MANAGEMENT'S DISCUSSION AND ANALYSIS

Years ended February 29, 2016 and February 28, 2015

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This Management's Discussion and Analysis ("MD&A") reviews the activities, results of operations and financial position of Sphinx Resources Ltd. ("Sphinx" or the "Corporation") for the year ended February 29, 2016, together with certain trends and factors that are expected to have an impact in the future. The following abbreviations are used to describe the periods under review throughout this MD&A:

Abbreviation	Period
Fiscal 14	March 1, 2013 – February 28, 2014
Q1-15	March 1, 2014 – May 31, 2014
Q2-15	June 1, 2014 – August 31, 2014
Q3-15	September 1, 2014 – November 30, 2014
Q4-15	December 1, 2014 – February 28, 2015
Fiscal 15	March 1, 2014 – February 28, 2015
Q1-16	March 1, 2015 – May 31, 2015
Q2-16	June 1, 2015– August 31, 2015
Q3-16	September 1, 2015 – November 30, 2015
Q4-16	December 1, 2015 – February 28, 2016
Fiscal 16	March 1, 2015 – February 29, 2016

Sphinx was incorporated on June 28, 2005 and is governed by the *Canada Business Corporations Act*. The Corporation is a reporting issuer in Alberta, British Columbia, Ontario and Québec and its shares are listed on the TSX Venture Exchange (the "Exchange") under the symbol SFX.

The following MD&A should be read in conjunction with the Corporation's audited financial statements for Fiscal 16 which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts are expressed in Canadian dollars, the functional currency of the Corporation, unless otherwise stated. The effective date of this MD&A is June 13, 2016.

The Corporation's projects and their history are disclosed in press releases, technical reports and other continuous disclosure filings which may be viewed on the internet on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com and on the Corporation's website at www.sphinxresources.ca.

The technical information contained in this MD&A has been reviewed and verified by Sphinx's President and Chief Executive Officer, Normand Champigny (ing., B.A.Sc., M.A.Sc.), who is a qualified person for the purpose of National Instrument 43-101, Standards of Disclosure for Mineral Projects.

1. OVERVIEW OF THE CORPORATION

The Corporation is engaged in the acquisition, exploration and development of mining projects in Québec, Canada which is recognized as an attractive mining jurisdiction worldwide. Sphinx's Board of Directors (the "Board") and Advisory Committee include experienced geoscientists and mine finders that have been involved in mineral exploration and development as well as project generation in well-known and emerging mining districts Canada and internationally.

The Corporation has actively focused on discovering mineralization in areas that have year-round ground accessibility and where the social acceptability dynamics are positive. The areas selected have often been overlooked, which often allows acquisitions at a low cost. The team is rigorous in the execution of fieldwork, and applies leading practices to identify prospective terranes and drill targets at the lowest cost possible.

The Corporation presently has no known deposits with quantifiable mineral resources that may justify exploitation, and activities completed by the Corporation constitute exploratory work for identifying economic mineral deposits.

2. HIGHLIGHTS

Since late 2013, the Corporation has concluded ten (10) agreements with leading Québec-based companies on the following properties:

1. Calumet-Sud project with SOQUEM inc. ("SOQUEM");
2. Green Palladium platinum group elements-nickel-copper project and Calumet-Sud project with Gardin Inc. ("Gardin");
3. Somanike nickel-copper-platinum group elements ("Ni-Cu-PGE") project through agreements with Virginia Mines Inc. (now called Osisko Exploration James Bay Inc.) ("Osisko") for the Preissac project, with Royal Nickel Corporation ("Royal Nickel") for the Marbridge project and with Globex Mining Enterprises Inc. ("Globex");
4. Samson Ni-Cu-PGE project with Midland Exploration Inc. ("Midland");
5. Adam gold-copper project with Midland;
6. Dollier gold project with Cartier Resources Inc. ("Cartier"); and
7. Valmond gold project with Midland.

