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RT MINERALS CORP.
INTERIM MD&A – QUARTERLY HIGHLIGHTS
FOR THE SIX MONTHS ENDED MAY 31, 2017

The following interim MD&A – Quarterly Highlights of the financial position of RT Minerals Corp. (“the Company”) and results of operations of the Company should be read in conjunction with the unaudited condensed interim consolidated financial statements including the notes thereto for the period ending May 31, 2017 and the audited financial statements for the year ending November 30, 2016.

The accompanying unaudited condensed interim consolidated financial statements and related notes are presented in accordance with International Financial Reporting Standards for interim financial statements and accordingly do not include all disclosures required for annual financial statements. These statements, together with the following interim MD&A – Quarterly Highlights dated **July 28, 2017** (“Report Date”), are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to the potential future performance. The information in the interim MD&A – quarterly highlights may contain forward-looking statements.

These statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. 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 as set forth below.

Economic and industry factors are substantially unchanged with respect to a comparison of the Company’s interim financial condition to the financial condition as at the most recently completed financial year end.

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

1. CORE BUSINESS

RT Minerals Corp. is a junior resource company engaged in the acquisition, exploration and evaluation of mineral properties in Canada for hosting gold, base metals and diamonds.

The Company holds interests in the following mineral resource properties in Canada:

- **Ballard Lake Gold and Diamond Property** – gold and diamond property located approximately 50 km northeast of Wawa, Ontario in which the Company owns a 100% interest subject to a 2% net smelter royalty;
- **Norwalk Gold Property** – gold property located approximately 6 km south of Wawa, Ontario in which the Company has an option to earn a 100% interest, subject to a 2% net smelter royalty;
- **Dill River Gold Property** – gold property located several kilometres southeast of Wawa, Ontario in which the Company has an option to earn a 100% interest, subject to a 2% net smelter royalty; and
- **Dog Lake Gold Property** – gold property located approximately 59 kilometres northeast of Wawa, Ontario in which the Company owns a 100% interest subject to a 2% net smelter royalty.

The Company was incorporated on March 9, 2007 under the Business Corporations Act of British Columbia and is currently a reporting issuer in British Columbia, Alberta and Ontario. The Company's common shares were approved for listing on the TSX Venture Exchange ("TSXV") and commenced trading on August 5, 2011 under the symbol "RTM".

The consolidated financial statements include the accounts of the Company and its 100% wholly owned subsidiary, RT Minerals Corp (Guyana) Inc. ("RTMG"). RTMG was incorporated in Guyana. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

2. FINANCIAL CONDITION

The Company has not generated revenue from operations. The Company incurred a net loss of \$331,063 during the six months ended May 31, 2017, has accumulated losses of \$12,397,687 since inception and expects to incur further losses in the development of its business, all of which forms a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to raise financing and generate future profitable operations. As the Company is in the exploration stage, the recoverability of costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

Industry and economic factors continue to affect the Company's performance. Generally weak capital market conditions make it a challenge to raise equity financing to fund the Company's acquisition and exploration activities. These conditions are expected to continue over the next twelve months.

The Company had a working capital surplus of \$287,225 at May 31, 2017 compared to a surplus of \$189,069 at November 30, 2016.

Cash was \$7,643 at May 31, 2017 compared to \$1,526 at November 30, 2016. Short term investments at May 31, 2017 consisted of \$117,000 in term deposits and \$50,000 in marketable securities, compared to November 30, 2016 short term investments of \$185,000 in term deposits and \$70,000 in marketable securities. The Company's sources and uses of cash are discussed in Section 4 "*Cash Flows*" below.

Amounts receivable of \$36,822 at May 31, 2017 (November 30, 2016 - \$30,471) consist of GST input tax credits.

Prepaid expenses of \$141,858 at May 31, 2017 (November 30, 2016 - \$16,471) includes a \$50,000 advance to an exploration geophysics contractor who commenced line cutting and an IP and magnetic survey on the Norwalk property in June 2017; \$68,750 paid to an arm's length business development consultant for a nine month contract that commenced on April 16, 2017; a \$20,000 advance to an arm's length business development consultant; and the balance relates to ordinary operating expenses.

