. 30 2014 $	Sept. 30 2013 $
Revenues	Nil	Nil	Nil
Exploration and evaluation costs	(1,067,069)	(1,398,464)	(36,372)
Share-based payments	(164,932)	(678,600)	(177,803)
Comprehensive loss	(973,115)	(2,306,738)	(1,124,063)
Basic and diluted loss per share	(0.07)	(0.15)	(0.13)
Total assets	4,219,371	4,881,653	2,859,817
Non-current financial liabilities	Nil	Nil	Nil
Dividends	Nil	Nil	Nil

All the consolidated financial statements were prepared using International Financial Reporting Standards. All figures are in Canadian dollars.

DISCUSSION OF OPERATIONS

The Company recorded a comprehensive loss of $1,476,003 for the six months ended March 31, 2016 compared to $263,870 for the six months ended March 31, 2015.

The Company recorded a foreign exchange translation loss of $137,881 for the six months ended March 31, 2016 compared to a foreign exchange translation gain of $428,148 for the six months ended March 31, 2015. The translation gain or loss is due to the fluctuation of the Canadian dollar in relation to the US dollar, and as the Company's exploration and evaluation assets are incurred in US dollars while the Company does not have significant US dollar denominated liabilities the translation adjustment amount can vary widely from quarter to quarter.

The activity level at Nevada Sunrise has increased significantly in the 2016 period due to the Company's move into lithium.

Expenses for the six months ended March 31, 2016 were $1,338,122 compared to $692,018 for the six months ended March 31, 2015.

Consulting fees increased to $124,328 in 2016 from $6,300 in 2015. The increase was due to consulting fees related to the option agreements executed with Resolve Ventures Inc. on the Neptune property and with American Lithium Corp. on the Atlantis property as well as consulting fees paid for technical support on its lithium properties.

DISCUSSION OF OPERATIONS – (cont'd)

Exploration and evaluation costs increased to $696,615 for the six months ended March 31, 2016 compared to $553,529 for the six months ended March 31, 2015.

The Company incurred exploration costs of $514,389 on the Neptune lithium property in 2016 related to the initial drilling program completed in March 2016. The Company incurred exploration costs of $62,675 on the Gemini lithium property in 2016 primarily related to the two TDEM surveys completed at Gemini in February and March 2016.

The Company incurred exploration costs of $60,331 on the Kinsley Mountain property during 2016 compared to $367,885 during 2015. The Company incurred costs related to its Plan of Operations on the Golden Arrow property of $27,071 during 2016 compared to $178,549 during 2015.

In May 2016, the Company received the Golden Arrow Project Plan of Operations Approval from the US Bureau of Land Management. The Plan of Operations allows for drilling of up to 240,000 feet (approximately 73,000 metres) over a ten year period. The Company is required to increase the reclamation bond on Golden Arrow to US$94,011 from the current amount of US$18,037.

The Company recorded a foreign exchange loss of $4,056 for the six months ended March 31, 2016 compared to a foreign exchange gain of $121,496 for the six months ended March 31, 2015. In October 2014, the Company converted $1,123,200 into US$1,000,000 which was the primary cause of the foreign exchange gain in 2015 as the Canadian dollar deteriorated significantly in relation to the US dollar subsequent to the conversion.

During the six months ended March 31, 2016, the Company received payments totaling $40,864 (US$33,000) from Atherton related extensions of the exclusivity period of the letter agreement on Golden Arrow.

Shareholder communications increased to $115,084 in 2016 from $23,857 in 2015. The increase was primarily due to corporate development fees incurred to increase the Company's profile within the investment community.

Share-based payments increased to $121,000 for the six months ended March 31, 2016 compared to $86,000 for the six months ended March 31, 2015. The Company granted 620,000 stock options during the 2016 period compared to 200,000 during the 2015 period.

The Company incurred property acquisition costs of $503,344 on its Nevada lithium properties in the 2016 period compared to $Nil for the 2015 period.

The Company incurred property acquisition costs of $50,775 on its Nevada gold properties in the 2016 period compared to $83,383 for the 2015 period.

SUMMARY OF QUARTERLY RESULTS

The figures for the quarters ended September 30, 2015 and 2014 are derived from the Company's audited annual consolidated financial statements. All other quarterly figures are derived from the Company's unaudited condensed interim consolidated financial statements. All the financial statements were prepared using International Financial Reporting Standards. All figures are in Canadian dollars.