The Corporation's recent efforts have been on high grade gold and Ni-Cu-PGE targets in Québec. To fund exploration activities as well as Sphinx's corporate requirements, financings totaling approximately $3.8 million have been completed since 2014. The Corporation continues to review additional project acquisition opportunities as they arise.

3. EXPLORATION PROJECTS

For mineral projects that have not reached technical feasibility, exploration and evaluation expenditures are charged to operations as they are incurred. The Corporation's exploration and evaluation expenditures incurred are as follows:

	February 29, 2016	February 28, 2015
	$	$
Green Palladium		
Project acquisition and maintenance	167,384	12,726
Drilling	196,426	-
Geology	68,419	38,987
Geophysics	58,485	3,443
Refundable tax credit for resources	(66,794)	-
	423,920	55,156
Calumet-Sud		
Project acquisition and maintenance	43,421	-
Geology	2,365	-
Refundable tax credit for resources	(703)	-
	45,083	-
Somanike		
Project acquisition and maintenance	115,265	48,102
Drilling	159,673	481
Geology	27,500	97,706
Geophysics	47,575	90,119
Geochemistry	3,676	-
Line cutting	-	21,320
Refundable tax credit for resources	(22,617)	(8,788)
	331,072	248,940

3. EXPLORATION PROJECTS (CONT'D)

	February 29, 2016	February 25, 2015
Samson	$	$
Project acquisition and maintenance	2,966	43,272
Drilling	132,604	140,210
Geology	16,099	32,237
Geophysics	35,299	182,119
Line cutting	-	8,030
Geochemistry	18,652	244
Refundable tax credits	-	(47,704)
	205,620	358,408
Dollier		
Project acquisition and maintenance	-	15,000
Drilling	-	416,208
Geology	-	4,276
Refundable tax credits	-	(49,738)
	-	385,746
Adam		
Project acquisition and maintenance	-	21,133
Geology	7,588	4,475
Geophysics	10,154	158,100
Refundable tax credits	-	(39,474)
	17,742	144,234
Valmond		
Project acquisition and maintenance	-	10,300
Drilling	-	235,196
Geology	-	24,297
Geochemistry	-	34,458
Supervision and technical fees	-	20,813
Refundable tax credits	-	(13,614)
	-	311,450
Project Generation		
Geology	-	4,796
	-	4,796
Tax adjustments to prior years (note 1)	(557,414)	-
Total exploration and evaluation expenditures	**466,023**	**1,508,730**

Note 1) In April 2016, the Corporation was informed by Revenu Quebec of the resolution in favour of the Corporation of the objection process related to the refundable tax credit for resources for fiscal years 2009, 2010 and 2011. Therefore all payables accrued previously for reassessment were reversed for $440,705 ($371,534 assessed plus $69,171 interest accrued). An additional provision of $63,518 was also reversed which reduced exploration and evaluation expenditures. In addition, a $234,217 receivable was recorded which represents the portion of the amount already paid that it is expected to be recovered for fiscal years 2009, 2010 and 2011. Notwithstanding the above, the Corporation kept a $46,700 overall provision relating to refundable tax credit for resources.

3. EXPLORATION PROJECTS (CONT'D)

3.1 Green Palladium project

a) Project description

On March 12, 2015, the Corporation signed a definitive agreement with Amixam Resources Inc. ("Amixam") for the acquisition of 100% of the Green Palladium project, located in the Regional Municipal County of Pontiac, adjacent to the Québec Abitibi-Temiscamingue region. Under the terms of this agreement, the Corporation acquired the Green Palladium project by issuing 4,000,000 common shares, valued at $160,000 based on the Exchange share price of $0.04 on the date of the share issuance. Another 461,536 common shares were issued in February 2016, valued at $6,923 based on the Exchange price of $0.015 on the date of the share issuance. Amixam was granted a 2% Net Smelter Return Royalty ("NSR").

