



**INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS –
QUARTERLY HIGHLIGHTS**

FOR THE THREE MONTHS ENDED MARCH 31, 2016

DATED MAY 27, 2016

(Expressed in Canadian Dollars)

The following Interim Management Discussion & Analysis (“Interim MD&A”) of Giyani Gold Corp. (the “Company” or “Giyani”) for the three months ended March 31, 2016 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management discussion & analysis, being the Management Discussion & Analysis (“Annual MD&A”) for the fiscal year ended December 31, 2015. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual consolidated financial statements for the years ended December 31, 2015, and December 31, 2014, together with the notes thereto, and unaudited condensed interim consolidated financial statements for the three months ended March 31, 2016, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim consolidated financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of May 27, 2016, unless otherwise indicated.

For the purposes of preparing this Interim MD&A, management, in conjunction with the Board of Directors (the “Board”), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Giyani common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Additional information and corporate documents may be found on SEDAR www.sedar.com, and the Giyani website www.giyanigold.com.

Company Overview

Giyani was incorporated under the Canada Business Corporations Act on July 26, 2007 and continued under the Business Corporations Act of British Columbia on August 4, 2010. The Company is engaged in the acquisition, exploration, evaluation and development of principally gold resource properties in South Africa and Canada. The Company's primary focus is the development of the Rock Island Gold Project in South Africa and ongoing exploration for gold at its properties in Northern Ontario, Canada. The registered address is Suite 403 - 277 Lakeshore Road East, Oakville, Ontario, L6J 6J3.

The Company trades on the TSX Venture Exchange (“TSXV”) under the symbol “WDG”. The Company also trades on the AltX board of the Johannesburg Stock Exchange under the symbol “JSE” and on the Alternative Investment Board of the Namibian Stock Exchange under the symbol “GGC”. The Company is in the process of submitting applications to delist from the JSE and NSX.

Canoe Mining Ventures Corp. (“Canoe”) is, as of March 31, 2016, owned 39.1% by the Company, and its financial results are consolidated with the Company.

Trend

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. During the quarter, equity markets in Canada showed signs of improvement, with equities increasing significantly during this period. Strong equity markets are favourable conditions for completing a public merger, financing or acquisition transaction. Apart from these and the risk factors noted under the heading “Risk Factors”, management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations. See “Risk Factors” below.

Outlook

Giyani Gold Corp.

The Company's primary objectives include evaluating prospective exploration and production acquisition properties in South Africa to support the Company's strategic focus on Southern Africa. The Company continues to evaluate possible investment and business opportunities in various sectors, including but not limited to: mining, oil and gas, financial services, technology, and biotechnology.

The Company is in the process of submitting applications to delist from the JSE and the NSX.

Canoe Mining Ventures Corp.

Canoe intends to expand on its exploration programs on its Ontario properties. Additional funds will need to be raised to further advance the exploration program. The Company is currently reviewing its geological information and supplementary data to plan and initiate the exploration program.

Operational Highlights

Proposed Transaction

On October 14, 2015, the Company signed a letter of intent ("LOI") with Crystal Capital Wealth Corporation ("Crystal"). The LOI proposes a transaction pursuant to which the Company would acquire all the issued and outstanding securities of Crystal by means of a Reverse Takeover and Change of Business (the "Transaction").

On March 31, 2016, the Company and Crystal terminated the indicative LOI as it has expired. Under the terms of the Agreement, Giyani is entitled to and will pursue collecting the US\$250,000 break fee. Crystal loaned the Company \$35,000 which will be deducted from the break fee owing.

Corporate Update

During the three months ended March 31, 2016, Giyani continues to work towards recovering the funds owed to it by Corridor Mining Resources ("CMR"), its joint venture partner on the Giyani Gold Project, and is holding conversations relating to increasing Giyani's ownership position in the region.

On April 6, 2016, Canoe and Wesdome Gold Mines Ltd. ("Wesdome") announced that they had entered into a definitive agreement (the "Purchase Agreement") whereby Wesdome has agreed to purchase from Canoe, a 100% interest in the Coldstream Property ("Coldstream") and the Hamlin-Deaty Creek Property ("Hamlin") (collectively, the "Properties").

