

**NAVY RESOURCES CORP.**  
**MANAGEMENT DISCUSSION & ANALYSIS**  
For the period ended September 30, 2017

**Date**

This Management Discussion and Analysis (“MD&A”) of Navy Resources Corp. (“Navy” or the “Company”) has been prepared by management as of November 29, 2017.

This MD&A may contain “forward-looking statements” which reflect the Company’s current expectations regarding the future results of operations, performance and achievements of the Issuer. The Issuer has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as “anticipate,” “believe,” “estimate,” “expect” and similar expressions. The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Issuer to differ materially from those expressed in, or implied by, these statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

**Overall Performance**

The Company was incorporated in the Province of British Columbia on May 5, 2011.

The Company is domiciled in Canada and its office is at Suite 1740 – 1177 West Hastings Street, Vancouver, BC. The Company is an exploration stage company.

On October 19, 2012, the Company completed its initial public offering to issue 3,300,000 common shares at \$0.15 per share to raise gross proceeds of \$495,000.

On September 10, 2015, 100,000 stock options were exercisable at \$0.15 per share until October 19, 2017 cancelled.

On October 15, 2015, the Company issued 3,700,000 common shares at \$0.06 per share for gross proceeds of \$222,000.

On October 21, 2015, the Company cancelled 700,000 stock options exercisable at \$0.15 per share until October 19, 2017.

On February 29, 2016, the Company issued 100,000 common shares with a fair value of \$20,000 as consideration for the Fae Property.

On November 15, 2017, Steve Bajic resigned as a director of the Company.

On November 27, 2017, Sam Vella was appointed as a director of the Company.

Fae Property

On February 29, 2016, the Company acquired a 100% interest in the Fae Property which is composed of two contiguous mineral claims totalling 374.25 hectares and located in the Altin Mining Division of northwestern British Columbia. In consideration for the purchase, the Company paid \$15,000 and issued 100,000 shares.

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**Results of Operations for the Three Months Ended September 30, 2017**

For the three months ended September 30, 2017, the Company reported net losses of \$24,746 (2016 - \$32,832)

The net loss for the three months ended September 30, 2017 and 2016 are summarized below.

	2017	2016
General and administrative	\$ 2,437	\$ 9,045
Professional fees	950	1,922
Consulting fees	19,500	19,500
Transfer agent and filing fees	1,859	2,365
<b>Net loss</b>	<b>\$ 24,746</b>	<b>\$ 32,832</b>

Expenditures are generally consistent period over period as the Company.

**Results of Operations for the Nine Months Ended September 30, 2017**

For the nine months ended September 30, 2017, the Company reported net losses of \$94,664 (2016 - \$107,640)

The net loss for the nine months ended September 30, 2017 and 2016 are summarized below.

	2017	2016
General and administrative	\$ 21,807	\$ 27,959
Professional fees	2,756	9,283
Consulting fees	58,500	58,500
Transfer agent and filing fees	11,601	11,898
<b>Net loss</b>	<b>\$ 94,664</b>	<b>\$ 107,640</b>

Expenditures are generally consistent period over period as the Company.

**Summary of Quarterly Results**

	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Net Income (Loss) for the period	\$(24,746)	\$(33,421)	\$(36,497)	\$(38,983)	\$(32,832)	\$(34,653)	\$(40,155)	\$(45,606)
Income (Loss) per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)

**Liquidity and Capital Resources**

The Company reported working capital deficit of \$143,654 at September 30, 2017 (2016 - \$48,990). As at September 30, 2017, the Company had net cash on hand of \$51,200 (2016 - \$30,742).

Current assets excluding cash at September 30, 2017 consisted of receivables of \$1,465 (2016 - \$3,193).

Current liabilities as at September 30, 2017 consist of accounts payable of \$96,319 (2016 - \$32,925) and a promissory note payable of \$100,000 (2016 - \$50,000).

The Company expects to have capital requirements in excess of its currently available resources and therefore will be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

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**Off-Balance Sheet Arrangements**

The Company does not utilize off-balance sheet arrangements.

**Transactions with Related Parties**

During the three and nine months ended September 30, 2017 the Company paid an officer and director \$4,500 and \$13,500 (2016 - \$4,500 and \$13,500) for financial services, respectively.

During the three and nine months ended September 30, 2017 the Company paid a director \$15,000 and \$45,000 (2016 - \$15,000 and \$45,000) for consulting fees, respectively.

**Proposed Transactions**

At the time of this report, the Company is not contemplating any proposed transactions.

**Critical Accounting Estimates**

Not applicable to Venture Issuers.

**Changes in Accounting Policies including Initial Adoption**

There were no changes in accounting policies during the year. Refer to Note 2 of the financial statements for the Company's significant accounting policies and future changes to accounting standards.

**Risk Factors**

Exploration-stage mineral exploration companies face a variety of risks and, while unable to eliminate all of them, Navy aims at managing and reducing such risks as much as possible. Few exploration projects successfully achieve development stage, due to factors that cannot be predicted or anticipated, and even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. Navy closely monitors its activities and those factors that could impact them, and employs experienced consultants to assist in its risk management and to make timely adequate decisions. Environmental laws and regulations could also impact the viability of a project. Navy has ensured that it has complied with these regulations, but there can be changes in legislation outside Navy's control that could also add a risk factor to a project.

**Financial Instruments and Other Instruments**

The carrying amounts of cash, receivables, and accounts payable approximate fair value because of the short-term maturity of these items.

**Other Requirements**

Summary of Outstanding Share Data as at November 29, 2017:

Authorized: Unlimited number of common shares without par value.

Issued and outstanding: 15,200,000 common shares.

Warrants

None.

Options

None.

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Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR website at [www.sedar.com](http://www.sedar.com).