

**Canadian Energy Materials Corp.
(formerly Canadian International Minerals Inc.)
Management Discussion & Analysis
For the year ended March 31, 2018**

Overview

The following covers the operations of Canadian Energy Materials Corp. (formerly Canadian International Minerals Inc.) (the “Company” also referred to as “CHEM”) for the year ended March 31, 2018 prepared as of July 28, 2018. This management discussion and analysis (“MD&A”) should be read in conjunction with the Company’s annual financial statements for the year ended March 31, 2018 and related notes. These documents are available for viewing on SEDAR at www.sedar.com. All dollar amounts therein and in the following MD&A are in Canadian dollars unless otherwise indicated. These financial statements were prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

Forward-Looking Statements

This MD&A contains certain statements that may be deemed “forward-looking statements”. All statements in this MD&A, other than statements of historical fact, that address exploration drilling, exploitation activities and events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential” and similar expressions, or that events or conditions “will”, “would”, “may”, “could” or “should” occur. Information inferred from the interpretation of drilling results and information concerning mineral resource estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when and if a project is developed. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in the forward-looking statements include market prices, exploitation and exploration successes, and continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company’s management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management’s beliefs, estimates or opinions, or other factors, should change beyond the procedures required under applicable securities laws.

Description of Business

The Company is a junior resource company engaged in the acquisition, exploration and development of gold, silver and copper properties in British Columbia, Saskatchewan and Quebec. The Company has its head office in Vancouver, British Columbia, and its shares trade on the TSX Venture Exchange under the symbol “CHEM”. The Company shares commenced trading on the TSX Venture Exchange on September 29, 2010. Previously the Company traded on the Canadian National Stock Exchange (CNSX).

The Company was incorporated in March 2006, and in June 2008, it completed its initial public offering, raising gross proceeds of \$800,000.

On October 26, 2017, the shareholders of the Company approved a common share consolidation on the basis of twenty pre-consolidation common shares for one post-consolidation common share of the Company. The

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consolidation was made effective on November 15, 2017. All references to the number of shares and per share amounts have been retroactively restated as if the consolidation had occurred April 1, 2016.

Selected Annual Information

The following is a summary of the Company's financial results for the Company's three most recently completed financial years:

	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016
Total revenues	\$Nil	\$Nil	\$Nil
Net and comprehensive loss	(595,464)	(324,015)	(515,629)
Loss per share – basic and diluted	(0.14)	(0.13)	(0.29)
Total assets	876,996	228,734	293,762
Long term liabilities	Nil	Nil	Nil
Cash dividends declared per share	Nil	Nil	Nil

Exploration and evaluation assets

Lac Manitou

The Company has acquired a 100% interest in the Lac Manitou property for \$3,000 cash and 125,000 common shares. The claims are subject to a 2% NSR, of which 1% can be bought back at any time for \$750,000. Additional staking was done at a cost of \$8,500.

The Property is located 100 km northeast of the town of Sept-Îles, 65 km north of Quebec Provincial Highway 138, and 45 km east of the Quebec North Shore and Labrador Railroad line. Sept-Îles has a population of over 25,000 and is one of North America's largest ore-handling ports, boasting state-of-the-art facilities that allowed it to handle 23.9 million tonnes of iron ore, alumina, petroleum coke and limestone in 2014. Sept-Îles is also home to the Alouette aluminum smelter built in 1992, which produces 590,000 tonnes of aluminum metal a year.

Highlights:

- Project was previously held by Kaminak Gold Corp. ("Kaminak") (since acquired by Goldcorp).
- Historic cobalt sample of 0.46% Co.
- AeroTEM II survey by Kaminak identified numerous conductors believed to be caused by magmatic sulphides.
- Additional high-grade historic samples of up to 3.19% Cu, 1.06% Ni, and 4 g/t Pt-Pd-Au.
- Inaugural field sampling/mapping work program planned for late 2017, funded by Clean Commodities.
- An objective of the upcoming field program will be to confirm drill site locations previously identified by Kaminak for a potential drill campaign in 2017, funded under a JV structure.