Terms of the Purchase Agreement

Pursuant to the terms and conditions of the Purchase Agreement, Wesdome will acquire the Properties from Canoe free from all liens, mortgages, charges, pledges, encumbrances or other burdens with all rights now or thereafter attached thereto (other than with respect to any royalties set forth in the Purchase Agreement). As consideration for the Properties, Wesdome shall pay or issue (as applicable) to Canoe the following at the closing of the acquisition:

(a) with respect to the purchase of the Coldstream portion of the Properties:

- (i) an aggregate of \$400,000 cash; and
- (ii) 454,545 fully paid and non-assessable common shares in the capital of Wesdome; and

(b) with respect to the purchase of the Hamlin portion of the Properties, an aggregate of \$100,000 cash.

The proposed transaction, including the issuance of the common shares by Wesdome, is subject to regulatory approval by the TSXV.

Giyani was in technical default of the provisions of NI 51-102 requiring the Company to file its audited annual consolidated financial statements for the years ended December 31, 2015 and 2014 and management discussion and analysis ("MD&A") by March 30, 2016 resulting from its listing on the Johannesburg Stock Exchange ("JSE"). The Company remedied this default by filing its annual financial statements and MD&A on April 29, 2016. Further, Giyani was also in technical default by not filing its unaudited condensed interim consolidated financial Statements and MD&A for the three months ended March 31, 2016 45 days after the end of the first quarter. Giyani has now remedied this

default by filing the statements on May 27 2016. Giyani will be filing their Q2 statements on or before August 15, 2016, the due date under NI 51-102.

Exploration and Evaluation Update

Coldstream Property, Ontario (Canoe Mining Ventures Corp.)

The 6,410-hectare Coldstream Gold Property is located along the Trans-Canada Highway 115 km west of the City of Thunder Bay in north-western Ontario. The Coldstream project is situated within the Archean age Shebandowan Greenstone Belt (SGB) of the Wawa Subprovince, host to some of the largest precious (3 gold mines in Hemlo camp) and base metal (former Geco Cu-Zn-Ag and Winston Lake Zn-Cu-Ag mines; Shebandowan Ni-Cu-PGM Mine) deposits.

A National Instrument ("NI") 43-101 resource estimate (763,276 ounces of gold 'Inferred' and 96,400 ounces of gold 'Indicated' as indicated in the table below) and a scoping metallurgical test work (96.1% gold recovery) on the OG Deposit (formerly known as the East Coldstream Deposit) have been completed. The NI 43-101 compliant resource estimation was carried out in 2011 by Wardrop, a Tetra Tech company (Tetra Tech), and the metallurgical study was completed by SGS Canada.

Summaries of the Resource Estimate

Class	Zone	Tonnes (t)	Gold (g/t)	Gold* (ounce)
Indicated	EC-1	1,371,900	0.89	39,376
	EC-2	2,144,800	0.83	57,024
	Total	3,516,700	0.85	96,400
Inferred	EC-1	20,732,000	0.77	515,454
	EC-2	9,801,000	0.79	247,822
	Total	30,533,000	0.78	763,276

*0.4 g/t cut-off

During the year ended December 31, 2015, the Hamlin-Deaty Creek Property and the Coldstream Property were written down to reflect the terms of the Purchase Agreement with Wesdome for the sale of the Properties.

Kerrs Gold Property, Ontario

In conjunction with the acquisition of Birch Hill Gold Corp. ("Birch Hill"), the Company also acquired a 100% interest in the Kerrs Gold Property which consists of 11 mining claims and 12 mining leasehold patents located in the Larder Lake Mining Division of Ontario. The property is located within a favorable gold exploration environment and in close proximity to other major exploration companies such as Goldcorp holding ground immediately adjacent to Kerrs Gold Property.

A National Instrument ("NI") 43-101 resource estimate (386,467 ounces of gold 'Inferred' and 96,400 ounces of gold 'Indicated' as indicated in the table below) have been completed. The NI 43-101 compliant resource estimation was carried out in 2011 by Kirkham Geosystems of Burnaby BC.