	March 31 2016 $	December 31 2015 $	September 30 2015 $	June 30 2015 $
Revenues	Nil	Nil	Nil	Nil
Comprehensive income (loss)	(1,215,830)	(260,173)	(46,559)	(662,686)
Basic and diluted income (loss) per share	(0.04)	(0.01)	(0.00)	(0.04)

	March 31 2015 $	December 31 2014 $	September 30 2014 $	June 30 2014 $
Revenues	Nil	Nil	Nil	Nil
Comprehensive income (loss)	114,820	(378,690)	(566,064)	(1,110,119)
Basic and diluted income (loss) per share	0.00	(0.03)	(0.04)	(0.07)

Variances in quarterly results can be due to higher than normal exploration and evaluation costs incurred in a quarter, large fluctuations in the Canadian dollar versus the US dollar in a quarter or share-based payments incurred in a quarter as the Company's stock options generally vest on the grant date and therefore are fully expensed in the quarter in which they are granted.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations and mineral property exploration and evaluation programs to date primarily through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity, debt financing and the sale or joint venture of its assets.

The Company's consolidated financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to obtain the necessary financing to meet its ongoing commitments and further its exploration programs. The continued uncertainty in the capital markets, especially as it relates to the speculative junior mining industry may make it difficult to raise capital through the private placement of shares. While the Company is using its best efforts to achieve its business plans by examining various financing alternatives, there is no assurance that the Company will be successful with any financing ventures.

Commitments - Gold Properties

Some of the Company's gold property interests are acquired by way of option or lease agreements with ongoing cash obligations. At present, the Company has cash commitments on the Golden Arrow property of US$50,000 per year. In addition, the Company estimates the annual claim maintenance fees on the Golden Arrow property to be approximately US$60,000. The Company has an option payment commitment of US$20,000 due on the Roulette property in 2016. In addition, the Company estimates the annual claim maintenance fees on the Roulette property to be approximately US$20,000.

Kinsley Gold LLC approved an amended 2016 exploration budget for the Kinsley Mountain project at US$776,000 with Nevada Sunrise's share being US$162,500. At September 30, 2015, the Company had US$69,101 in exploration advances to Kinsley Gold LLC. At March 31, 2016, the Company had US$25,486 in exploration advances to Kinsley Gold LLC which will be applied to the 2016 budget. The Company's share of the 2016 second quarter cash call was US$59,854 which was paid on May 3, 2016.

Commitments - Lithium Properties

On March 16, 2016, the Company signed a definitive agreement for an option to purchase water rights in the Clayton Valley, Nevada. The agreement contains the following cash commitments:

March 16, 2017	US$150,000
March 16, 2018	US$175,000
March 16, 2019	US$200,000
March 16, 2020	US$300,000
March 16, 2021	US$350,000
Total	US$1,175,000

In addition, the Company estimates the annual claim maintenance fees on its lithium properties due in August 2016 to be approximately US$136,000. The Company is looking to joint venture certain of its lithium properties in order to reduce its exposure on the carrying costs of its lithium properties.

LIQUIDITY AND CAPITAL RESOURCES – (cont'd)

The Company estimates that the administration of its corporate affairs will cost in the order of $600,000 for the year ended September 30, 2016.

At March 31, 2016, the Company had a working capital deficiency of $34,432. The Company intends to complete equity financings to meet its future exploration and administrative commitments.

Financing Activities Subsequent to March 31, 2016:

- The Company issued 1,664,166 common shares pursuant to the private placement of 1,664,166 units at $0.18 per unit for gross proceeds of $299,550. Each unit contained one common share and one-half of one share purchase warrant with each whole warrant entitling the holder to purchase an additional common share at $0.30 until October 20, 2017. In connection with the private placement, the Company paid finder's fees of $5,400 and issued 30,000 finder's warrants. Each finder's warrant entitles the holder to purchase one unit with the same terms as the private placement units at $0.18 until October 20, 2017.

- The Company issued 100,000 common shares at $0.25 per share pursuant to the exercise of 100,000 share purchase warrants for proceeds of $25,000.

Financing Activities During the Six Months Ended March 31, 2016:

- The Company issued 4,000,000 common shares pursuant to the private placement of 4,000,000 units at $0.15 per unit for gross proceeds of $600,000. Each unit contained one common share and one warrant entitling the holder to purchase an additional common share at $0.25 until November 6, 2018. In connection with the private placement, the Company paid finder's fees of $8,288, issued 55,250 finder's warrants and incurred filing and legal costs of $18,995. Each finder's warrant entitles the holder to purchase one unit with the same terms as the private placement units at $0.165 until November 6, 2018.