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About the Lac Manitou Project:

The Lac Manitou Project is located in Quebec, Canada and consists of two sub-project areas, Manitou and Return Lake. The Manitou project area encompasses one claim block totaling 2,174 ha and the Return Lake project area encompasses four claim blocks totaling 1,577 ha (see Figure 1).

At Manitou, initial priority will be assigned to four target areas identified by way of past work by Kaminak, referenced as the NE1, NE2, NE3 and NE7 targets, including enhancement of our confidence in the proposed drill targets and collar locations.

At Return Lake, initial interest is the examination of a large-scale EM anomaly defined by Kaminak and referenced as the C1 target (see Figure 2). The target coincides with an olivine-showing cross-referenced to government data in the central portion of the anomaly which may correlate to a mafic/ultramafic intrusion. Additional project information can be found through the following Canadian International presentation: <http://ow.ly/RfrG309dYIA>

The Lac Manitou area has been subjected to several early stage exploration programs that all succeeded in expanding known mineralization. Over the years, regional and property scale airborne magnetic and EM surveys have delineated several drill ready targets, but no known drilling has been completed on the Property or in the immediate area. The Property hosts 15 copper, nickel, and PGM occurrences documented by the Quebec Ministry of Natural Resources and is underlain by several igneous complexes comprising various phases of leuconorite, leucogabbro and anorthosite – lithologies known to host economic copper nickel PGM resources. A three-element assay (3E) – a standard measure in PGM evaluation combining Pd, Pt & Au values – on one of the occurrences covered recorded 1.844 g/t, plus 3.07% Cu, 0.92% Ni, 0.10 % Co and 5.6 g/t Ag (MRN Assessment Report 22I14).

Platinum Group Metals comprise six elements: ruthenium, osmium, iridium as well as the main metals platinum, palladium and rhodium. Their main uses are in automobile catalytic converters, which use various amounts depending on emission standards of the country the vehicles are sold. Palladium is largest component of PGMs in a catalytic convertor.

Transaction Terms:

On February 19, 2016, the Company announced it had completed the transaction with Kaminak Gold Corporation (“Kaminak”) (TSX-V: KAM) for the purchase of an extensive proprietary database on the Company’s Lac Manitou property. In consideration for the acquisition, the Company issued a total of 175,000 (3,500,000 pre-consolidated) units to Kaminak, each unit consisting of one common share of the Company and one share purchase warrant, with each warrant exercisable into an additional common share at a price of \$0.10 per share until February 11, 2019.

On February 22, 2017, the Company announced that it had entered into an agreement with Clean Commodities Corp. (“Clean Commodities”) in which Clean Commodities will acquire a 50% interest in the drill-ready Manitou Cobalt Project.

Under the agreement, Clean Commodities will finance an inaugural sampling/mapping exploration program at the project of no less than \$50,000, as well as pay for certain claim renewal fees. Subsequent to the initial exploration program, Clean Commodities and Canadian International shall jointly conduct exploration at the project under a 50/50 joint-venture arrangement, subject to customary conditions and with Clean Commodities as the initial Operator.

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On July 24, 2017, it was announced that the two companies had agreed to a three-fold increase to the exploration program budget following an additional technical review of the Lac Manitou Project. The parties determined that a larger exploration budget would more effectively evaluate the significant number of targets and showings within the project area. Consequently, but subject to a back-in right, Clean Commodities and the Company have agreed to modify an option agreement such that Clean Commodities will hold 75% of the Lac Manitou Program in exchange for a three-fold increase of the initial exploration earn-in budget originally announced by the parties on February 20, 2017. Clean Commodities Corp. has fully funded this new, increased exploration budget. The Company has the right to back-in to the expanded exploration program and retain a 50% portion of the Lac Manitou Project by funding one-half of the increased budget amount within thirty-days of the commencement of the exploration program.