(A) Cut-Of Grade	Tonnes	Gold (g/t)	Metal (Oz.)
0.5	7,041,460	1.71	386,467
1	5,237,213	2.04	342,856
1.5	3,375,361	2.47	268,468
2	1,936,189	3.04	188,972
2.5	1,165,664	3.57	133,778
3	818,171	3.94	103,622

The following table sets out the material components of costs and expenditures relating to each property acquired with Birch Hill. The amounts shown for acquisition costs represent costs incurred to date and do not necessarily reflect present or future values. Detailed expenditures are included in the notes to the accompanying unaudited condensed interim consolidated financial statements for the three months ended March 31, 2016.

	Hamlin-Deaty Creek Property	Coldstream Property	Kerrs Property	Total
Balance, December 31, 2015	\$ 100,000	\$ 1,167,742	\$ 110,585	\$ 1,378,327
Exploration expenditures	-	5,144	-	5,144
Balance, March 31, 2016	\$ 100,000	\$ 1,172,886	\$ 110,585	\$ 1,383,471

The Rock Island Property – South Africa and Iron Lake Gold Project – Ontario have been written down to \$nil and there were no exploration and evaluation activities on these properties during the three months ended March 31, 2016.

R.S. Middleton, P.Eng., a Qualified Person under the meaning of Canadian National Instrument 43-101, is a consultant to the Company and responsible for the technical content of this Interim MD&A.

Financial Highlights

The Company had a net loss of \$241,523 for the three months ending March 31, 2016, compared to a loss of \$303,853 for the three months ended March 31, 2015.

Corporate, general and administration expenses decreased from \$325,887 for the three months ended March 31, 2015 to \$241,031 for the three months ended March 31, 2016. In general, this is due to lower activity in the current period while the Company evaluates its opportunities. Management and consulting fees included in the corporate overhead decreased from \$192,031 the three months ended March 31, 2015 to \$101,286 in the three months ended March 31, 2016 as the Company has reduced compensation to directors and officers.

Overall, the Company is working to manage overhead and reduce expenditures while it evaluates business opportunities.

Liquidity and Capital Resources and Going Concern

The Company is subject to the risks and challenges experienced by other companies at a comparable stage. These risks include, but are not limited to, continuing losses, dependence on key individuals and the ability to secure adequate financing or to complete corporate transactions to meet the minimum capital required to successfully complete its projects and fund other operating expenses. Advancing the Company's projects through exploration and development to the production stage will require significant financings. Given the current economic climate, the ability to raise funds may prove difficult.

None of the Company's projects have commenced commercial production and, accordingly, the Company is dependent upon debt and/or equity financings and the optioning and/or sale of resource or resource-related assets for its funding. The recoverability of the carrying value of exploration and evaluation projects, and ultimately the Company's ability to continue as a going concern, is dependent upon exploration results which indicate the potential for the discovery of economically recoverable reserves and resources, and the Company's ability to finance exploration of its projects through debt and/or equity financings and the optioning and/or sale of resource or resource-related assets such as royalty interests for its funding.

The Company reported a net loss of \$241,523 for the three months ended March 31, 2016 (three months ended March 31, 2015 - \$303,853) and has an accumulated deficit of \$28,712,295 (December 31, 2015 - \$28,533,490). In addition to its ongoing working capital requirements, the Company must secure sufficient funding for existing commitments and exploration costs. These circumstances indicate the existence of material uncertainty that may cast significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

The Company's unaudited condensed interim consolidated financial statements have been presented on the basis that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of the business. As of March 31, 2016, the Company had a working capital deficit of \$2,606,309 compared to a working capital deficit of \$2,364,148 as at December 31, 2015.

The Company also has access to the Lambert Equity Agreement ("Equity Agreement") but cannot provide any assurances that it will be successful in securing the financing under the Equity Agreement.

Management is continuing to actively pursue strategies to realize on the potential of its assets or secure additional financings in order to fund its operations. The Company intends to seek equity financings through private placements and/or public offerings. The Company will require additional funding in the near future in order to obtain the necessary working capital for general overhead and to further its intended exploration efforts.

