VOLTAIC
MINERALS

Management Discussion & Analysis for the Year Ended October 31, 2016

The following discussion and analysis of the financial position and results of operations for **VOLTAIC MINERALS CORP.** (the “Company” or “Voltaic”) (formerly Prima Diamond Corp.) should be read in conjunction with the audited consolidated financial statements for the year ended October 31, 2016. The Company prepared these consolidated financial statements using accounting policies consistent with International Financial Reporting Standards (“IFRS”).

The effective date of this report is February 27, 2017.

All financial figures presented herein are expressed in Canadian Dollars (CDN$) unless otherwise specified.

The Company is a reporting issuer in British Columbia and Alberta and files all public documents on http://www.sedar.com

Nature of Business

The Company was incorporated on October 1, 2009, under the laws of British Columbia, and listed as a Capital Pool Company (“CPC”) as defined by Policy 2.4 (the “CPC Policy”) of the TSX Venture Exchange (“TSX-V”).

On March 21, 2016, the Company held an Annual and Special Meeting of shareholders at which the shareholders approved the consolidation of the issued and outstanding shares on a one new (1) for five old (5) basis. On April 14, 2016, the Company changed its name to Voltaic Minerals Corp. and began trading the newly consolidated shares under the symbol “VLT”.

Green Energy Lithium Brine Property

On February 18, 2016, the Company entered into an agreement to acquire a 100% interest in the Green Energy Lithium Brine Property (the “Property”) located in Grand County, Utah. In consideration, the Company entered into an acquisition agreement with Zimtu Capital Corp. (“Zimtu”) and Mesa Exploration Corp. (“Mesa”), collectively the “Vendors”. The Company paid Zimtu $10,000 in acquisition costs and issued to Mesa 1,500,000 shares within 5 days of TSX-V approval (issued on May 12, 2016 with a fair value of $435,000) and 1,500,000 shares by May 19, 2017. The TSX-V approved the transaction on May 19, 2016.

The project is located in the Paradox Basin, in Utah, which has been extensively explored for oil and gas since the 1960’s, with approximately 46 oil and gas wells in a 50 square mile area. During oil and gas exploration, there were several blow-outs caused by the intersection of brines under significant pressure within the Paradox unit. These brines were initially considered a nuisance to drilling but were found to often be super-saturated brines containing high amounts of potash, sodium chloride, magnesium chloride, lithium, bromine, boron and other potentially payable minerals. Only a few holes were drilled specifically to test these brines and all supported the conclusion that these brines might be an economically important resource. The Company has begun the first phase of exploration which includes re-logging of existing well data and 2-D seismic analysis which will put the Company in a position to drill test brine horizons on its second phase later this summer. Once the exploration program is complete, the goal will be to outline a brine resource.

Lately, lithium prices have been moving higher in anticipation of battery demand kicking in due to electric vehicle sales. Many experts believe that there will be a supply gap that needs to be filled over the next decade. The Company is positioning itself to take advantage of such a situation. On December 10, 2016, the Company confirmed historic brine flow from 5 oil and gas production well on its 100% owned Green Energy Lithium Project. The data supports the Company's 3D model which was completed earlier in the year which confirmed the presence of Clastic #14. Clastic #14 was intersected in 3 of the 5 wells at an average depth of 6250 feet and occupied an average thickness of 20 feet. The Company will continue to work with its consultants to gain access to the brine zone through re-entry of the existing wells in place on the Green Energy Lithium project.

The Company signed a Memorandum of Understanding ("MOU") on October 24, 2016 with Enertrex and its partners to begin work on what is a Lithium Selective Extraction Process. The goal of the MOU was to set the framework to sign a definitive agreement to begin developing a Lithium Processing technology. Currently, the Company is still working to get the definitive agreement signed. The Company also appointed a new Director and Project Manager, Tom Currin. Mr. Currin's experience in the lithium business spans 35 years, where he has built lithium production plants and designed processes as a chemical engineer.

Alkali Flats Lithium Brine Property

On February 12, 2016, the Company entered into a Transfer Agreement (the "Transfer Agreement") with eight claimants of the SW claims located in Esmerelda County and Nye County, Nevada, USA (the "Property") which the claimants agreed to assign, convey and transfer to the Company all of the rights, title and interest in and to the Property.