Exploration and evaluation assets of \$830,383 at May 31, 2017 (November 30, 2016 - \$437,490) consist of acquisition and exploration expenditures on the Company's Ballard Lake, Norwalk and Dill River properties. During the six months ended May 31, 2017, the Company expended \$76,774 on acquisition costs and \$73,450 on exploration costs on the Ballard Lake property; \$220,316 on exploration costs on the Norwalk property; and \$22,353 on exploration costs on the Dill River property.

Trade and other payables were \$44,083 at May 31, 2017 (November 30, 2016 - \$101,280). Trade payable amounts are unsecured.

Due to related parties was \$22,015 at May 31, 2017 (November 30, 2016 - \$13,119). Due to related parties represents amounts owing to directors, officers, and companies with a common director for unpaid project management services, expenses and salaries, which are unsecured, non interest bearing and payable on demand.

3. FINANCIAL PERFORMANCE

The Company is engaged in acquisition, exploration and evaluation activities in Canada.

Because the Company is in the exploration stage, it did not earn any significant revenue and its expenses relate to the costs of operating a public company of its size. Net loss for the six months ended May 31, 2017 was \$331,063 compared to net loss of \$282,321 for the six months ended May 31, 2016; or \$0.02 loss per share compared to \$0.05 loss per share for the 2016 comparative period. Net loss for the three months ended May 31, 2017 was \$292,015 compared to net loss of \$244,043 for the three months ended May 31, 2016; or \$0.01 loss per share compared to \$0.04 loss per share for the 2016 comparative period.

3.1 Other Income and Expenses

Other expenses for the six months ended May 31, 2017 includes a \$20,000 unrealized loss on investments.

3.2 Total Expenses for the Six Months Ended May 31, 2017

Total expenses for the six months ended May 31, 2017 were \$311,339 compared to total expenses of \$282,709 recorded for the 2016 comparative period.

Employee costs were \$196,090 for the six months ended May 31, 2017 compared to expenses of \$217,091 recorded for the 2016 comparative period. Employee costs include consulting fees, management fees, salaries and benefits, and share-based payments. Employee costs are higher in the current period to support the increased exploration, operational and business development activities of the Company. The following is a breakdown of material components of the Company's employee costs for the six months ended May 31, 2017.

| | Six months ended May 31, 2017 | Six months ended May 31, 2016 |
|-----------------------|--|--|
| | \$ | \$ |
| Consulting fees | 111,760 | 27,000 |
| Management fees | 4,310 | 5,350 |
| Salaries and benefits | 19,100 | 13,852 |
| Share-based payments | 60,920 | 170,889 |
| | <u>196,090</u> | <u>217,091</u> |

Consulting fees include business development consultants, period expenses by geological consultants, and administrative fees. Management fees and salaries and benefits are period expenses paid to directors and officers. Fees paid to directors for project management, field services, and mineral claims management are capitalized to exploration and evaluation assets.

During the six months ended May 31, 2017, the Company granted 3,030,000 incentive stock options with a fair value of \$250,294, of which \$189,374 granted to geological consultants was capitalized to exploration and evaluation assets, and \$60,920 granted to business development consultants was expensed to the consolidated statement of comprehensive loss. During the six months ended May 31, 2016, the Company granted 1,228,000 incentive stock options with a fair value of \$170,889.

General and administrative expenses were \$115,249 for the six months ended May 31, 2017 compared to expenses of \$65,618 recorded for the 2016 comparative period. The increase in general and administrative expenses reflects support of increased exploration, operational and business development activities of the Company. The following is a breakdown of the material components of the Company's general and administrative expenses for the six months ended May 31, 2017 and 2016.

| | Six months ended May 31, 2017 | Six months ended May 31, 2016 |
|---------------------------|--|--|
| | \$ | \$ |
| Accounting and audit fees | 7,160 | 660 |
| Filing fees | 10,638 | 12,540 |
| Investor communications | 33,230 | 1,842 |
| Legal fees | 4,852 | 8,645 |
| Office expenses | 32,720 | 22,467 |
| Transfer agent | 3,775 | 3,212 |
| Travel and automobile | 22,874 | 16,252 |
| | 115,249 | 65,618 |

Investor communications expense of \$33,230 for the six months ended May 31, 2017 includes news releases and participation in advertising and investor relations programs undertaken to raise the profile of the Company. The Company retained 321gold to provide advertising services for a six month term for consideration of USD \$20,400; and Main Capital Markets Inc. to provide investor relations services for a four month term from December 1, 2016 to March 31, 2017 for compensation of \$4,000 per month plus 200,000 stock options exercisable at \$0.10 per share, that were cancelled unvested because the contract was not renewed beyond the four month term.