Management of the Company has no immediate exploration program for the Lac Manitou property and has decided to write-off costs of \$224,004 in accordance with IFRS 6 in the year ended March 31, 2018.

Carbo Property

On January 26, 2017, the “Company provided an update on the Company’s 100% owned Wicheeda Alkaline-Carbonatite project (the “Project”), located approximately 80 kilometers northeast of Prince George, B.C., in the heart of the Rocky Mountain Rare Metal Belt.

In 2011, the Company completed an 11 hole helicopter-supported diamond drill program on the Project. This program was designed to follow up on the 2010 drill program, which intercepted significant rare earth mineralization in all 9 holes, the most notable intercept being 37.3 meters of 1.43% TREO (Total Rare Earth Oxides) encountered in hole CA-10-006.

While the 2010 drill program was focused on the northwest portion of the claim block, in the vicinity of the Wicheeda Rare Earth deposit owned by Spectrum Mining Corp. (a private company), the 2011 drill program targeted a number of geophysical and geochemical targets approximately 1.8 km to 4.3 km to the southeast of the 2010 drilling.

The 2011 drilling campaign encountered rare earth mineralization in the majority of holes with most falling in the range of 0.2% - 0.5% TREO. The drill program confirmed that the alkaline intrusive body is mineralized in rare earths and rare metals over a 4.7 km strike length.

A preliminary reevaluation has affirmed that the project has significant Niobium potential which was not considered material at the time. The Company wishes to report the following Niobium assays from the 2011 drill program:

2011 Wicheeda Drilling

Hole	From (m)	To (m)	Interval (m)	Nb2O5 (%)
CA-11-010	171.80	187.86	16.06	0.188
<i>Including</i>	171.80	178.53	6.73	0.270
<i>And</i>	171.80	172.78	0.98	0.731
CA-11-010	182.93	187.86	4.93	0.214
CA-11-011	133.75	136.85	3.1	0.179
CA-11-011	184.80	190.5	5.70	0.215

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<i>Including</i>	188.89	190.5	1.61	0.507
CA-11-013	57.31	61.33	4.02	0.143
CA-11-013	175	183	8	0.134
CA-11-013	314.85	315.66	0.81	0.616
CA-11-013	354.17	357.55	3.38	0.199
CA-11-014	173.23	197.66	24.43	0.156
<i>Including</i>	173.23	182.80	9.57	0.217
<i>And</i>	173.23	177.13	3.90	0.337
CA-11-014	232.98	270.58	37.6	0.226
<i>Including</i>	241.65	259.92	18.27	0.297
<i>And</i>	251.44	259.92	8.48	0.321
<i>And**</i>	256.57	258.77	2.2	0.632

*** Intercept also returned 2.2 meters of 158 ppm Ta₂O₅*

The Company continues to reevaluate the exploration targets for the Wicheeda Project and will be investigating a number of partnership avenues in the coming weeks.

About the Rocky Mountain Rare Metal Belt

The Rocky Mountain Rare Metal Belt is a 2,500-kilometer trend with geological conditions suitable for the emplacement of both rare-earth elements and rare metals. The Belt is host to 3 main rare earth/metal deposits:

1. BlueRiver/UpperFir Tantalum-Niobium Deposit
 - CommerceResource Corp. (TSX-V: CCE)
 - Approximately 330km southeast of Wicheeda

Indicated Resource: 48.41 mt of 0.161% Nb₂O₅, and 197 g/t Ta₂O₅
2. Aley Carbonatite Niobium Deposit
 - Taseko Mines Ltd. (TSX: TKO)
 - Approximately 240km northwest of Wicheeda

Proven & Probable Resource: 83.8 mt of 0.5% Nb₂O₅
3. Wicheeda Rare Earth Elements Deposit
 - Spectrum Mining Corp. (private company)
 - Directly adjacent to Wicheeda to the northwest

Inferred Resource: 11.3 mt of 2.5% TREO (total rare earth element oxides)

About Niobium

Niobium is used in super-alloys, in particular in the aerospace industry. Its primary production and pricing is dominated by private producers who operate in an opaque market environment. These primary producers are

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dominated by CBMM, privately owned by the Salles family in Brazil. It produces approximately 85% of the world's niobium. Other Brazilian producers include China Molybdenum.