While the Company cannot provide any assurances that it will be successful in securing equity financings in order to conduct its operations uninterrupted, it is the Company's intention to obtain the required funding. Management is continuing to actively pursue strategies to realize on the potential of its assets or secure one or more financings in order to provide funds for operations. However, there is no assurance of the success or sufficiency of these initiatives. Should the Company fail to secure the necessary financing, judgements regarding the recoverability of the exploration and evaluation assets could change resulting in a significant impairment to existing assets.

As at the date of this Interim MD&A, the Company had 1,725,000 stock options with an exercise price of \$0.25 to \$1.30 and 2,000,000 warrants with an exercise price of \$0.45 outstanding which, if exercised, would result in cash proceeds of \$1,986,750. There is no assurance that these exercises will occur.

Commitments and Contingency

Commitments

Financing Agreement

During the year ended December 31, 2014, the Company entered into the Equity Agreement with Lambert Private Equity LLC ("Lambert"), a California-based private equity firm.

In accordance with the Equity Agreement, Lambert will commit up to a maximum of \$10,000,000 over a period of three years. And, at the Company's discretion at any time over the next 5 years, Lambert's commitment amount may be increased from \$10,000,000 to \$25,000,000 with all other terms and conditions of the Equity Agreement remaining unchanged and with no additional fees or compensation due.

Subject to certain conditions, upon notice by the Company ("Notice"), Lambert and associates of Lambert will subscribe for, and the Company will agree to issue and sell, units ("Units") through a series of private placements (each, a "Private Placement"). The purchase price per Unit for any given Private Placement will be equal to the greater of (i) 90% of the lowest daily volume-weighted average price of the common shares of the Company (each, a "Share") on the TSXV during the 15 trading days following Notice, or (ii) the lowest price permitted by the policies of the TSXV.

Each Unit will be comprised of one Share and one Share purchase warrant (each, a "Warrant"). Each Warrant will entitle the holder thereof to acquire one additional Share for a period of five years from the date of issuance of such Warrant at the lowest price permitted by the policies of the TSXV.

The number of Units to be subscribed for in each Private Placement will be determined by the Company in its sole discretion and will be set forth in the applicable Notice. To the extent that Lambert arranges eligible substituted purchasers for each Private Placement, its own obligation to subscribe for Units shall be reduced accordingly, subject to certain conditions.

The proceeds from each Private Placement will be used for general corporate and working capital purposes and may be used to evaluate and pursue strategic acquisitions. The Shares and Warrants underlying the Units issued pursuant to each Private Placement will be subject to a four-month hold period.

Pursuant to the Equity Agreement, the Company paid Lambert a commitment fee valued at \$150,000 by issuing 454,545 common shares.

Prior to filing a Notice, Lambert may engage in purchases and sales of shares held for its own account as well as shares borrowed by Lambert from third parties, including insiders. The obligation to deliver any borrowed securities may be satisfied by delivery of shares subscribed for by Lambert pursuant to the Private Placement. With respect to Shares subscribed for under the Agreement, one or more existing shareholders of the Company, including insiders, may from time to time agree to exchange Shares owned by them that are not subject to resale restrictions with Shares acquired under a Private Placement that are subject to the customary resale restrictions. The existing shareholders who agree to loan shares, or agree to exchange shares which are not subject to resale restrictions, may be entitled to receive a portion

of the warrants issued on the Private Placement pursuant to arrangements made by Lambert. The participation of each insider will be subject to the approval of the independent directors of the Company.

Each Private Placement will remain subject to receipt of regulatory approval from the TSXV. While the Company cannot provide any assurances that it will be successful in completing the Equity Agreement, it is the Company's intention to obtain the funding.

Contingency

The Company has been in arrears or in default on payments to some of its vendors, which, if not cured on a timely basis, may lead to legal proceedings against the Company. The amounts owed to the vendors as invoiced have been fully included in accounts payable and accrued liabilities as at March 31, 2016, however, the potential legal proceedings may result in interests, penalties or legal costs, the amount of which are not determinable as at March 31, 2016.

Related Party Transactions

Management and consulting fees of \$12,500 (three months ended March 31, 2015 - \$nil) were paid to officers and directors or to companies controlled by officers or directors during the three months ended March 31, 2016.