On November 2, 2015, Gardin announced it had acquired from Amixam on a private placement basis for an aggregate purchase price of $75,000, direct ownership of the 4,000,000 common shares of Sphinx and the rights to receive an additional 461,536 shares pursuant to the Green Paladium project acquisition agreement (the "Rights"), representing a price of approximately $0.01681 per Sphinx share. The acquired Rights entitle Gardin to acquire 461,536 shares, representing approximately 1.01% of the issued and outstanding shares of Sphinx. As at the date of this report, Gardin and Michel Gauthier own approximately 12.7% of the outstanding shares of Sphinx.

In addition, the Corporation must satisfy the following exploration commitments, failing which the project will be returned to Amixam:

	Work	
	Commitment	**Completed**
	$	$
On or before January 20, 2016	50,000	50,000
On or before January 20, 2017	100,000	100,000
On or before January 20, 2018	600,000	215,760
Total	**750,000**	**365,760**

Nickel and copper were initially found in 1951 on the Project. In 1958, a bulk sample was taken from a small test pit. It returned 1.2% Cu and 0.24% Ni but was not analyzed for palladium and platinum or other PGE (Sigeom GM 27924). In 1964, two shallow holes (35 m and 52 m deep respectively) were drilled under this test pit and nearby. They both returned sub-economic copper values.

The 52 m deep hole revealed a 22.5 m intersection which is open at depth and chalcopyrite disseminations and stringers. PGEs were not analyzed. No geophysical survey was conducted before this drilling. In 1973, an IP survey was carried out on a 1.3 km^2 grid that covered the test pit blasted in 1958. This survey revealed five IP anomalies, one of which measures 200 m by 100 m. The latter anomaly is situated adjacent to the blasted the test pit and drill holes. No drilling was conducted before this drilling. The Project remained inactive until Amixam staked it in 2014. In the spring of 2014, three samples projected outside the pit in 1958, were selected for analysis. These samples were taken from massive sulphide breccias. The values obtained were 3.3 g/t, 2.3 g/t and 0.6 g/t Pd and 3.2%, 3.3% and 0.2% Cu respectively.

Nickel graded between 0.2% and 0.1% while platinum and gold were present in traces. After these initial results, stripping was undertaken around the test pit of 1958, today water-filled. Channel samples were taken in the gneissic wall rocks crosscut by chalcopyrite veinlets and impregnated by them in a disseminated fashion. These channel samples returned values between 0.8 g/t and 0.6 g/t Pd with 0.8% to 0.4% Cu over several metres.

3. EXPLORATION PROJECTS (CONT'D)

b) Exploration work on the project

Earlier in 2015, Sphinx carried out IP, electromagnetic and magnetic ground surveys on the Project. The surveys were followed by diamond drilling on priority geophysical targets outlined in the vicinity of the Pd-Cu-rich 1958 blasted test pit.

In June 2015, a 9 hole program, totaling 962 m, was completed. Due to their promising character, a few priority samples have been taken in the first hole and in a surface channel sample vertically above the hole. Assay results from these first samples reveal that hole GP-15-01 intersected a stratabound platinum group elements ("PGE") reef which returned 3.44 g/t Pd+Pt+Au over 40 cm. It is a metamelanogabbro layer containing about 2% finely disseminated sulphides.

This reef is overlain by a 28-cm layer of barren monzonite. Above the monzonite layer, 1.29 m of sulphide-mineralized metamelanogabbro and metapyroxenite containing about 10% sulphides in places, returned strongly anomalous palladium values including 0.59 g/t Pd+Pt+Au over 21 cm.