The following is a breakdown of the material components of the Company's investor communications expenses for the six months ended May 31, 2017 and 2016.

| | Six months ended May 31, 2017 | Six months ended May 31, 2016 |
|-------------------------------|--|--|
| | \$ | \$ |
| Advertisement | 15,964 | - |
| News releases | 1,116 | - |
| Shareholder meetings | - | 1,842 |
| Trade shows | 150 | - |
| Investor relations consultant | 16,000 | - |
| | 33,230 | 1,842 |

3.3 Total Expenses for the Three Months Ended May 31, 2017

Total expenses for the three months ended May 31, 2017 were \$219,995 compared to total expenses of \$244,600 recorded for the 2016 comparative period.

Employee costs were \$164,112 for the three months ended May 31, 2017 compared to expenses of \$201,104 recorded for the 2016 comparative period. Employee costs include consulting fees, management fees, salaries and benefits, and share-based payments. The following is a breakdown of material components of the Company's employee costs for the three months ended May 31, 2017.

| | Three months ended May 31, 2017 | Three months ended May 31, 2016 |
|-----------------------|--|--|
| | \$ | \$ |
| Consulting fees | 93,400 | 23,850 |
| Management fees | 2,310 | - |
| Salaries and benefits | 9,482 | 6,365 |
| Share-based payments | 60,920 | 170,889 |
| | <u>166,112</u> | <u>201,104</u> |

Consulting fees are higher in the current quarter to support the increased exploration, operational and business development activities of the Company.

During the three months ended May 31, 2017, the Company granted 2,830,000 incentive stock options with a fair value of \$250,294, of which \$189,374 granted to geological consultants was capitalized to exploration and evaluation assets, and \$60,920 granted to business development consultants was expensed to the consolidated statement of comprehensive loss. During the three months ended May 31, 2016, the Company granted 1,228,000 incentive stock options with a fair value of \$170,889.

General and administrative expenses were \$55,883 for the three months ended May 31, 2017 compared to expenses of \$43,496 recorded for the 2016 comparative period. The increase in general and administrative expenses reflects support of increased exploration, operational and business development activities of the Company.

4. CASH FLOWS

The Company is still in the exploration and development stage and as such does not earn any significant revenue. Total cash used in operating activities was \$450,982 for the six months ended May 31, 2017 compared to cash used of \$127,021 for the 2016 comparative period.

Cash used in investing activities was \$108,245 for the six months ended May 31, 2017 and consists of mineral property expenditures of \$176,245 and redemption of term deposits of \$68,000. In comparison, cash of \$4,578 was used in investing activities during the 2016 comparative period, consisting of mineral property expenditures.

Cash provided by financing activities was \$565,344 for the six months ended May 31, 2017 and consists of proceeds from private placement of \$420,000; proceeds from warrant exercises of \$14,050; proceeds from option exercises of \$280,760; less share issuance costs of \$12,232; and repayments to related parties of \$6,474. Cash provided by financing activities was \$412,607 for the six months ended May 31, 2016 and consists of proceeds from private placement of \$425,000; less share issuance costs of \$6,966; and repayments to related parties of \$5,427.

5. SELECTED ANNUAL INFORMATION

N/A

6. MAJOR OPERATING MILESTONES

The Company is in the mineral exploration stage and as such has no revenues. Mineral interests in the form of exploration and acquisition costs totalled \$830,383 as at May 31, 2017 (November 30, 2016 - \$437,490).