As at March 31, 2016, the Company owed \$492,248 (December 31, 2015 - \$369,249) to directors and officers of the Company and \$225,697 (December 31, 2015 - \$221,717) to entities controlled by or associated with directors and officers of the Company. These amounts were included in amounts due to related parties.

Risk Factors

Prior to making an investment decision investors should consider the investment risks set out in the Annual Information Form ("AIF"), located on SEDAR at www.sedar.com, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Company consider the risks set out in the AIF to be the most significant to potential investors in the Company, but are not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Directors are currently unaware, or which they consider not to be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment relating to the Company.

In addition to risks considered in the Company's AIF for the year ended December 31, 2015, investors should consider risks associated with a change of business. Completion of the transaction is subject to a number of conditions, including TSXV acceptance and disinterested Shareholder approval. The transaction cannot close until the required Shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the Management Information Circular and/or Filing Statement to be prepared in connection with the transaction, any information released or received with respect to the Reverse Takeover may not be accurate or complete and should not be relied upon. Trading in the securities of Giyani should be considered highly speculative.

Internal Controls over Financial Reporting

Disclosure Controls and Procedures ("DC&P")

The Company has established disclosure controls and procedures to ensure that information disclosed in this Interim MD&A and the related unaudited condensed interim consolidated financial statements was properly recorded, processed, summarized and reported to the Company's Board and Audit Committee. The Company's certifying officers conducted or caused to be conducted under their supervision an evaluation of the disclosure controls and procedures as required under Canadian Securities Administration regulations, as at March 31, 2016. Based on the evaluation, the Company's certifying officers concluded that the disclosure controls and procedures were effective to provide a reasonable level of assurance that information required to be disclosed by the Company in its annual filings and other reports that it files or submits under Canadian securities legislation is recorded, processed, summarized and reported within the time period specified and that such information is accumulated and communicated to the Company's management, including the certifying officers, as appropriate to allow for timely decisions regarding required disclosure.

It should be noted that while the Company's certifying officers believe that the Company's disclosure controls and procedures provide a reasonable level of assurance and that they are effective, they do not expect that the disclosure

controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Internal Control over Financial Reporting (“ICFR”)

The Company's certifying officers acknowledge that they are responsible for designing internal controls over financial reporting, or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of unaudited condensed interim consolidated financial statements for external purposes in accordance with IFRS.

The Company did not have any significant changes to its ICFR systems from the date of its last Annual MD&A.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control.

The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

Forward-Looking Statements

This Interim MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “forward-looking statements”). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this Interim MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
The Company will be able to continue its business activities.	The Company has anticipated all material costs and the operating activities of the Company, and such costs and activities will be consistent with the Company's current expectations; the Company will be able to obtain equity funding when required.	Unforeseen costs to the Company will arise; any particular operating cost increase or decrease from the date of the estimation; and capital markets not being favourable for funding resulting in the Company not being able to obtain financing when required or on acceptable terms.
The Company will be able to carry out anticipated business plans.	The operating activities of the Company for the twelve months ending March 31, 2017, will be consistent with the Company's current expectations.	Sufficient funds not being available; increases in costs; the Company may be unable to retain key personnel.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section above. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Subsequent Event

On April 6, 2016, Canoe and Wesdome announced that they had entered the Purchase Agreement whereby Wesdome has agreed to purchase from Canoe, a 100% interest in the Properties.

Terms of the Purchase Agreement

Pursuant to the terms and conditions of the Purchase Agreement, Wesdome will acquire the Properties from Canoe free from all liens, mortgages, charges, pledges, encumbrances or other burdens with all rights now or thereafter attached thereto (other than with respect to any royalties set forth in the Purchase Agreement). As consideration for the Properties, Wesdome shall pay or issue (as applicable) to Canoe the following at the closing of the acquisition:

(a) with respect to the purchase of the Coldstream portion of the Properties:

(i) an aggregate of \$400,000 cash; and

(ii) 454,545 fully paid and non-assessable common shares in the capital of Wesdome; and

(b) with respect to the purchase of the Hamlin portion of the Properties, an aggregate of \$100,000 cash.

The proposed transaction, including the issuance of the common shares by Wesdome, is subject to regulatory approval by the Exchange.