A 1.5 m-long surface channel sample, taken in a direction parallel to hole GP-15-01, returned a composite interval of 0.86 g/t Pd, 0.34 g/t Pt, 0.05 g/t Au and 0.40 % Cu from 1.50 to 3.00 m. This channel sample is situated 31 m sub-vertically (about 70 degrees dip) above the PGE reef intersected by the drill hole. It indicates a vertical continuity of the mineralized reef. The sample has been taken within a small test pit blasted in 1958, cleaned and expanded during the current drilling program. It is in this small pit that grab samples were taken during 2014. The samples revealed grades of 3.3 g/t, 2.3 g/t and 0.6 g/t Pd as well as 3.2%, 3.3% and 0.2% Cu respectively.

This discovery occurs in a previously unrecognized layered igneous complex. Mineralization is hosted in an interpreted "reef" horizon of metamorphosed and ouralitized pyroxenite and metamelanogabbro. This horizon shows disseminated sulphides that local concentration can be sufficiently high to confer to this rock a "net texture". The sulphides are comprised primarily of pyrrhotite (iron sulphide) and chalcopyrite (copper sulphide). Mineralized breccias exhibiting magmatic textures with centimeter-scale rounded pyroxenite xenoliths contained in a massive sulphide constitute the stratigraphic top of the reef. There appears to be a strong correlation between the presence of chalcopyrite and high palladium values. The highest palladium, platinum and gold values are in the sulphide-poor basal section of the intersected reef.

Both the mineralized drillhole intercept and surface channel samples are situated at the northeast end of an anomaly identified by the magnetometer and an induced polarization survey performed earlier this year. This linear anomaly, more than 700 m long, is oriented SSW-NNE.

Reef stratigraphy comprised of metamelanogabbro and metapyroxenite has been observed in all other drill holes with the exception of one (1) hole drilled outside of the aforementioned geophysical anomaly. The mineralized reef horizon remains open in all directions.

The complete assay results for the remaining holes and other channels samples confirmed the extension of the stratabound PGE reef over a distance of 719 m. The mineralized reef, which returned 3.44 g/t Pd+Pt+Au over 40 cm at the main showing area, was intersected in six (6) of the nine (9) holes. Drilling investigated only the top 50 m of the mineralized reef.

Channel samples taken from a 20 m by 5 m trench over the main showing area returned strongly anomalous PGE values and confirmed the surface exposure of the PGE reef horizon. Mineralization in the reef is open in all directions and is characterized by a combination of stratigraphy and highly anomalous PGE values. Regional compilation suggests an interpreted surface expression of the reef horizon over an estimated 11 km.

3. EXPLORATION PROJECTS (CONT'D)

Exploration results obtained to date are encouraging and must be put into the perspective that at producing PGE mines only two out of three drillholes show economic grades along the same reef. To better assess the full exploration potential of the Green Palladium PGE reef, the Corporation's exploration team has designed a program for the next phase of exploration that consists of: 1) a gamma ray spectrometric and magnetic survey, 2) a soil geochemical survey, 3) detailed surface mapping and prospecting, and 4) drilling of targets identified from the geophysical and geochemical surveys and prospecting results. Exploration in the project area is low cost and benefits from excellent infrastructure and community support.

3.2 Calumet-Sud Project

a) Project description

On August 6, 2015 (amended on March 25, 2016), the Corporation signed a definitive agreement with Gardin for the acquisition of 100% of the Calumet-Sud project in the Pontiac MRC in southwestern Québec. The Corporation acquired the project by issuing 1,384,615 common shares, valued at $41,538 based on the Exchange share price of $0.03 on the date of the share issuance. Another 1,923,077 common shares will be issued at the earliest on August 6, 2016 and 2,846,231 common shares at the earliest on August 6, 2017, under certain conditions. One of these conditions is that Gardin (and Gardin's affiliates and joint actors) would beneficially own no more that 19.9% of the common shares of Sphinx outstanding immediately after giving effect to such issuance. In addition the Corporation will: (i) make cash payments by the third anniversary to Gardin totaling $93,000 in reimbursement of expenses spent by Gardin on the Project, and (ii) fund not less than $350,000 in exploration expenditures over three years as follow:

		Work	
		Commitment	**Completed**
		$	**$**
On or before February 27, 2017		50,000	2,365
On or before August 31, 2018		100,000	-
On or before February 28, 2020		200,000	-
	Total	**350,000**	**2,365**

The Corporation must complete the share issuances, cash payments and exploration work, failing which the project will be return to Gardin. A 2% NSR royalty was granted to Gardin.