- The Company issued 2,650,000 common shares at $0.15 per share pursuant to the exercise of 2,650,000 share purchase warrants for proceeds of $397,500.

- The Company issued 294,000 finders' units at $0.10 per unit comprising 294,000 common shares and 294,000 warrants exercisable at $0.15 until January 10, 2016 pursuant to the exercise of 294,000 finder's warrants for proceeds of $29,400.

- The Company issued 1,130,000 common shares pursuant to the private placement of 1,130,000 units at $0.18 per unit for gross proceeds of $203,400. Each unit contained one common share and one-half of one share purchase warrant with each whole warrant entitling the holder to purchase an additional common share at $0.30 until February 24, 2018. In connection with the private placement, the Company paid finder's fees of $6,480.

LIQUIDITY AND CAPITAL RESOURCES – (cont'd)

- The Company issued 1,135,833 common shares pursuant to the private placement of 1,135,833 units at $0.18 per unit for gross proceeds of $204,450. Each unit contained one common share and one-half of one share purchase warrant with each whole warrant entitling the holder to purchase an additional common share at $0.30 until September 18, 2017. In connection with the private placement, the Company paid finder's fees of $7,457 and issued 41,430 finder's warrants. Each finder's warrant entitles the holder to purchase one unit with the same terms as the private placement units at $0.18 until September 18, 2017.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements to report.

TRANSACTIONS BETWEEN RELATED PARTIES

Directors and Officers

At May 30, 2016, the directors of the Company are Warren Stanyer, Cory Kent, Michael Sweatman, Suraj Ahuja and Charles Roy. The officers of the Company are Warren Stanyer, President and CEO, Michael Sweatman, Chairman, Brent Petterson, CFO and Christina Boddy, Corporate Secretary.

Warren Stanyer receives a management salary of $8,000 per month, Brent Petterson receives accounting fees of $3,000 per month, Christina Boddy receives management fees of $1,800 per month, Michael Sweatman receives director's fees of $1,500 per month and Suraj Ahuja and Charles Roy each receive director's fees of $1,250 per month. Cory Kent is a partner at McMillan LLP, who is the Company's corporate lawyer.

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 its CEO, CFO and Corporate Secretary.

Remuneration attributed to key management personnel or companies controlled by key management personnel during the six months ended March 31, 2016 and 2015 is summarized as follows:

		2016		2015
Accounting fees	$	25,200	$	18,000
Management fees and salaries		87,120		58,800
Share-based payments		32,000		-
	$	144,320	$	76,800

TRANSACTIONS BETWEEN RELATED PARTIES – (cont'd)

The Company incurred the following charges by directors of the Company and by a law firm in which a director of the Company is a partner during the six months ended March 31, 2016 and 2015:

		2016		2015
Director's fees	$	24,000	$	24,000
Legal		34,927		12,006
Legal – share issue costs		13,673		-
Share-based payments		48,000		86,000
	$	120,600	$	122,006

At March 31, 2016, due to related parties includes $25,845 for fees and expenses (September 30, 2015: $24,203) due to directors of the Company and to a law firm in which a director of the Company is a partner. The amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

PROPOSED TRANSACTION

On May 25, 2016, the Company announced a non-brokered private placement of up to 2,500,000 units at $0.20 per unit for gross proceeds of up to $500,000. Each unit will consist of one common share and one share purchase warrant. Each warrant will entitle the holder to purchase one common share at $0.32 for a period of two years from the date of closing of the private placement.

A commission and finders' fee may be payable to parties at arm's length from Nevada Sunrise that introduce the Company to certain subscribers participating in the private placement.

Net proceeds from the private placement will be used to finance the exploration of the Company's gold and lithium properties and as general working capital. Closing of the private placement is subject to the approval of the TSX Venture Exchange.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

There were no changes in the Company's significant accounting policies during the six months ended March 31, 2016 that had a material effect on its consolidated financial statements. The Company's significant accounting policies are disclosed in Note 3 to its unaudited condensed interim consolidated financial statements for the six months ended March 31, 2016.

CRITICAL ACCOUNTING ESTIMATES

Significant assumptions about the future and other sources of estimation uncertainty that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made relate to but are not limited to the following:

Exploration and Evaluation Assets

The carrying amount of the Company's exploration and evaluation assets properties does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

Share-based Payments

Share-based payments expense is calculated using the Black-Scholes option pricing model as measured on the grant or issuance date to estimate the fair value of stock options and finder's warrants. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate.

Income Taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets and future income tax provisions or recoveries could be affected.

