



MANAGEMENT'S DISCUSSION AND ANALYSIS  
OF THE COMPANY'S CONSOLIDATED  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Years ended December 31, 2015 and 2014

**Dated: April 28, 2016**

# STRATTON RESOURCES INC.

(An exploration stage company)

Management's Discussion and Analysis  
For the three and nine months ended September 30, 2015 and 2014

Expressed in Canadian Dollars

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## 1.1 Date and forward-looking statements

The Company has prepared the following management's discussion and analysis (the "MD&A") as of December 31, 2015 and it should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the years ended December 31, 2015 and 2014. All financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS" or "GAAP") and all dollar amounts presented are Canadian dollars unless otherwise stated.

The effective date of this MD&A is April 28, 2016.

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 Company, including but not limited to statements with respect to the Company's plans or future financial or operating performance, the estimation of mineral reserves and resources, conclusions of economic assessments of projects, the timing and amount of estimated future production, costs of future production, future capital expenditures, costs and timing of the development of deposits, success of exploration activities, permitting time lines, requirements for additional capital, sources and timing of additional financing, realization of unused tax benefits and future outcome of legal and tax matters.

The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect", "budget", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

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 Company to differ materially from those expressed in, or implied by, these statements. These uncertainties are factors that include but are not limited to risks related to international operations; risks related to general economic conditions and credit availability, uncertainty related to the resolution of legal disputes and lawsuits; actual results of current exploration activities, unanticipated reclamation expenses; fluctuations in prices of base and precious metals; fluctuations in foreign currency exchange rates, increases in market prices of mining consumables, possible variations in mineral resources, grade or recovery rates; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, changes in national and local government regulation of mining operations, tax rules and regulations, and political and economic developments in countries in which the Company operates, as well as other factors. Additional information relating to the Company and its operations is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's web site at [www.strattonresources.com](http://www.strattonresources.com).

The Company's management reviews periodically information reflected in forward-looking statements. The Company has and continues to disclose in its Management's Discussion and Analysis and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

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## 1.2 Over-all performance

### 1.2.1 Description of business

Stratton is a junior exploration company focused on the acquisition, exploration and development of mineral resource properties. On July 4, 2011, the Company changed its name from Tribune Minerals Corp. to Stratton Resources Inc. The Company is incorporated under the Business Corporations Act (British Columbia) and is a reporting issuer in British Columbia, Alberta and Ontario. The Company is listed on the TSX Venture Exchange ("the Exchange") as a Tier 2 mining issuer, and its shares trade under the symbol SI.V.

The current organizational structure of Stratton is as follows:

Subsidiary name	Jurisdiction	Ownership
Stratton Resources (Canada) Inc.	Canada	100%
Stratton Resources Holdings Corp. (inactive)	Canada	100%

Effective November 2015, the Company let lapse the claims of its 100% owned Lunar project. As of the date of this MD&A, the Company no longer holds an interest in a Tier 2 Property ("Qualifying Property"), as defined by the rules of the Exchange, as is now pursuing other mineral property opportunities.

The business of the Company involves a high degree of risk and there is no assurance that the Company will identify appropriate properties for acquisition or investment and even if so identified and warranted, that it will be able to finance the acquisition or investment. In the event that the Company is not able to identify an appropriate mineral property for acquisition or investment in accordance with the listing requirements of the Exchange, there is a risk that the Company, at the discretion of the Exchange, will be transferred to the NEX Board as an inactive company.

### 1.2.2 Exploration and evaluation assets

During the years ended December 31, 2015, the Company incurred the following acquisition, exploration and evaluation costs:

	Balance December 31, 2014	Additions (Reductions)					Balance December 31, 2015
		Q1	Q2	Q3	Q4	YTD	
Lunar	\$ 325,334	\$ -	\$ -	\$ (325,334)	-	\$ \$ (325,334)	\$ -
Total	\$ 325,334	\$ -	\$ -	\$ (325,334)	-	\$ \$ (325,334)	\$ -

During the year ended December 31, 2015, the Company wrote-off \$325,334 in capitalized costs associated with its Lunar project as a result of the claims lapsing.

During the year ended December 31, 2014, the Company incurred the following acquisition, exploration and evaluation costs:

	Balance December 31, 2013	Additions (Reductions)					Balance December 31, 2014
		Q1	Q2	Q3	Q4	YTD	
Lunar	\$ 317,310	\$ -	\$ 1,000	\$ -	\$ 7,025	\$ 8,025	\$ 325,334
Total	\$ 317,310	\$ -	\$ 1,000	\$ -	\$ 7,025	\$ 8,025	\$ 325,334

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## 1.3 Selected annual information

The following represents selected information of the Company for the three most recently completed financial years:

	2015	2014	2013
Net loss and comprehensive loss for the year	\$ (460,357)	\$ (132,887)	\$ (253,781)
Basic and diluted loss per share	(0.01)	(0.00)	(0.01)
Working capital	(414,442)	(279,419)	(138,508)
Total assets	223,518	687,456	836,528
Total long term liabilities	-	-	-
Shareholder's equity	(414,442)	45,915	178,802
Cash dividends per share	-	-	-

The Company generated no revenues from operations during the fiscal periods ended December 31, 2015 and 2014, other than interest income of \$1,714 and \$1,197 respectively.