On March 25, 2016, the Corporation signed an option and joint venture agreement with SOQUEM to grant SOQUEM the option to acquire an undivided 50% interest in the Calumet-Sud project. SOQUEM will be the operator during the option period. Upon the exercise of the option, a joint venture would be created between the Corporation and SOQUEM.

Before March 31, 2016, SOQUEM must pay $93,000 to Gardin and $7,000 to the Corporation (completed in March 2016). Also, SOQUEM must fund $450,000 in exploration expenditures as follows:

	Work	
	Commitment	**Completed**
	$	**$**
On or before February 27, 2017	100,000	-
On or before August 31, 2018	150,000	-
On or before February 28, 2020	200,000	-
Total	**450,000**	**-**

3. EXPLORATION PROJECTS (CONT'D)

The August 6, 2015 definitive agreement with Gardin was amended on March 25, 2016 to, amongst other things, match SOQUEM's work commitment time table.

The project consists of 21 claims (12.1 km^2) located in the Municipality of Grand Calumet Island in the Pontiac MRC in southwestern Québec. The Project is immediately adjacent and south of the former New Calumet mine that produced from 1943 to 1968, 3.8 million tonnes at 5.8% Zn, 1.6% Pb, 65 g/t Ag and 0.4 g/t Au. In the 1980s, Lacana Mining Ltd. discovered significant gold mineralization immediately below the underground workings of the former New Calumet mine. The Project is adjacent to its 100% owned Green Palladium project.

b) Exploration work on the project

A soil geochemical survey conducted in 2014 revealed a strong 300-metre long lead and zinc anomaly. Channel samples taken in trenches returned anomalous values including 3% Zn over 10 m which included an interval of 6.9% Zn over 1 metre. The project also includes the southwest portion of the Obwondiag layered igneous complex, named by Sphinx, which hosts the palladium mineralization to the northeast. It is in this layered igneous complex that Sphinx discovered a platinum group elements-bearing reef (see Green Palladium project). SOQUEM in collaboration with Sphinx will soon begin preparing an exploration program to be conducted in 2016.

3.3 Somanike "Ni-Cu-PGE"

a) Project description

The Somanike project comprises 86 claims, 2 mining concessions (known as the Marbridge mine concessions, "Marbridge"), with a 52 km^2 surface area and is located about 25 km north-west of the town of Malartic, in the Abitibi region of Québec. The Somanike project was named as part of the signing of a cooperation agreement between Sphinx and the Abitibiwinni first nation, based at Pikogan, Québec.

The project covers a favourable strike length of over 14 km and is comprised of Archean volcanic rocks (the Malartic and Louvicourt groups) and sedimentary rocks of the Kewagama group. This area represents the extension of volcanic units found in the Val d'Or area, which is well known for its many volcanogenic massive sulphide deposits and gold deposits. The project area includes a sequence of ultramafic rocks located south of the Mainville South regional fault and wedged between the La Motte pluton to the north, the Preissac pluton to the south and the La Corne pluton to the east. The geology of the area is essentially composed of komatiites, peridotites pyroxenites and both mafic and felsic volcanic rocks. A sedimentary unit, locally bearing massive sulphides (pyrrhotite and pyrite), is also observed in places. These lithologies belong to the La Motte-Vassan Formation, at the base of the Malartic Group. Lithogeochemistry data from historical drill holes indicate the presence of ultramafic rocks.

The initial project area was covered by a VTEM survey that produced excellent magnetic responses and local conductive targets. Three target areas were refined on the ground using focused ARMIT surveys.