6.1 Ballard Lake Property

On February 6, 2015, the Company signed a Property Agreement with an arms-length vendor to acquire the Ballard Lake gold property located approximately 50 km northeast of Wawa, Ontario. Under the terms of the Property Agreement, the Company acquired a 100% interest, subject to a 2% retained royalty, in the property and as consideration issued 400,000 common shares of the Company to the vendor. On October 12, 2016, the Company signed an agreement with the vendor to pay a 2% retained royalty on any additional mineral claims staked on land that is contiguous to the property, and the Company shall have the right to repurchase 1% of the royalty on the property at any time for \$1,000,000.

The Ballard Lake property is comprised of 147 unpatented mineral claims consisting of 2,287 units with a total area of approximately 366 square kilometres (36,592 hectares). The Property was acquired by way of the February 6, 2015 property acquisition agreement and by staking in October and November 2016 and February 2017.

During the six months ended May 31, 2017, the Company expended \$76,774 in claim staking on the Ballard Lake property.

During the six months ended May 31, 2017, the Company expended \$73,450 in exploration costs on the Ballard Lake property that includes follow up lab analysis of Fall 2016 drilling; consultations with First Nations groups; work on a NI 43-101 technical report; and capitalization of share based payments granted to geological consultants.

For further information on the Ballard Lake property, please see the Company's news releases on www.sedar.com or visit the Company's website at www.rtmcorp.com.

6.2 Norwalk Property

On September 20, 2016, the Company signed an Option Agreement to acquire a 100% interest, subject to a 2% Net Smelter Royalty, in the Norwalk gold property located approximately six kilometres south of the town of Wawa, Ontario. The Company may earn its interest in the property by paying an initial consideration of \$5,000 (paid) and issuing 200,000 common shares of the Company (issued) upon receipt of TSX Venture Exchange approval of the Option Agreement (the "Acceptance Date") (approved October 5, 2016); and making additional optional payments of \$15,000 and 100,000 common shares on the first anniversary of the Acceptance Date; \$25,000 and 100,000 common shares on the second anniversary of the Acceptance Date; and \$45,000 and 100,000 common shares on the third anniversary of the Acceptance Date.

The Norwalk property is contiguous to the south boundary of the Wawa Gold Project, held by Red Pine Exploration Inc. The property is comprised of three unpatented mineral claims consisting of 29 units with a total area of 445 hectares. Several mineralized zones occur on the Property including the Norwalk Gold Mine (Au), the Fred C Shaft (Au), the Gananoque Vein (Au), and the Barton Occurrence (Au, Fe). There are no mineral resources or mineral reserves within the Property boundaries. Historical production occurred at the Norwalk Gold Mine in 1904 and 1910 totalling 60 ounces of gold from 820 tons milled (Ferguson, Groens and Haynes 1971).

In October 2016, the Company took nine grab samples of broken rock from the historical muck piles at the Norwalk Gold Mine area and the Gananoque Vein area. The assays ranged from 0.23 g/Mt to 70.0 g/Mt Au.

During the six months ended May 31, 2017, the Company expended \$220,316 in exploration costs on the Norwalk property that includes preparation work for a drill program; consultations with First Nations groups; work on a NI 43-101 technical report; and capitalization of share-based payments granted to geological consultants.

The Company has applied for and received the permits required to carry out a surface exploration and drilling program on the property. In June 2017, the Company commenced line cutting and IP and magnetic surveys on the Norwalk property that is ongoing. The survey results and follow-up proposed drill program are expected to be completed by August 2017.

For further information on the Norwalk property, please see the Company's news releases on www.sedar.com or visit the Company's website at www.rtmcorp.com.

6.3 Dill River Property

On September 23, 2016, the Company signed an Option Agreement to acquire a 100% interest, subject to a 2% Net Smelter Royalty, in the Dill River gold property located several kilometres southeast of the town of Wawa, Ontario. The Company may earn its interest in the property by paying an initial consideration of \$3,000 (paid) and issuing 200,000 common shares of the Company (issued) upon receipt of TSX Venture Exchange approval of the Option Agreement (the "Acceptance Date") (approved October 5, 2016); and making additional optional payments of \$10,000 and 100,000 common shares on the first anniversary of the Acceptance Date; \$17,000 and 100,000 common shares on the second anniversary of the Acceptance Date; and \$20,000 and 100,000 common shares on the third anniversary of the Acceptance Date.