In April 2016, Anglo American plc. announced it had reached an agreement with China Molybdenum Company Ltd. to sell its Niobium and Phosphate businesses for a total cash consideration of \$1.5 billion. The Niobium business comprises one mine and three processing facilities, two non-operating mines, two further mineral deposits, and sales and marketing operations in the United Kingdom and Singapore. Together, the businesses generated EBITDA of \$146 million in the year ended 31 December 2015. Niobec is another primary niobium producer, located in Quebec and formerly owned by Iamgold Corp.

Former Barrick Gold's chief executive Aaron Regent, through his private equity-backed Magris Resources Inc., bought the Niobec mine for US\$530 million in 2015.

Although the Company has written off the exploration costs in previous years, it still holds title to the Carbo property.

Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters.

For the quarter ended	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017
Net and comprehensive loss	(\$501,329)	(\$65,592)	(\$19,576)	(\$8,967)
Loss per share – basic and diluted	(\$0.06)	(\$0.02)	(\$0.01)	(\$0.00)
For the quarter ended	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
Net and comprehensive loss	(\$41,455)	(\$50,964)	(\$151,499)	(\$80,097)
Loss per share – basic and diluted	(\$0.01)	(\$0.01)	(\$0.06)	(\$0.02)

During the three months ended September 30, 2017 the Company recorded a net loss of \$19,576 as compared to a net loss of \$8,967 an increase of approximately \$10,000 which can be attributed to consulting fees and management fees paid or accrued during this quarter. During the three months ended December 31, 2017 the Company recorded a net loss of \$65,592 as compared to a net loss of \$19,576 for the previous quarter an increase of approximately \$46,000 which can be attributed to the increase in consulting fees, and transfer agent and filing fees associated with the private placement that occurred during the quarter. During the three months ended March 31, 2018 the Company recorded a net loss of \$501,329 as compared to the net loss \$65,592 for the previous quarter an increase of approximately \$436,000 which can be attributed to the write-off the Lac Manitou and the fair value of the stock options that was granted during the quarter.

Operations for year ended March 31, 2018

As at March 31, 2018, the Company had no material operations. The Company incurred a net loss of \$595,464 for the year ended March 31, 2018 as compared to a net loss of \$324,015 for the year ended March 31, 2017.

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The Company had total expenses of \$596,834 for the year ended March 31, 2018 as compared to \$351,085 for the comparable period an increase of approximately \$246,000. The increase in expenses can be attributed to the following:

Consulting fees have increased to \$113,162 as compared to \$4,500 for the prior year an increase of approximately \$108,000. The increase can be attributed to approximately \$50,000 in fees to Zimtu Capital Corp for their assistance in marketing and coordinating tradeshow for the Company. The Company also paid \$18,000 in fees to a company controlled by the current CFO, \$5,400 to a company controlled by a director of the Company and the remaining balance are to third party consultants.

Share-based payments have increased to \$156,640 as compared to \$29,900 for the prior year. During the year ended March 31, 2018, the Company granted 712,000 stock options to directors and officers of the Company as compared to only 30,000 stock options granted in the prior year. The Company fair values these stock options using the Black-Scholes Option Pricing Model. Share-based payments are non-cash transactions.

Transfer agent and filing fees have increased to \$29,263 as compared to \$20,641 for the prior year. The increase can be attributed to fees associated to private placements, stock options and maintenance fees.

Management of the Company has no immediate exploration program for the Lac Manitou property and has decided to write-off costs of \$224,004 in accordance with IFRS 6.