A 4-hole drill program was completed in 2015 totalling 917 metres. The holes confirmed the presence of more intrusive ultramafic rocks (peridotite) than previously known in the eastern part of the project area. The intersected ultramafic rocks correlate very well with new magnetic trends returned from the VTEM survey and enhance the prospectivity of the entire area. Drill results include the first nickel-bearing sulphide intercept from the project, which returned 1.41% Ni, 0.05% copper, 0.30 g/t palladium and 0.04 g/t platinum over 0.5 metres. The high-grade intercept is surrounded by anomalous Ni-Cu-PGE values in sulphides within ultramafic rocks and intermediate lapilli tuffs. The mineralization remains open in all directions. The ultramafic rocks are likely feeders to komatiite flows known in the area. High-grade mineralization is directly associated with peridotite and supported by additional intervals of anomalous nickel in sulphides.

3. EXPLORATION PROJECTS (CONT'D)

To test the potential extensions of the nickel-bearing sulphides, down-hole EM surveys were completed in two holes to assist with future drill targeting. Several priority drill targets have been identified. On the basis of the results obtained to date, Sphinx is designing a follow-up exploration program which includes drilling of high priority targets.

Further to the initial program described above, Sphinx expanded its land position through 2 strategic acquisitions.

Acquistion of former Marbridge mine
On June 1, 2015, the Corporation signed an acquisition agreement with Royal Nickel for the purchase of 100% of the Marbridge project by issuing 2,000,000 common shares (valued at $70,000). This project comprises 8 claims and 2 mining concessions for a total surface area of about 5.8 km^2 and is located within the municipality of La Motte just east of the Corporation's Preissac project. Royal Nickel also received a 2% NSR on the Marbridge mining concessions and the Corporation has the right and option to purchase this 2% NSR for $2,000,000. The 8 mining claims remain subject to a 2% NSR in favour of Jefmar Inc. and the Corporation has the right to purchase 50% of this NSR for $1,000,000.

The Preissac and Marbridge projects are collectively renamed as the Somanike project in connection with the signing of a cooperation agreement between Sphinx and the Abitibiwinni first nation (the "Abitibiwinni Nation"), based at Pikogan, Québec. In connection with the cooperation provided and services rendered by the Abitibiwinni Nation in finalizing all of these initiatives, the Corporation issued 100,000 common shares (valued at $5,000) to the Abitibiwinni Nation.

Acquisition of claims from Globex
On June 15, 2015 (and as amended on June 7, 2016), the Corporation signed a definitive agreement to acquire seven claims from Globex Mining Enterprises Inc. ("Globex") in the area of the Somanike project, now 100% owned by the Corporation and located in the Abitibi region of Québec.

Globex assigns, transfers and sells to Sphinx all of its rights, titles and interests in and to the Claims, for consideration that is comprised of:

1. 1,200,000 common shares of the Corporation valued at $36,000; and
2. a graduated Gross Metal Royalty ("GMR") defined as 1% of all metals produced from the Claims when the nickel ("Ni") price quote is $6.00 US/lb. or less, 1.5% GMR when it is greater than $6.00 US/lb. but less than $8.00 US/lb. and 2% GMR when it is $8.00 US/lb. or greater.

In addition, the Corporation must complete the following exploration work, failing which the project will be returned to Globex:

	Work	
	Commitment	Completed
	$	$
On or before June 15, 2018	300,000	-
On or before June 15, 2019	100,000	-
On or before June 15, 2020	100,000	-
Total	**500,000**	**-**

3. EXPLORATION PROJECTS (CONT'D)

b) Exploration work on the project
High-grade mineralization has been intersected as part of the diamond drill program performed on the project during spring 2015. Results include the first nickel-bearing sulphide intercept from the project, which returned 1.41% Ni, 0.05% copper, 0.30 g/t palladium and 0.04 g/t platinum over 0.5 m. The high-grade intercept is surrounded by anomalous Ni-Cu-PGE values in sulphides within ultramafic rocks and intermediate lapilli tuffs. The mineralization remains open in all directions.

