



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FORM 51-102F1**

FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2017

August 25, 2017

Management's Discussion and Analysis ("MD&A") should be read in conjunction with the interim consolidated financial statements for the period ended June 30, 2017 and the audited consolidated financial statements for the year ended September 30, 2016. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

Success in the resource sector is measured by a Corporation's ability to raise funds and the ability to secure properties of merit. Not all of these factors are within management's control. The ability to raise funds is in part dependent on the state of the junior resource stock market, which in turn is dependent on the economic climate, commodity prices and perceptions as to which way the market is headed. The ability to secure properties of merit is in large part dependent on management's contacts and the vitality of the sector.

1. DESCRIPTION OF BUSINESS

The Corporation continues to evaluate other business opportunities, both within and outside the resource sector. Other business opportunities will require the Corporation to secure financing either through debt or equity issuances. The Corporation cannot guarantee that such financing will be available.

The Corporation is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, PEI and Newfoundland and its shares are listed on the TSX Venture Exchange ("TSXV") under the symbol NFK. The Company was transferred to the NEX board in July 2015.

On June 30, 2017, the Corporation completed a consolidation of its issued and outstanding common shares on the basis of twenty (20) pre-consolidation common shares for each one (1) post-consolidation common share. All per share numbers in this MD&A have been adjusted to reflect this consolidation.

2. SELECTED QUARTERLY INFORMATION

Quarter ended	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Sep. 30, 2016
Net Loss	\$(45,329)	\$(6,683)	\$(62,159)	\$(179,862)
Net Loss per Share	(0.01)	(0.00)	(0.00)	(0.00)
Working Capital (Deficit)	(43,753)	2,730	9,383	70,496

Quarter ended	Jun. 30, 2016	Mar. 31, 2016	Dec. 31, 2015	Sep. 30, 2015
Net Loss	\$(49,002)	\$(138,983)	\$(66,639)	\$(94,280)
Net Loss per Share	(0.00)	(0.00)	(0.00)	(0.00)
Working Capital (Deficit)	223,954	273,036	348,099	416,337

The above noted financial data should be read in conjunction with the consolidation financial statements for interim consolidated financial statements for the period ended June 30, 2017 and the consolidated financial statements for the year ended September 30, 2016.

3. RESULTS OF OPERATIONS

GENERAL AND ADMINISTRATIVE

General and administrative expenses for the three month period totaled \$26,330 compared with \$41,622 for the same period in 2016. The Corporation incurred consulting and management fees of \$17,500 (2016 – \$22,500), and directors fees of \$25,954 (2016 - \$7,500). The remaining expenses are composed of general office costs and supplies expense.

NET LOSS

The net loss of \$45,329 (\$0.01 per share) compares to a net loss of \$49,002 (\$0.01 per share) for the same three month period in 2016. The loss in the period is due mainly to the consulting costs required to find a new business opportunity. A net loss position is expected in the next period.

4. LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2017 the Corporation had a working capital deficit of \$43,753 which compares to a working capital of \$70,496 as at September 30, 2016. On July 31, 2017, the Corporation closed a private placement financing for gross proceeds of \$225,000, these funds will be used by the Corporation to continue searching for other business opportunities.

5. COMMITMENTS AND CONTINGENCIES

The Corporation is involved in litigation matters arising out of the ordinary course and conduct of its business from operations conducted in Tunisia. A claim on behalf of a former partner is proceeding to arbitration in the sum of US\$135,989. On April 3, 2017 the Corporation executed and finalized a full and final release on a claim in arbitration for a settlement amount of CDN\$50,000. The Corporation has paid CDN\$50,000 to the former partner and agreed upon that a further CDN\$35,000 payment will be required if the Corporation completes either a \$1,000,000 in financing on or before April 3, 2018, either as a single or part of multiple financings or the market capitalization of the release exceeds \$2,500,000 for a 30 day period within the next 2 years. As at June 30, 2017, these events are considered likely by the Corporation and therefore \$35,000 has been accrued in the financial statements.

6. SUBSEQUENT EVENTS

On July 6, 2017, the Corporation announced the grant of options to certain directors of the Corporation to acquire a total of 820,549 common shares at an exercise price of \$0.16 per share and expire 10 years from the date of grant.

On July 31, 2017, the Corporation closed a non-brokered private placement of 1,406,250 equity units at a price of \$0.16 per unit for gross proceeds of \$225,000. Each unit consists of 1 common share and 1 common share purchase warrant in which the warrant entitles the holder to acquire 1 common share at an exercise price of \$0.21 per share for a period of 12 months. Finders' fee totaling \$3,850 in cash and a finder's warrant to acquire 24,062 common shares at a price of \$0.16 per share for a period of 12 months was paid.

On July 31, 2017, the Corporation closed a shares for debt transaction where the short-term loan described in note 6 of the financial statements in the amount of \$75,000 plus interest payable of \$2,400 was settled by the issuance of 483,750 common shares at a price of \$0.16 per share.

7. TRANSACTIONS WITH RELATED PARTIES

Key management personnel are composed of the Corporation's Directors and Officers as set out in its information circular.

For the three month period ended June 30, 2017 the Corporation incurred consulting fees of \$2,500 (2016 – \$22,500), rent of \$nil (2016 - \$6,000) and directors fees of \$25,954 (2016 - \$7,500) to companies which are controlled by key management of the Corporation, which are included in general and administrative on the interim consolidated statement of comprehensive loss. At June 30, 2017, \$28,454 of consulting and directors fees remained outstanding (2016 – \$17,500).

8. ACCOUNTING POLICIES

The condensed interim consolidated financial statements and related MD&A have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets recorded on the date of transition. The consolidated financial statements have been prepared on a going concern basis.