On October 20, 2016, the Company entered into an Assignment Agreement (the "Assignment Agreement") with Macarthur Lithium Nevada Ltd. ("Macarthur Nevada") to assign the Company's right, title and interest in the Transfer Agreement and the Property to Macarthur Nevada. Under the terms of the Assignment Agreement, Macarthur Nevada should pay to the Company the sum of USD$50,000 within 6 months of the effective date and on the closing date, Macarthur Nevada should issue 2,000,000 common shares in Macarthur at a deemed value of $0.10 per share or 1,000,000 shares at a deemed value of $0.10 per share and $100,000 in 6 months from the execution of the Agreement. The TSX-V approved the transaction on October 21, 2016. As at October 31, 2016, the Company has received 2,000,000 common shares issued by Macarthur and the payment of USD$50,000 (C$66,600) is outstanding. During the year ended October 31, 2016, the Company has recorded $186,243 as the gain on the property.

Diamond Properties

During the year ended October 31, 2014, the Company entered into a property option agreement (the "Agreement") with DG Resource Management Ltd. ("DG Resource"), whereby the Company could acquire a 100% interest in and to 46 mineral claims covering more than 42,000 ha (104,000 acres) in the southern portion of the Slave Province, Northwest Territories, known as the Godspeed Lake Diamond Property ("Godspeed"). In addition, the Company entered into a property option agreement (the “Agreement”) to acquire the Munn Lake Diamond Property located in the Slave Province, Northwest Territories from DG Resource Management Ltd. (“DG Resource”) and Zimtu Capital Corp. (“Zimtu”) whereby the Company could acquire an undivided 100% interest in and to 19 mineral claims covering more than 14,000 ha (34,000 acres). The Company was unable to raise the necessary funds to complete the acquisitions. During the year ended October 31, 2016, the Company determined it would not pursue the acquisition of the Godspeed or Munn Lake properties.

Liard Fluorspar Property

The Company’s Liard Fluorspar Property includes mineral claims purchased in three separate transactions and claims directly staked by the Company, which are listed in detail in the Company’s audited consolidated financial statements for the year ended October 31, 2016. During the year ended October 31, 2016, the Company determined it would not pursue further exploration of the Liard Fluorspar Properties and impaired the properties.

Selected Financial Information

Annual Information

The following table provides a summary of the Company’s financial operations for the last three fiscal years. For more detailed information, refer to the Company’s audited consolidated financial statements:

	For the year ended October 31, 2016	For the year ended October 31, 2015	For the year ended October 31, 2014
	$	$	$
Total revenues	Nil	Nil	Nil
Loss from continuing operations	(5,019,286)	(299,702)	(962,186)
Loss from continuing operations (per share)	(0.25)	(0.01)	(0.03)
Loss from continuing operations (per share, diluted)	(0.25)	(0.01)	(0.03)
Net loss	(5,019,286)	(299,702)	(962,186)
Net loss (per share, basic and diluted)	(0.25)	(0.01)	(0.03)
Comprehensive income (loss) for the period	(5,019,286)	(299,702)	(962,186)
Net comprehensive income (loss) (per share, diluted)	(0.25)	(0.01)	(0.03)
Total assets	802,967	711,695	810,927
Total long term financial liabilities	Nil	Nil	Nil
Cash dividend declared per share	Nil	Nil	Nil

During the first half of the year ended October 31, 2014, the Company was pursuing an agreement for the acquisition of fluorspar property interests in Mongolia, which did not result in a completed transaction. From June 2014 to October 2015, the Company expanded its focus to included diamonds. During the 2016 fiscal year, the Company re-focused its efforts, settled outstanding debt with vendors, and acquired two lithium properties. The Company successfully raised funds to pursue the acquisitions, but will need to continue to raise capital to further develop these projects.