The above increases were offset by the decreases in the following expenses:

Management fees paid to Michael Schuss have decreased to \$20,700 as compared to \$90,000 from the comparable year a decline of \$69,300. This can be attributed to reduced operations and lack of working capital.

Professional fees decreased to \$27,830 as compared to \$76,498 from the comparable year a decrease of approximately \$48,000. The decrease can be attributed to the reduced fees paid to the former CFO from \$42,000 down to \$4,500 for the current year.

Pre-exploration costs decreased to \$8,198 as compared to \$72,498 a decrease of approximately \$64,000. The decrease can be attributed to the Company not seeking out new projects due to cash constraints.

All other decreases to general and administrative expenses can be attributed to cost cutting measures due to cash constraints.

Liquidity and Capital Resources

The Company had cash of \$781,788 at March 31, 2018, compared to \$2,320 at March 31, 2017. The Company had a working capital of \$659,781 at March 31, 2018 compared to working capital deficiency of \$190,290 as at March 31, 2017.

The Company's current activities have been funded to date through the issuance of commons shares and obtaining loans from third parties.

In July 2017, the Company completed a private placement consisting of 67,500 (1,350,000 pre-consolidated) units at a price of \$0.04 (\$0.02 pre-consolidated) per unit. Each unit consists of one common share and one share purchase warrant exercisable into one common share at \$1.00 until July 12, 2020.

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On December 29, 2017, the Company completed a flow-through private placement consisting of 2,455,000 common shares at a price of \$0.20 per share for total proceeds of \$491,000. The Company paid a cash finder's fee of \$19,600 and issued 98,000 finder's fee warrants. Each finder's fee warrant entitle the holder to purchase one common share of the Company at a price of \$0.25 per share for a period of two years expiring on December 28, 2019. The Company fair valued the finder's fee warrants at \$22,109. The fair value has been estimated using the Black-Scholes Option Pricing Model with the following assumptions: share price \$0.28, risk-free interest rate of 1.66%, dividend yield of 0%, volatility of 177.81% and expected life of two years. There was no flow-through premium on this private placement.

As at March 31, 2018, the Company has a commitment to spend approximately \$491,000 in exploration cost by December 31, 2018.

On January 10, 2018, the Company closed a non-brokered private placement of 4,000,000 units at a price of \$0.16 per unit for total proceeds of \$640,000. Each unit comprised of one common share and one-half of one transferable share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.25 per share for two years from closing. The fair value of the warrants was \$213,334 which was included in equity reserves. The fair value has been estimated as of the announcement date using the Black-Scholes Option Pricing Model with the following assumptions: share price on announcement date of \$0.21, risk-free interest rate of 1.84%, dividend yield of 0% volatility of 179.20% and expected life of two years. The Company paid a cash finder's fee of \$39,680 and issued 248,000 finder's fee warrants. Each finder's fee warrant entitles the holder to purchase one common share of the Company at a price of \$0.25 per share for a period of two years expiring on January 9, 2020. The Company fair valued the finder's fee warrants at \$54,560. The fair value has been estimated using the Black-Scholes Option Pricing Model with the following assumptions: share price \$0.275, risk-free interest rate of 1.84%, dividend yield of 0%, volatility of 179.2% and expected life of two years.

The Company believes that the current capital resources are not sufficient to pay overhead expenses for the next twelve months and will need to seek additional funding to fund its overhead expenses. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company will not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the issuance of shares to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

Related Party Transactions

The following expenses were incurred with key management personnel of the Company and companies controlled by key management personnel. Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain current and former directors and officers. Key management compensation comprises:

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	March 31, 2018	March 31, 2017
Consulting fees		
Harmony Corporate Services – Geoff Balderson, CFO	\$ 18,000	\$ -
Hard Rock Consulting Ltd. – Rafael Vaudrim, Director	5,400	-
Rafael Vaudrim, Director	500	-
Management fees – Michael Schuss, CEO	20,700	90,000
Professional fees – Casey Forward, former CFO	4,500	42,000
Pre-exploration costs	-	9,524
Exploration costs	-	38,965
Stock based compensation		
Michael Schuss, CEO	48,840	-
Geoff Balderson, CFO	41,800	-
Michael Burns, Director	33,000	-
Rafael Vaudrim, Director	33,000	-
	\$ 205,740	\$ 180,489

Included in prepaid expenses is \$1,695 (2017: \$NIL) in prepaid expenses paid to a director of the Company.