Restoration and Environmental Liabilities

The recognition and valuation of liabilities for legal or constructive obligations associated with the retirement of exploration and evaluation assets and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the year incurred. The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The fair values of the Company's receivables, accounts payable and accrued liabilities and due to related parties approximate their carrying values because of the short-term nature of these instruments.

The following table illustrates the classification of the Company's financial instruments within fair value hierarchy as at March 31, 2016 and September 30, 2015:

	March 31, 2016		
	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 472,237	$ -	$ -
	$ 472,237	$ -	$ -

	September 30, 2015		
	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 376,054	$ -	$ -
	$ 376,054	$ -	$ -

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company's cash and cash equivalents are held with large financial institutions. The Company's receivables consist primarily of interest receivable on guaranteed investment certificates. Management believes that credit risk concentration with respect to receivables is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2016, the Company had cash of $472,237 to settle current liabilities of $585,960. Management believes the Company has sufficient funds to meet its liabilities as they become due.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS – (cont'd)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company has cash and cash equivalents balances which are not subject to significant risks in fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. An increase to interest rates by 1% would have an insignificant effect on the Company's operations.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in US Dollars.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Sensitivity Analysis

The Company operates in the United States and is exposed to exchange risk from changes in the US dollar. At March 31, 2016, a 10% fluctuation in the US dollar against the Canadian dollar would affect comprehensive loss by approximately $36,200.

RISKS AND UNCERTAINTIES

In addition to the risks and uncertainties outlined earlier in this management discussion, the Company is also subject to other risks and uncertainties including the following:

General Risk Associated with the Mining Industry

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that claims and leases are in good standing and obtaining permits for drilling and other exploration activities. The market prices for gold and other metals can be volatile and there is no assurance that a profitable market will exist for a production decision to be made or for the ultimate sale of the metals even if commercial quantities of precious and other metals are discovered.

Exploration and development activities involve risks which careful evaluation, experience and knowledge may not, in some cases eliminate. The commercial viability of any mineral deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure, government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit. Management attempts to mitigate its exploration risk by maintaining a diversified portfolio of properties and a strategy of possible joint ventures with other companies which balances risk while at the same time allowing properties to be advanced.

Dependence on Key Personnel

Loss of certain members of the executive team or key operational leaders of the company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and the competition for professionals are intense. The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

Option or Lease Agreements

The Company is currently earning some of its interests in its mineral properties through option or lease agreements and acquisition of title to the property is only completed when the option or lease conditions have been met. These conditions generally include making property payments and incurring exploration expenditures on the properties and can include the completion of pre-feasibility studies. If the Company does not satisfactorily complete its option conditions in the time frame laid out in the option agreement, the Company's title to the mineral property will not vest and the Company will have to write-down the previously capitalized costs related to that property.

OUTSTANDING SHARE DATA

Number of issued and outstanding common shares at May 30, 2016 34,851,320

Options

At May 30, 2016, there were 2,860,000 stock options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number of options outstanding	Exercise Price	Expiry Date
70,000	$0.50	March 13, 2017
120,000	$0.50	May 10, 2017
130,000	$0.50	December 4, 2017
50,000	$0.50	August 29, 2018
10,000	$0.50	October 28, 2018
710,000	$0.19	January 30, 2019
650,000	$0.50	May 20, 2019
200,000	$0.50	October 8, 2019
200,000	$0.17	September 10, 2020
100,000	$0.175	September 29, 2020
520,000	$0.22	November 23, 2020
100,000	$0.185	February 8, 2021
2,860,000		

Warrants

At May 30, 2016, there were 10,719,998 share purchase warrants outstanding entitling the holders thereof the right to purchase one common share for each warrant held as follows:

Number of warrants outstanding	Exercise Price	Expiry Date
1,500,000	$0.50	March 20, 2017
1,105,000	$0.50	May 13, 2017
567,916	$0.30	September 18, 2017
832,082	$0.30	October 20, 2017
565,000	$0.30	February 24, 2018
750,000	$0.50	March 30, 2018
3,900,000	$0.25	November 6, 2018
750,000	$0.70	March 30, 2019
750,000	$1.00	March 30, 2020
10,719,998		

OUTSTANDING SHARE DATA – (cont'd)

Finder's Warrants

At May 30, 2016, there were 126,680 finder's warrants outstanding entitling the holders thereof the right to purchase one unit for each finder's warrant held as follows:

Number of finder's warrants outstanding	Exercise Price	Expiry Date
41,430	$0.18	September 18, 2017
30,000	$0.18	October 20, 2017
55,250	$0.165	November 6, 2018
126,680		