During the six months ended May 31, 2017, the Company expended \$22,353 in exploration costs on the Dill River property that includes prospecting (line cutting and sampling) and consultations with First Nations groups.

6.3 Dog Lake Property

On June 8, 2017, the Company signed an Agreement with an arms-length Vendor whereby the Company will acquire a 100% interest, subject to a 2% retained royalty, in the Dog Lake gold property (the "Property") located approximately 59 kilometres northeast of Wawa, Ontario in consideration of \$10,000 and 1,500,000 common shares. The shares were issued on June 23, 2017 and had a fair value of \$105,000. The shares are subject to a hold period expiring October 24, 2017.

The Property consists of 75 units in 9 claims for a total area of approximately 1,112 hectares. The Property is located 20 kilometres east of Island Gold Mine and 3 kilometres west of Missanabie. The Vendor of the Property is Michael Tremblay, Field Consultant to the Company and the 2013 Ontario Prospector of the Year.

7. SUMMARY OF QUARTERLY RESULTS

N/A

8. LIQUIDITY

The Company's financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent on the ability of the Company to raise equity financing and the attainment of profitable operations. In order for the Company to continue as a going concern and meet its financial obligations over the next twelve months, the Company may need to conclude an equity and/or debt financing.

Cash at May 31, 2017 was \$7,643 compared to cash of \$1,526 at November 30, 2016. Short-term investments of \$167,000 consists of \$117,000 in term deposits and 1,000,000 common shares of Opawica Explorations Inc. valued at \$50,000. Working capital surplus was \$287,225 at May 31, 2017 compared to a surplus of \$189,069 at November 30, 2016. Factors that could impact on the Company's liquidity are monitored regularly and include market changes, gold price changes, and economic downturns that affect

the market price of the Company's trading securities for the purposes of raising financing. The current state of equity markets have improved marginally but still presents a challenge to raise financing. Management believes that this condition may continue over the next twelve months.

As at May 31, 2017, the Company had amounts receivable of \$36,822 that includes GST input tax credits.

The Company has total current liabilities of \$66,098 at May 31, 2017. Due to related parties of \$22,015 includes amounts owing to directors, officers, and companies with common directors for unpaid salaries, project management services and expenses. The Company has no debt or debt arrangements.

Based on the above financial condition at May 31, 2017 and subsequent to period end exploration expenditures, the Company may need to raise additional equity financing and/or find joint venture partners in order to expand its exploration programs on its properties and meet its financial obligations as they become payable in the current fiscal year.

9. CAPITAL RESOURCES

The Company has no commitments for capital expenditures. The Company holds a 100% interest, subject to retained royalty, in its Ballard Lake gold and diamond property and Dog Lake gold property, and as such, does not have any option commitments to maintain the properties in good standing. In September 2016, the Company entered into option agreements to acquire 100% interests, subject to retained royalties, in the Norwalk and Dill River properties in Ontario for total optional cash payments of \$90,000 and \$50,000 respectively, and share issuances of 500,000 common shares each property, over a three year period.

The Company does not have any capital resources in the form of debt, equity and any other financing arrangements.

10. OFF-BALANCE SHEET ARRANGEMENTS

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

11. TRANSACTIONS BETWEEN RELATED PARTIES

Office expenses of \$3,901 (2016: \$2,335) were charged by a company with common directors that is a co-tenant to the Company's office premises sublease. At May 31, 2017, \$2,567 (November 30, 2016: \$1,889) in amounts owing to the co-tenant were included in due to related parties.

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include directors, the chief executive officer and chief financial officer. Key management personnel compensation is comprised of the following:

| | 2017 | 2016 |
|--|---------------|---------------|
| | \$ | \$ |
| Short term employee benefits and director fees | 53,180 | 18,350 |
| Share-based payments | - | 73,477 |
| | <u>53,180</u> | <u>91,827</u> |

Due to related parties at May 31, 2017 includes \$19,448 (November 30, 2016: \$11,230) in amounts owing to directors, officers, and companies with common directors for unpaid project management services and expenses.