As at March 31, 2018 accounts payable and accrued liabilities included \$18,983 (2017 - \$85,056) owing to a former officer, a director of the Company and a company with a director in common. The amounts due are non-interest bearing, unsecured and with no stated terms of repayment.

Critical Accounting Estimates

Critical accounting estimates used in the preparation of the financial statements include the Company's estimates of recoverable value of its mineral properties and related deferred expenditures as well as the value of stock-based compensation and the valuation of equity units issued in private placements. These estimates involve considerable judgment and are, or could be, affected by factors beyond the Company's control. The factors affecting stock-based compensation and valuation of equity units include estimates of the stock price volatility.

The Company's recoverability of the recorded value of its mineral properties and associated deferred expenses is based on market conditions for minerals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale. The Company is in an industry that is dependent on a number of factors including environmental, legal and political risks, the

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existence of economically recoverable reserves and the ability of the Company to obtain necessary financing to complete the development and future profitable production or proceeds of disposition thereof.

The assessment of the Company's ability to continue as a going concern requires significant judgment.

Financial Instruments and Risks

The company is exposed through its operations to the following financial risks:

- Liquidity risk
- Market risk
- Credit risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout the financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined in notes to the financial statements.

The Company monitors its ability to meet its short-term administrative expenditures by matching investment income received to expenditures to be incurred, and by disposing of its investments when required. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

As at March 31, 2018, the Company had a cash balance of \$781,788 and GST receivable of \$11,251 to settle current liabilities of \$216,649.

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 and available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, available-for-sale, loans and receivables and other financial liabilities. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource 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.

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Interest rate risk

The Company has cash and no interest-bearing debt.

Foreign currency risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and US dollar or other foreign currencies will affect the Company's operations and financial results. The Company does not have significant exposure to foreign currency rate fluctuations.

Price risk

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

Credit risk

Financial instruments that potentially expose the Company to credit risk are cash. To minimize the credit risk on cash the Company places the instrument with a high credit quality financial institution. The maximum exposure to loss arising from these advances is equal to their total carrying amounts.

Fair Values

The Company's financial instruments include cash and accounts payable and accrued liabilities. The fair value of accounts payable and accrued liabilities approximates its carrying value due to its short term nature.

Fair Value Hierarchy

The Company classifies its fair value measurements in accordance with the three level fair value hierarchy as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Outstanding claim

During the year ended March 31, 2016, a creditor filed a claim against the Company in the sum of \$25,000 with the Small Claims Court of the Ontario Superior Court of Justice for unpaid services. This amount has been provided for in accounts payable and accrued liabilities at March 31, 2018 and 2017. The expected timing of settling the obligation is uncertain at this time.

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Disclosure of Outstanding Share Capital

The Company's outstanding share capital as at the date of the MD&A is as follows:

Common shares	
Balance, March 31, 2018	9,220,617
Balance, Date of MDA	9,220,617

Options	
Balance, March 31, 2018	922,000
Balance, Date of MDA	922,000

Warrants	
Balance, March 31, 2018	3,471,583
Balance, Date of MDA	2,998,533

Agent's Warrants	
Balance, March 31, 2018	346,000
Balance, Date of MDA	346,000

Risks and Uncertainties

Mineral Property Exploration and Mining Risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing; and obtaining permits for drilling and other exploration activities.