## 1.4 Results of operations

### The three months and years ended December 31, 2015 and 2014

Net loss and comprehensive loss for the year ended December 31, 2015 was \$460,357 compared to a net loss and comprehensive loss of \$132,887 for the same period in the previous year. The primary reason for the increase in loss is the \$325,334 write-off recorded on the Company's Lunar project. Beyond the write-off, the loss for the periods were very consistent with similar amounts expended on legal and professional fees, office and administration, regulatory and wages. The Company's main objective continues to be to maintain its public listing and conserve capital while it searches for prospective mineral property investments.

During the three months ended December 31, 2015, the Company incurred a net loss and comprehensive loss of \$37,152, which increased by \$11,972 as compared with the net loss and comprehensive loss recorded during the three months ended December, 2014. The losses within the periods are very comparable as no activity existed within the entity beyond maintaining its public listing and continuing its search for prospective mineral property investments.

The Company continues to take all reasonable steps to minimize administration and overhead costs to preserve cash and maintain the Company's share structure.

## 1.5 Summary of quarterly results

The Company is a mineral exploration company and currently has no producing properties or operating income. However, the Company records interest earned on cash balances held at financial institutions, which depends upon cash balances available to fund its acquisition and exploration activities and administrative expenses. A summary of quarterly results is shown below:

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### 1.5 Summary of quarterly results (continued)

Quarter ended	Interest and other income (expense)	Net loss and comprehensive loss	Loss per share
	\$	\$	\$
December 31, 2015	(550)	37,152	0.00
September 30, 2015	(870)	342,343	0.01
June 30, 2015	(294)	43,916	0.00
March 31, 2015	-	36,946	0.00
December 31, 2014	(1)	25,810	0.00
September 30, 2014	(64)	25,592	0.00
June 30, 2014	-	51,985	0.00
March 31, 2014	(1,132)	29,500	0.00

During the quarter ended September 30, 2015, the Company recorded a write-off of \$ 325,334. The most recent and prior quarters show a consistent amount of net losses and comprehensive losses, however during the periods ending June 30, 2014 and June 30, 2015 the Company recorded higher net losses and comprehensive losses due to additional expenses related to the annual reporting and the Company's AGM. The Company anticipates maintaining a minimal monthly cash burn rate until the Company determines it is appropriate to refinance.

### 1.6 Liquidity and capital resources

The Company finances its operations by raising capital in the equity markets. For the foreseeable future, the Company will need to rely on the sale of its securities to provide working capital and to finance its mineral property acquisition and exploration activities.

As at December 31, 2015, the Company had cash of \$215,521 and a net working capital deficit of \$414,442 compared to cash of \$349,440 and a net working capital deficit of \$279,419 as at December 31, 2014.

The cash balance of \$215,521 as at December 31, 2015 is sufficient to meet the cash requirements for the Company's administrative overhead and maintaining its mineral interests for the next twelve months as long as the note payable is not called.

Effective June 30, 2013, Universal Mineral Services Ltd. ("UMS") agreed to settle the historic payable amounts totaling \$609,388 with a note payable for an equivalent value. The note payable bears no interest, has a maturity, after extension, of December 31, 2016, is due on demand and is extendable for an additional twelve months at the mutual agreement of both parties. The intent of the note is to allow Stratton the flexibility to refinance only when it is deemed beneficial to its shareholders.

The Company has been reviewing ways to reduce general and administration costs, negotiating extended payment terms of its trade payables, and renegotiating its future commitments to identify opportunities to reduce or delay spending and payments.

The Company may be required to raise additional capital in order to fund its operations in the forthcoming year. Although the Company has been successful in the past in obtaining financing through the sale of its securities, there can be no assurance that the Company will be able to obtain adequate financing in the future in light of factors such as the market demand for its securities, the general state of financial markets and other relevant factors. Failure to obtain such additional financing could result in delay or indefinite postponement of the Company's efforts to identify and acquire prospective mineral resource properties, further exploration and development of the mineral resource properties currently in its portfolio, with a possible loss of some properties and reduction or termination of operations.

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## 1.6 Liquidity and capital resources (continued)

The Company's consolidated financial statements for the years ended December 31, 2015 and 2014 have been prepared on the assumption that the Company will continue to realize its assets and meet its liabilities in the normal course of business as a 'going concern'. However, as at the date of this MD&A, management has identified factors and circumstances that may cast a significant doubt on the Company's ability to continue as a going concern. The Company's audited annual consolidated financial statements contain no provisions for adjustments, which may become necessary if the Company becomes unable to continue on a 'going concern' basis. Such adjustments could be material.