Overall Performance

At October 31, 2016, the Company had $1,870 (2015 - $2,417) in cash and cash equivalents and working capital of $145,841 (2015 - $997,120 deficiency). Prior to 2016, the Company was unsuccessful in raising the capital necessary to finance the Company's expenses and potential property payments, and was able to maintain its listing with the support of Zimtu through their management services and short-term loans for regulatory expenses. In 2016, the Company successfully raised funds for the exploration of a newly acquired property and reached an agreement with creditors to settle outstanding debt with cash at a discount or with shares.

The Company incurred a net loss of $5,019,286 during the year ended October 31, 2016 (2015 - $299,702), which is a significant increase from the prior year, due to share-based payments of $536,158, the impairment of exploration and evaluation assets of $707,292, and the loss on settlement of shares for debt of $3,504,407.

As at October 31, 2016, the Company has total assets of $802,967 (2015 - $711,695), including cash of $1,870 (2015- $2,417), short-term investments of $30,000 (2015 - $nil), other receivables of $66,600 (2015 - $nil), GST receivable of $6,177 (2015 - $1,986), prepaid expenses of $17,790 (2015 - $nil), due from related parties of $8,584 (2015 - $nil), and exploration and evaluation assets of $541,946 (2015 - $707,292). The Company has accounts payable and accrued liabilities of $80,180 (2015 - $220,645), loans payable of $nil (2015 - $157,230), due to related parties of $35,000 (2015 - $623,648), and no long-term liabilities. The Company will continue to raise funds to discharge its liabilities and advance its newly acquired lithium project. At this time, the Company has no cash property commitments.

Liquidity and Solvency

The consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. The Company has not pledged any of its assets as security for loans or otherwise and is not subject to any debt covenants. The Company announced the acquisition of a new property in February and settled debt with three creditors by issuing shares. During the year ended October 31, 2016, the Company was able to raise $765,000 in a an over-subscribed private placement.

Net cash used in operating activities for the year ended October 31, 2016 was $615,224. This amount consists of a net operating loss of $5,019,286, adjustments for non-cash items for impairment of $707,292, gain on acquisition of exploration and evaluation assets of $119,643, share-based payments of $536,158, gain on debt settlements of $153,128, and loss on settlement of shares for debt of $3,504,407. The changes in non-cash working capital include a decrease in GST receivable of $4,191, a decrease in prepaid expenses of $17,790, a decrease in other receivables of $66,600, an increase in due to related parties of $27,433, and a decrease in accounts payable and accrued liabilities of $9,876. During the prior year, net cash used in operating activities was $23,437.

Net cash used in investing activities during the year ended October 31, 2016 was $144,831 (2015 - $1,554 provided), of which $30,000 was used in (2015 - $5,750 provided by) a short-term investment and $114,831 (2015 - $4,196) was used in the acquisition and exploration of mineral properties.

Net cash provided from financing activities during the year ended October 31, 2016 was $759,508 (2015 - $nil) from the issuance of shares for cash, $nil (2015 – $25,000) provided from loans, and $nil (2015 - $700) used in bank indebtedness.

Results of Operations

The net loss for the year ended October 31, 2016, was $5,019,286, compared to a net loss of $299,702 for the year ended October 31, 2015, for a difference of $4,719,584. The significant changes in the Company's expenses between the two years are detailed below:

- Accounting and audit fees of $13,469 (2015: $16,529) for the cost of the annual audit;
- Advertising and promotion expenses of $105,213 (2015: $57,518) are significantly higher due to an increase of promotional spending to promote the Company's new projects;
- Filing fees of $37,990 (2015: $17,464) are higher due to the regulatory costs of acquiring a new property, settling shares for debt, and other general business fees in the current year;
- Interest expense of $nil (2015: $4,930) was lower as the Company did not have any interest-bearing loans outstanding during the year;
- Investor relations of $20,000 (2015: $nil) are higher as the Company hired a firm to promote the Company;
- Legal fees of $23,426 (2015: $5,992) are higher due to the increased activity of the Company in the current year;
- Professional fees of $25,000 (2015: $nil) are higher due to the advisory services incurred during the current year for the Company's change in focus to lithium;
- Salaries and consulting fees of $202,462 (2015: $22,475) are higher due to the hiring of staff and consultants for the Company's increase business activities
- Share-based payments expense of $536,158 (2015 - $nil) are higher due to options granted in the current period;
- Travel expenses of $26,900 (2015: $2,779) are higher as the Company increased spending to travel to meet potential investors and promote the company at tradeshows;
- Gain on acquisition of exploration and evaluation assets of $186,243 (2015: $nil) is due to the difference between the acquisition cost and sale proceeds of the Alkali Property during the year;