A summary of the Corporation's significant accounting policies under IFRS is presented in Note 3 – "Significant accounting policies" in the Corporation's consolidated financial statements for the years ended September 30, 2016 and 2015.

Items included in the financial statements of the Corporation and its subsidiaries are measured using the currency of the primary economic environment in which the company operates (the "functional currency"). The consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional and presentation currency.

9. FUTURE ACCOUNTING POLICIES

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning after October 1, 2016 or later periods. The standards impacted that are applicable to the Corporation are as follows:

a) IFRS 9, "Financial Instruments" was issued in November 2009 as the first step in its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets. The IASB intends to expand IFRS 9 during the intervening period to add new requirements for impairment and hedge accounting. IFRS 9 is effective for reporting periods beginning on or after January 1, 2018. The Company continues to assess this new standard, but does not expect it to have a significant impact.

b) IFRS 15, "Revenue from Contracts with Customers" was issued in May 2015 to replace IAS 18 "Revenue" and IAS 11 "Construction Contracts", and several revenue related interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options and other common complexities. IFRS 15 is effective for reporting periods beginning on or after January 1, 2018. The Company continues to assess this new standard, but does not expect it to have a significant impact.

c) IFRS 16, "Leases" was issued on January 13, 2016, the IASB issued IFRS 16 Leases which replaces IAS 17. The new standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. The standard becomes effective January 1, 2019. The Corporation is currently assessing the impact of this standard.

10. CRITICAL ACCOUNTING ESTIMATES

The Corporation has made estimates and assumptions regarding certain assets, liabilities, and expenses in the preparation of the consolidated financial statements. Such estimates primarily relate to unsettled transactions and events as of the date of the consolidated financial statements. Accordingly, actual results may differ from estimated amounts. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

a) Share-based payments

The Corporation has made various assumptions in estimating the fair values of the common stock options granted including expected volatility, expected exercise behavior and future forfeiture rates. At each period end, options outstanding are re-measured for changes in the fair value of the liability due to forfeitures.

b) Impairment

The determination of impairment on the Corporation's exploration and evaluation assets requires analyzing facts that are considered indicators of impairment. The analysis requires the Corporation to apply significant judgment since the indicators may be mixed. In determining impairment, the Corporation analyzed the internal and external indicators for impairment, including outcome of the drilling and completion programs, costs incurred on individual projects and future forecasts and budgets for the assets.

c) Deferred taxes

Tax interpretations, regulations and legislation are subject to change and as such income taxes are subject to measurement uncertainty. Deferred tax assets are assessed by management at the end of the reporting period to determine the likelihood that they will be realized from future taxable earnings.

Actual results may differ from these estimates due to, among other factors, future changes in business environment, currently unknown changes in income tax legislation, or results from the final review of tax returns by tax authorities.

d) Functional currency

The determination of the Corporation's functional currency requires analyzing facts that are considered primary factors, and if the results are not conclusive, secondary factors. The analysis requires the Corporation to apply significant judgment since primary and secondary factors may be mixed. In determining its functional currency the Corporation analyzed both the primary and secondary factors, including the currency of the Corporation's revenues, operating costs, general and administrative costs and financing proceeds in the countries that it operates in.

11. FINANCIAL INSTRUMENTS

As at June 30, 2017, the Corporation's financial instruments are cash and cash equivalents, trade and other receivables, and trade and other payables. The amounts reflected in the balance sheet for these financial instruments approximate their fair values due to the short-term nature and negligible credit losses.

The Corporation does not use derivative instruments or hedges to manage risks because the Corporation's exposure to credit risk, interest rate risk and currency risk is not considered significant.

12. OFF BALANCE SHEET ARRANGMENTS

The Corporation has not engaged in any off-balance sheet arrangements.

13. DISCLOSURE OF OUTSTANDING SHARE DATA

Authorized and Issued Share Capital

The following is outstanding as of August 25, 2017:

Class	Par Value	Authorized	Issued
Common	Nil	Unlimited	10,095,475
Preferred	Nil	Unlimited	Nil

Description of Options and Warrants outstanding

The following is outstanding as of August 25, 2017:

Security Type	Number	Exercise Price	Expiry Date
Options	820,549	\$0.16	July 6, 2027
Warrants	1,406,250	\$0.21	July 31, 2018
Broker Warrants	24,062	\$0.16	July 31, 2018

14. RISK FACTORS

Risks and Uncertainties

The Corporation's principal activity of natural resource exploration is considered to be very high risk. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, commodity prices, political and economic.

The Corporation continues to evaluate other business opportunities, both within and outside the resource sector. Other business opportunities will require the Corporation to secure financing either through debt or equity issuances. The Corporation cannot guarantee that such financing will be available.

15. FORWARD LOOKING STATEMENTS

Certain statements contained in this Management's Discussion and Analysis may constitute forward-looking statements. These statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this annual Management's Discussion and Analysis should not be unduly relied upon by investors. These statements speak only as of the date of this Management's Discussion and Analysis and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this Management's Discussion and Analysis contains forward-looking statements, pertaining to the following:

- expectations regarding the Corporation's ability to raise capital and to continually add to reserves through acquisitions and development.

With respect to forward-looking statements contained in this Management's Discussion and Analysis, the Corporation has made assumptions regarding, among other things:

- the Corporation's ability to obtain additional financing on satisfactory terms.

The Corporation's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this management discussion and analysis:

- geological, technical, drilling and processing problems;
- liabilities and risks, including environmental liabilities and risks
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; and
- the other factors referred to under "Risk Factors".

Additional Information

Additional information is available on SEDAR at www.sedar.com.