The extent of the Company's future exploration programs will be dependent on the Company successfully raising additional funds through the issuance of equity.

### (a) Non-brokered private placements

There were no financings completed or announced during the year ended December 31, 2015 and up to the date of this MD&A.

### (b) Warrants and stock options

During the year ended December 31, 2015 and up to the date of this MD&A, there were no grants or outstanding warrants or stock options.

## 1.7 Off-balance sheet arrangements

The Company has not engaged in any off-balance-sheet arrangements such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or engages in leasing, hedging or research and development services with the Company.

## 1.8 Related party transactions

All transactions with related parties have occurred in the normal course of operations and are measured at their fair value as determined by management. All amounts are unsecured, non-interest bearing and have no specific terms of settlement, unless otherwise noted.

	December 31, 2015	December 31, 2014
Universal Mineral Services Ltd. <sup>1</sup>		
Included in the statement of loss and comprehensive loss:		
Consulting fees, directors' fees, wages and benefits	\$ 43,378	\$ 43,450
Legal and professional fees	94	23
Regulatory, transfer agent and shareholder information	2,108	3,260
Office, rent and administration	35,386	21,913
Travel, marketing and investor relations	-	11,785
Bank charges	503	319
Exploration and evaluation expenditures	3,690	-
Total transaction for the periods	\$ 85,159	\$ 80,750

1. Universal Mineral Services Ltd. ("UMS") is a private company with directors and officers in common (Ivan Bebek, Chairman, Shawn Wallace, CEO, Peter Rees, CFO) that, pursuant to an agreement dated March 30, 2012, provides geological, corporate development, administrative and management services to the Company on a cost recovery basis. As at December 31, 2015 the outstanding payable balance was \$7,871 (December 31, 2014 - \$5,844) and prepaid expenses and deposits balance was \$6,000 (December 31, 2014 - \$6,000).

Effective June 30, 2013, UMS agreed to settle historic payable balances totaling \$609,388 with a note payable for an equivalent value. The note payable bears no interest, has a maturity of December 31, 2016 and is extendable for an additional twelve months at the mutual agreement. The note payable is due on demand.

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## 1.8 Related party transactions (continued)

### Key management compensation

In addition to the transactions disclosed above, the Company provided the following compensation to key management members:

	December 31, 2015	December 31, 2014
Short-term benefits*	\$ 16,503	\$ 25,361

\* An amount of \$16,503 is included in related party transactions with UMS (December 31, 2014 - \$21,405).

## 1.9 Subsequent events

None than otherwise disclosed.

## 1.10 Proposed transactions

None.

## 1.11 Critical accounting estimates

This section is not required as the Company is a Venture Issuer, as the term is defined in National Instrument 51-102 *Continuous Disclosure Obligations*.

## 1.12 Financial instruments and other instruments

As at December 31, 2015, the Company's financial instruments consist of cash and cash equivalents, investments, amounts receivable, accounts payables and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to their short-term to maturity. The Company's financial instruments are exposed to certain financial risks including, credit risk, currency risks, liquidity risk, interest rate risk and capital risk management. Details of each risk are laid out in the notes to the Company's consolidated financial statements.

## 1.13 Other requirements

### 1.13.1 Capital structure

Authorized share capital consists of: Unlimited number of common shares without par value.

#### Issued share capital:

As at April 28, 2016, there are 36,724,164 common shares of the Company issued and outstanding.

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## 1.13.2 Disclosure controls and procedures

As defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, disclosure controls and procedures require that controls and other procedures be designed to provide reasonable assurance that material information required to be disclosed is duly gathered and reported to senior management in order to permit timely decisions and timely and accurate public disclosure.

Management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, have evaluated the design of the Company's disclosure controls and procedures and the design of internal controls over financial reporting as required by Canadian securities laws, and have concluded that such procedures are adequate to ensure accurate and complete disclosures in public filings.

Management is responsible for the establishment and maintenance of a system of internal control over financial reporting. This system has been designed to provide reasonable assurance that assets are safeguarded and that the financial reporting is accurate and reliable. The consolidated financial statements have been prepared by management in accordance with IFRS and in accordance with accounting policies set out in the notes to the consolidated financial statements for the years ended December 31, 2015 and 2014.

There are inherent limitations in all control systems and no disclosure controls and procedures can provide complete assurance that no future errors or fraud will occur. An economically feasible control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Note: As a Venture Issuer, the Company is not required to certify the design and evaluation of the issuer's disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR") and has not completed such an evaluation; and there are inherent limitations on the ability of Management to design and implement on a cost effective basis DC&P and ICFR for the Company which may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports required under securities legislation.

Additional disclosures pertaining to the Company's 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).

On behalf of the Board of Directors,

"Shawn Wallace"

**Shawn Wallace**

Executive Chairman and Interim President and Chief Executive Officer  
April 28, 2016