- Gain on settlement of debt of $153,128 (2015: $nil) is higher as the Company was able to negotiate reduced payment amounts on its outstanding accounts payable amounts with creditors;

- Loss on the settlement of shares for debt of $3,504,407 (2015 - $nil) was higher as the Company settled debt at a deemed price of $0.05 per share when the market value of the shares was $0.28; and

- Impairment of exploration and evaluation assets of $707,292 (2015: $22,444) increased due to impairment of the Liard Fluorspar Property.

Quarterly Results

The following are the results for the eight most recent quarterly periods which are expressed under IFRS:

For the Quarterly Periods ended:	October 31, 2016 (Q4)	July 31, 2016 (Q3)	April 30, 2016 (Q2)	January 31, 2016 (Q1)
	$	$	$	$
Total revenues	0	0	0	0
Income (Loss) before other items	(255,729)	(722,087)	(156,778)	(12,602)
Income (Loss) per common share before other items, basic and diluted	(0.01)	(0.02)	(0.02)	(0.00)
Net Income (Loss) for the period	(39,380)	(4,215,746)	(718,944)	(45,216)
Income (Loss) per share, basic and diluted	(0.00)	(0.14)	(0.11)	(0.00)

For the Quarterly Periods ended:	October 31, 2015 (Q4)	July 31, 2015 (Q3)	April 30, 2015 (Q2)	January 31, 2015 (Q1)
	$	$	$	$
Total revenues	0	0	0	0
Income (Loss) before other items	(44,707)	(44,406)	(77,493)	(112,323)
Income (Loss) per common share before other items, basic and diluted	(0.00)	(0.00)	(0.01)	(0.00)
Net Income (Loss) for the period	(67,151)	(44,406)	(77,493)	(110,652)
Income (Loss) per share, basic and diluted	(0.00)	(0.00)	(0.01)	(0.00)

Over the course of the Company's previously completed eight quarters, there has been a significant change in expenses. Throughout 2015, the Company was reduced its expenses while it looked for a suitable property and tried to raise capital. In Q2 2016, the Company acquired a new property and was successful in raising capital and expenses increased due to the increased business activities of the Company. In Q3 2016, the Company granted options to directors, officers, and consultants incurring share-based payments and issued shares for debt to three creditors at a significant discount to the market value of the shares. In Q4 2016, the Company's expenses continued to increase as the business activities increased, but also recorded a gain on the acquisition/sale of a property during the year.

Fourth Quarter

The net loss for the three months ended October 31, 2016, was $39,380, compared to a net loss of $67,151 for the three months ended October 31, 2015, for a difference of $27,771. The significant changes in the Company's expenses between the two periods are detailed below:

- Advertising and promotion expenses of $45,629 (2015: $nil) are higher due to an increase of promotional spending to promote the Company's new projects;

- Filing fees of $8,325 (2015: $2,247) are higher due to the regulatory costs of acquiring a new property, settling shares for debt, and other general business fees in the current period;

- Interest expense of $nil (2015: $4,930) was lower as the Company did not have any interest-bearing loans outstanding during the period;

- Investor relations of $15,000 (2015: $nil) are higher as the Company hired a firm to promote the Company;

- Legal fees of $9,760 (2015: $nil) are higher due to the increased activity of the Company in the current period;

- Office expenses of $4,853 (2015: $nil) are higher due increased business activities during the period;

- Salaries and consulting fees of $118,392 (2015: $nil) are higher due to the hiring of staff and consultants for the Company's increased business activities;

- Travel expense of $16,061 (2015 - $nil) are higher as the Company increased spending to travel to meet potential investors and promote the company at tradeshows;

- Gain on settlement of debt of $29,869 (2015: $nil) is higher as the Company was able to negotiate reduced payment amounts on its outstanding accounts payable amounts with certain creditors; and

- Gain on acquisition of exploration and evaluation assets of $186,243 (2015: $nil) is due to the difference between the acquisition cost and sale proceeds of the Alkali Property during the period.