12. FOURTH QUARTER

N/A

13. PROPOSED TRANSACTIONS

The Company is engaged in the search for potential joint venture partners, mineral property acquisitions and financings, but there are currently no proposed asset or business acquisitions or dispositions. Other than disclosed in this Report, the Company does not have any proposed transactions.

14. SIGNIFICANT CHANGES FROM PREVIOUS DISCLOSURE

N/A

15. CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The IASB did not issue any new or revised accounting standards which were effective for the Company's financial year beginning on December 1, 2016. Therefore the Company did not adopt any new accounting standards for the year ended November 30, 2017.

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended November 30, 2017, and have not been applied in preparing these consolidated financial statements.

The following new standards, amendments and interpretations have not been early adopted in these consolidated financial statements and are not expected to have a material effect on the Company's future results and financial position:

Accounting standards effective for annual periods beginning on or after January 1, 2018

IFRS 15 Revenue from Contracts with Customers - In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

IFRS 9 Financial Instruments - In November 2009, as part of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013, new general hedge requirements were added to the standard. In July 2014, the final version of IFRS 9 was issued and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics.

Accounting standards effective for annual periods beginning on or after January 1, 2019

IFRS 16 Leases - IFRS 16 Leases will be effective for accounting periods beginning on or after January 1, 2019. Early adoption will be permitted, provided the Company has adopted IFRS 15. This standard sets out a new model for lease accounting.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair values

The Company's financial instruments include cash, term deposits, short term investments, amounts receivable, trade and other payables, and amounts due to related parties. The fair value of these financial instruments approximates their carrying values due to the relative short-term maturity of these instruments.

The following table summarizes information regarding the carrying and fair values of the Company's financial instruments:

| | May 31, 2017 | | November 30, 2016 | |
|------------------|---------------------|-----------------------|--------------------------|-----------------------|
| | Fair Value | Carrying Value | Fair Value | Carrying Value |
| | \$ | \$ | \$ | \$ |
| FVTPL assets (i) | 174,643 | 174,643 | 256,526 | 256,526 |

(i) Cash and short-term investments

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices), and

Level 3 - Inputs for the asset or liability that are not based on observable market data.

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as follows:

| As at May 31, 2017 | Level 1 | Level 2 | Level 3 | Total |
|---------------------------|----------------|----------------|----------------|--------------|
| | \$ | \$ | \$ | \$ |
| Cash | 7,643 | - | - | 7,643 |
| Short-term investments | 167,000 | - | - | 167,000 |

The Company believes the recorded values of all other financial instruments approximate their current fair values because of their nature and respective maturity dates.

The Company's financial instruments are exposed to certain financial risks: credit risk, liquidity risk, market risk and currency risk.

Credit risk

Credit risk is the risk of an unexpected loss associated with counterparty's inability to fulfil its contractual obligations. Management evaluates credit risk on an ongoing basis and monitors activities related to amounts receivable including the amounts of counterparty concentrations. The primary sources of credit risk for the Company arise from its financial assets consisting of cash and amounts receivable. The carrying value of these financial assets represents the Company's maximum exposure to credit risk. To minimize credit risk the Company only holds its cash with high credit chartered Canadian financial institutions. As at May 31, 2017, the Company has no financial assets that are past due or impaired due to credit risk defaults.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. The Company's financial liabilities consist of its accounts payable and amounts due to related parties. The Company handles its liquidity risk through the management of its capital

structure as described in Note 12 of the financial statements. All of the Company's financial liabilities are due on demand, do not generally bear interest and are subject to normal trade terms.

The following are the contractual maturities of financial liabilities as at May 31, 2017:

| | Carrying Amount \$ | Contractual Cash Flows \$ | Within 1 year \$ | Within 2 years \$ | Within 3 years \$ | Over 3 years \$ |
|------------------------|--------------------------|---------------------------------|------------------------|-------------------------|-------------------------|-----------------------|
| Trade payables | 44,083 | 44,083 | 44,083 | - | - | - |
| Due to related parties | 22,015 | 22,015 | 22,015 | - | - | - |
| Total | 66,098 | 66,098 | 66,098 | - | - | - |

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading, available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, loans or receivables and other financial liabilities. The Company is not exposed to significant interest rate risk as the Company has no fluctuating interest bearing debt. The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in gold and metal prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currencies. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company's Guyana subsidiary is exposed to currency risk as it incurs expenditures that are denominated in US dollars while its functional currency is the Canadian dollar.