Hole # total depth	UTM E NAD 83	UTM N NAD 83	Dip / Direction (true N °)	From (m)	To (m)	Interval (m) *	Ni (%)	Cu (%)	Pt (g/t)	Pd (g/t)
SR-15-01 273 m	704941	5358319	-52 / 158	54	203	149	Mostly ultramafic rocks No significant results			
SR-15-02 150 m	705568	5358912	-48 / 158	57	60	3	Ultramafic rocks No significant results			
SR-15-04 220 m	707590	5357935	-49.5 / 181	66	79	13	Ultramafic rocks No significant results			
SR-15-06 192 m	707590	5357850	-44 / 184 including	56.4 60.0	60.5 60.5	4.1 0.5	0.29 1.41	0.04 0.05	NA 0.04	NA** 0.30

* Reported drill intercepts are not true widths. There is insufficient data with respect to the shape of the mineralization to calculate true orientations in space.
** Not analyzed.

The program tested drill targets identified by the integration of historical information, the 2014 VTEM^{plus} geophysical survey results, prospecting results and a ground-based TDEM-ARMIT geophysical survey carried out on the eastern portion of the project during the 2015 winter season. Four drill holes were completed for a total of 917 m drilled. Two planned holes were not completed: SR-15-03 was abandoned at 82 m in overburden and SR-15-05 was postponed due to spring break-up.

The four completed holes confirmed the presence of more intrusive ultramafic rocks (peridotite) than previously known in the eastern part of the project area. The ultramafic rocks are likely feeders to komatiite flows known in the area. High-grade mineralization is directly associated with peridotite and supported by additional intervals of anomalous nickel in sulphides. To test the potential extensions of the nickel-bearing sulphides, down-hole EM surveys were completed in two holes to assist with future drill targeting. Several priority drill targets have been identified. On the basis of the results obtained to date, the Corporation is designing a follow-up exploration program which includes drilling of high priority targets.

3.4 Samson (Ni-Cu-PGE)

a) Project description
On September 3, 2014, the Corporation signed an agreement with Midland Exploration Inc. ("Midland") for the Samson project, located about 50 km west of the town of Matagami, in Abitibi, Québec. Under the terms of this agreement, the Corporation could have earned 50% of Midland's interest over a period of 4 years, by paying $275,000 in cash ($40,000 completed) and completing $3,500,000 of exploration work ($565,494 completed). On December 11, 2015, the Corporation terminated the Samson agreement with Midland.

3. EXPLORATION PROJECTS (CONT'D)

b) Exploration work on the project

During the month of December 2014, ground-based electromagnetic TDEM-ARMIT surveys were completed on six grids totalling approximately 60 line km. The surveys verified the presence of several historic and coincident magnetic and EM responses identified during a MegaTEM airborne electromagnetic survey completed by Noranda Inc. in 2004. Following the interpretation of the ground TDEM-ARMIT surveys, several electromagnetic conductors located along the margins of strong magnetic signatures caused by ultramafic intrusions were selected for follow-up drill-testing.

Midland completed six diamond drill holes for a total of 1,626 m. Two of these drill holes (SAM-15-01 and SAM-15-06) confirmed the presence of ultramafic intrusive rocks over a distance of more than 15 km in the north part of the project. Drill hole SAM-15-01 returned values of 101 ppb Au and 263 ppb Pd over 1.0 m, from 240.0 to 241.0 m, associated with fracturing in ultramafic rocks.

About 15 km to the east and just south of these ultramafic rocks, drill hole SAM-15-05 intersected a sequence of graphitic mudstones and cherty tuffites with pyrite mineralization and anomalous gold grades of 0.12 g/t Au over 1.0 m (146.0 to 147.0 m) and 0.20 g/t Au over 1.0 m (150.0 to 151.0 m). In addition, hole SAM-15-06 showed the beginning of a weak "Off-Hole" anomaly near the end of the hole. A follow-up exploration program has been designed by Midland and is being reviewed by the Corporation.