Events After the Reporting Period

i. On January 26, 2017, the Company has granted a total of 1,500,000 options to directors, employees and consultants, exercisable for 5 years at a price of $0.075 per share.

ii. On January 27, 2017, the Company announced a non-brokered private placement (the "Private Placement") of up to 15,000,000 units (the "Units") at a price of $0.06 per Unit for total aggregate proceeds of up to $900,000. Each Unit will consist of one common share (each, a "Share") and one-half-of-one share purchase warrant (a "Warrant"). Each whole Warrant shall be exercisable to acquire one additional common share of the Company (a

"Warrant Share") at a price of $0.12 per Warrant Share for a period of 36 months after issuance. The proceeds from the Unit sale will be used by the company to fund exploration on the Green Energy Project and advancement of the Lithium Selective Process. The Private Placement is subject to acceptance by the TSX Venture Exchange. All the securities issued under the Private Placement are subject to resale restrictions under applicable securities legislation.

iii. On January 27, 2017, the Company announced that it had entered into a 50/50 joint-venture (the "JV") agreement with Equitorial Exploration Corp. (TSXV: EXX) ("Equitorial") for the Green Energy Lithium Project in Utah, USA. The agreement is subject to the approval of the TSX Venture Exchange. As per the agreement, Equitorial will have the right to participate, on a 50/50 basis, in all work relating to the Green Energy Project. For this right, Equitorial will invest $250,000 into Voltaic via private placement, on terms described above. Equitorial will also reserve 5,000,000 shares of Equitorial Exploration Corp. and issue them upon successful production of Lithium from Green Energy Project brine, using the Company's Lithium Process. A finder's fee may be payable on the Equitorial portion of the investment.

iv. Subsequent to October 31, 2016, 7,724,000 share purchase warrants priced at $0.075 have been exercised for gross proceeds of $579,300.

Related Party Transactions

The Company incurred the following transactions in the normal course of operations:

		Year ended October 31,	
Related parties	**Descriptions of transactions**	**2016**	**2015**
Andrew Davidson (a)	Gain on settlement of debt	(59,300)	-
Robert Bick(b)	Gain on settlement of debt	(30,000)	-
Robert Bick	Salaries and consulting fees	-	10,000
Darryl Jones (c)	Consulting services	61,000	-
Foster Wilson (d)	Consulting services	32,793	-
Key management (e)	Share-based compensation	428,911	-
Zimtu Capital Corp. (f)	Loss on settlement of shares for debt	3,106,077	-
Zimtu Capital Corp.	Consulting services	13,856	-
Zimtu Capital Corp.	Administrative services	150,000	150,000
Zimtu Capital Corp.	property acquisition cost	15,000	-
Zimtu Capital Corp.	Expenses paid on behalf of the Company	33,894	42,000

Due to (from) related parties	**2016** **$**	**2015** **$**
Andrew Davidson	-	69,300
Robert Bick	-	30,000
Zimtu Capital Corp.	5,000	524,348
Darryl Jones	(8,584)	-
Foster Wilson	30,000	-
Total	26,416	623,648

a) Andrew Davidson did not run for re-election as the director at the Company's Annual and Special General Meeting held on March 21, 2016.

b) Robert Bick did not run for re-election as the director at the Company's Annual and Special General Meeting held on March 21, 2016.

c) Darryl Jones ("Mr. Jones") was elected as a director of the Company at the Company's Annual and Special General Meeting held on March 21, 2016. On July 15, 2016, the Company entered into an agreement with Mr. Jones, whereby Mr. Jones was appointed as the Company's President and Chief Executive Officer and agreed to provide management services throughout the employment period for $7,000 per month.

d) Foster Wilson ("Mr. Wilson") was appointed as a director of the Company on March 31, 2016. During the year ended October 31, 2016, the Company entered into an agreement with Mr. Wilson whereby Mr. Wilson agreed to provide consulting services for a term of 3 months commencing August 1, 2016, for $10,000 per month.

e) Key management includes the Company's directors and senior management.

f) Zimtu is a significant shareholder of the Company, holding 36.45% (2015 – 23.30%) of the issued and outstanding share capital and provides monthly administrative and managerial services. On January 15, 2015, David Hodge, the president of Zimtu, was appointed as interim President and Chief Executive Officer of the Company. He resigned on July 15, 2016**.**

These transactions are in the normal course of operations and have been valued in these consolidated financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties. The amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment.