17. DISCLOSURE OF OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares. The holders of common shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

As at July 28, 2017, the Company has 30,322,626 common shares issued and outstanding.

As at July 28, 2017, the Company has outstanding warrants as follows:

| Number | Exercise Price per Share | Expiry Date |
|------------------|-------------------------------------|--------------------|
| 150,500 | \$0.60 | December 27, 2018 |
| 6,000,000 | \$0.10 | March 17, 2019 |
| 689,000 | \$0.05 | May 16, 2021 |
| 6,839,500 | | |

As at July 28, 2017, the Company has outstanding options as follows:

| Number | Exercise Price per Share | Expiry Date |
|---------------|-------------------------------------|--------------------|
| 528,000 | \$0.15 | May 16, 2018 |

| | | |
|-----------|--------|------------------|
| 250,000 | \$0.10 | October 20, 2018 |
| 400,000 | \$0.10 | April 13, 2019 |
| 1,679,000 | \$0.11 | May 17, 2019 |
| <hr/> | | |
| 2,857,000 | | |

18. COMMITMENTS, EXPECTED OR UNEXPECTED EVENTS, OR UNCERTAINTIES

In relation to a May 2016 flow-through financing, the Company is committed to incur \$225,000 in Canadian exploration expenditures by December 31, 2017 under the Canada Revenue Agency's look-back rule. During the year ended November 30, 2016, the Company incurred \$191,331 in qualifying exploration expenditures. The remaining commitment of \$33,669 in qualifying exploration expenditures was incurred during the period ended May 31, 2017.

In relation to a March 2017 flow-through financing, the Company is committed to incur \$209,994 in Canadian exploration expenditures by December 31, 2018 under the Canada Revenue Agency's look-back rule. During the period ended May 31, 2017, the Company incurred \$38,647 in qualifying exploration expenditures.

Other than disclosed in this Report, the Company does not have any commitments, expected or unexpected events, or uncertainties.

19. BOARD OF DIRECTORS AND OFFICERS

The directors of the Company are Paul Antoniazzi (President and CEO), Fred Kiernicki, Mark Lofthouse, and Edmond Hatoum. Sandra Wong is Chief Financial Officer and Corporate Secretary.

20. CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

These statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. 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 as set forth below.

This Management's Discussion and Analysis contains "forward-looking statements, within the meaning of applicable Canadian Securities legislation", that involve a number of risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of gold and copper, the estimation of mineral reserves and resources, the realization of mineral estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and timing and possible outcome of pending litigation. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", or "might" be taken, occur or be achieved. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made, and they involve known and unknown risks, uncertainties and other factors which may cause the actual results, level of activity, performance or achievements of the Company to be materially different from any other future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others: risks relating to the integration of acquisitions, risk relating to international

operations, the actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of gold and copper; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; fluctuations in metal prices; as well as those risk factors discussed or referred to in the Company's Interim MD&A – Quarterly Highlights for the six months ended May 31, 2017 filed with the securities regulatory authorities in Canada and available at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements.

21. MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Company and all the information in this Management's Discussion and Analysis are the responsibility of management and have been approved by the Board of Directors.

The financial statements have been prepared by management in accordance with International Financial Reporting Standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. Management has prepared the financial information presented elsewhere in the Management's Discussion and Analysis and has ensured that it is consistent with that in the financial statements.

The Company maintains systems of internal accounting and administrative controls in order to provide, on a reasonable basis, assurance that the financial information is relevant, reliable and accurate and that the Company's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board, and the minority of its members are independent directors. The Committee meets at least once a year with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the financial statements and the external auditors' report. The Committee reports its findings to the Board for consideration when approving the financial statements for issuance to the shareholders. The Committee also considers, for review by the Board and approval by the shareholders, the engagement or reappointment of the external auditors. The Company's auditors have full and free access to the Audit Committee.

On behalf of the Board,

RT MINERALS CORP.

Paul Antoniazzi,
President and CEO