Commitments

(a) Effective May 1, 2013, the Company signed a Management Services Agreement with Zimtu at a rate of $12,500 per month for one year, the agreement was kept being renewed since then.

(b) According to the agreement signed on February 18, 2016 between the Company, Zimtu and Mesa regarding the acquisition of Green Energy Lithium Brine Property, the Company is committed to issue 1,500,000 shares by May 19, 2017.

Capital Resources

The capital resources of the Company are comprised of the Company's shareholders' equity and any debt it may issue. The Company has had to rely upon the sale of equity securities for the cash required for capital acquisitions, exploration and development, and administration, among other things.

The Company will continue to require funds to meet obligations and, as a result, will have to continue to rely on equity and debt financing during such period. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company.

The Company's properties are in the exploration stage only and are without known bodies of commercial ore. Development of the Green Energy Lithium Brine Property will only follow upon obtaining satisfactory results. Exploration and development of natural resources involve a high degree of risk and few properties which are explored are ultimately developed into producing properties. There is no assurance that the Company's exploration and development activities will result in any discoveries of commercial bodies of ore. The long term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of base and precious metals from the property. The price of base and precious metals has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control such as including international, economic and political trends, expectations of inflation, currency exchange fluctuations and interest rates.

Share Capital

On May 4, 2016, the Company closed the first tranche of a private placement. The Company issued 10,619,000 units (the "Units") at a price of $0.05 per Unit for gross proceeds of $530,950. Each Unit consists of one common share of the Company and one transferable share purchase warrant (a "Warrant"). Each whole Warrant shall be exercisable to acquire one additional common share of the Company (a "Warrant Share") for a period of 24 months at a price of $0.075 per Warrant Share in the first 12 months and $0.10 in the second 12 months. The Company paid $8,800 in finders' fees and issued 120,000 finders' shares.

On May 17, 2016, the Company closed the second and final tranche of the private placement. The Company issued 4,681,000 units (the "Units") at a price of $0.05 per Unit for gross proceeds of $234,050. Each Unit consists of one common share of the Company and one transferable share purchase warrant (a "Warrant"). Each whole Warrant shall be exercisable to acquire one additional common share of the Company (a "Warrant Share") for a period of 24 months at a price of $0.075 per Warrant Share in the first 12 months and $0.10 in the second 12 months.

On May 12, 2016, the Company issued 1,500,000 shares to Mesa Exploration Corp. in accordance with the Green Energy Lithium Brine Property, with a fair value of $435,000, or $0.29 per share.

On June 3, 2016, the TSX-V accepted the Company's proposal to issue 15,236,555 shares to settle outstanding debts of $761,828 with various creditors of the Company whereby the Company would issue shares of the Company at a deemed price of $0.05 per share representing a settlement of the amounts owing to such creditors (the "Shares for Debt Settlement"). Zimtu received 13,504,682 shares to settle debt of $675,234. All the securities issued under the Settlement Agreements are subject to voluntary 4 month hold and where required, escrow under applicable securities legislation.

On June 27, 2016, 34,000 stock options priced at $0.30 were exercised for gross proceeds of $10,200.

On August 17, 2016, 100,000 share purchase warrants priced at $0.075 were exercised for gross proceeds of $7,500.

Outstanding Share Data

The Company has an authorized share capital of an unlimited number of common shares without par value. The following table describes the issued and outstanding post-consolidated share capital of the Company:

	February 27, 2017	October 31, 2016	October 31, 2015
Common shares	45,493,135	37,769,135	6,514,700
Stock options	3,182,000	1,682,000	370,000
Warrants	7,476,000	15,200,000	795,000
Agent warrants	-	-	14,000
Fully Diluted Shares	56,151,135	54,651,135	7,693,700

Escrow shares: On May 16, 2016, the Company cancelled the remaining 1,036,120 shares held in escrow and returned them to treasury. As at October 31, 2016, nil (2015: 1,187,320) common shares of the Company are held in escrow and to be released pro-rata to the shareholders as to different release schedules.

Financial Instruments

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(a) Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash balances. The Company manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada. Further, the Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk with respect to receivables is remote.

(b) 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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

(c) Foreign exchange risk

The functional currency of the Company is Canadian dollar and the functional currency of its USA subsidiary is USD respectively. As the USA subsidiary was set up on August 19, 2016 and had very limited activities for the year ended October 31, 2016, therefore the Company is not exposed to significant foreign exchange risk.

(d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has cash and short term investment balances and is not exposed to any significant interest rate risk.

(e) Capital management

Capital is comprised of the Company's shareholders' equity and any debt it may issue. As at October 31, 2016, the Company's shareholders' equity was $687,787 (2015 - $289,828 deficit). The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its operations and business development. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company has not generated any revenues and cash flows since its inception; therefore, the Company is dependent on external financing to fund its future intended business plan. The capital structure of the Company currently consists of working capital and shareholders' equity. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

(f) Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of cash, short-term investments, and marketable securities are all based on level 1 inputs of fair value hierarchy.

Off-Balance Sheet Arrangements

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

Critical Accounting Estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates on the resulting effects of the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

Accounting Policies and Standards

For details of the Company's Accounting Policies and Standards, including future accounting standards, accounting standards not yet adopted, new accounting standards adopted, and accounting standards amended but not yet effective, please refer to Notes 3 and 4 of the Company's audited consolidated financial statements for the year ended October 31, 2016.

Risks Related to Our Business

The Company, and the securities of the Company, should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's securities:

The Company has a very limited history of operations, is in the early stage of development and has received no revenues other than insignificant interest revenues. As such, the Company is subject to many risks common to such enterprises. There can be no assurance that the Company will be able to obtain adequate financing in the future or, if available, that the terms of such financing will be favourable.

Although the Company has taken steps to verify the title to mineral properties in which it has acquired an interest, no assurance whatsoever can be given that the Company's interests may not be challenged by third parties. If challenged, and if the challenge is sustained, it will have an adverse effect on the business of the Company. Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the properties may be diminished or negated.

The exploration of mineral properties involves significant risks which even experience, knowledge and careful evaluation may not be able to avoid. The price of metals has fluctuated widely, particularly in recent years as it is affected by numerous factors which are beyond the Company's control including international economic and political trends, expectations of inflation or deflation, currency exchange fluctuations, interest rate fluctuations, global or regional consumptive patterns, speculative activities and increased production due to new extraction methods. The effect of these factors on the price of metals, and therefore the economic viability of the Company's interests in the mineral properties cannot be accurately predicted. Furthermore, changing conditions in the financial markets, and Canadian Income Tax legislation may have a direct impact on the Company's ability to raise funds for exploration expenditures. A drop in the availability of equity financings will likely impede spending. As a result of all these significant risks, it is quite possible that the Company may lose its investments in the Company's mineral property interests.

Forward-Looking Statements

Certain statements contained herein are "forward-looking" and are based on the opinions and estimates of management, or on opinions and estimates provided to and accepted by management. Forward-looking statements are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those expressed or implied. Readers are therefore cautioned not to place reliance on any forward-looking statement.

Directors and Officers

As at the date of this report, the Company had the following directors and officers:

Darryl Jones* – President, CEO, and Director
Sean Charland* – Director, Corporate Secretary
Dusan Berka* – Director
Foster Wilson – Director
Thomas Currin – Director
Jody Bellefleur – CFO
*Member of the Company's Audit Committee

Approval

The Board of Directors of Voltaic has approved the disclosure contained in this MD&A.

Other MD&A Requirements

Additional information relating to the Company is available on the SEDAR website: http://www.sedar.com under "Voltaic Minerals Corp."