3.5 Adam project (gold-copper)

a) Project description

On December 12, 2014, the Corporation signed an agreement with Midland for the Adam project, located about 50 km west of the town of Matagami, in Abitibi, Québec. Under the terms of this agreement, the Corporation could have earned 50% of Midland's interest over a period of 4 years, by paying $250,000 in cash ($20,000 completed) and completing $3,000,000 of exploration work ($180,318 completed). On December 11, 2015, the Corporation terminated the Adam agreement with Midland.

b) Exploration work on the project

A helicopter-borne VTEM electromagnetic survey totalling about 800 line-km was completed in December 2014 to cover the entire project. A follow-up exploration program has been designed by Midland and is being reviewed by the Corporation.

3.6 Dollier

On September 25, 2014, the Corporation signed a binding letter of agreement with Cartier Resources Inc. ("Cartier") to grant in favour of the Corporation an option to purchase, in three staged options, an interest of up to 100% in the , located 45 km south of the town of Chibougamau, Québec. The Corporation could have earned, with the first option, a 50% undivided interest in the Dollier project over a period of 3 years, by issuing 600,000 common shares of the Corporation (150,000 issued valued at $15,000) and completing $1,800,000 of exploration work ($420,483 completed). On August 5, 2015, the Corporation terminated the Dollier agreement with Cartier.

3.7 Valmond

In December 2013, the Corporation entered into an option agreement with Midland for the Valmond gold project. This project is located about 50 kilometres west of the town of Matagami, in Abitibi, Québec. Under the terms of this agreement, the Corporation could have earned 50% of Midland's interest over a period of 4 years, by paying $250,000 in cash ($30,000 completed) and completing $2,500,000 of exploration work ($666,818 completed). On August 11, 2015, the Corporation terminated the Valmond agreement with Midland.

4. SELECTED ANNUAL INFORMATION

	February 29, 2016	February 28, 2015	February 28, 2014
	$	$	$
Financial Results			
Interest income	14,366	5,582	47,429
Loss from discontinued operation	-	-	(24,750,814)
Loss	(683,392)	(2,493,967)	(28,269,349)
Basic and diluted loss per share	(0.02)	(0.11)	(5.61)
Financial Position			
Working capital (deficit)	232,482	856,636	(851,572)
Total assets	1,265,810	1,905,678	4,843,169
Total non-current liabilities	24,630	342,887	106,512
Total equity	219,848	522,066	481,536

As a result of an uncured default under the Metal Purchase Agreement, the Corporation forfeited its 35% interest in the Bracemac-McLeod mine and mine project area during Fiscal 14. This resulted in a significant loss on the write-off of capitalized development costs. Both the Corporation's assets and liabilities have been reduced very significantly as a result of this write-off.

5. RESULTS OF OPERATIONS

General and administration expenses details are as follows:

	Q4-16	Q4-15	Fiscal 16	Fiscal 15
	$	$	**$**	$
Administration fees	-	-	-	30,000
Directors fees	12,000	9,000	42,000	29,000
Filing and transfer agent fees	5,579	6,078	47,158	42,600
Management fees	16,240	16,928	53,049	158,448
Office and miscellaneous	5,952	6,690	28,009	47,807
Professional fees	54,304	64,620	120,756	347,567
Promotion	15,769	46,843	68,066	161,826
Rent	(7,387)	125	(7,387)	(943)
Salaries and benefit	40,496	67,820	111,934	177,808
Share-based payments	-	2,177	1,890	81,985
Travel	599	3,797	10,719	53,791
General and administration	**143,552**	**224,078**	**476,194**	**1,129,889**

Finance costs details are as follows:

	Q4-16	Q4-15	Fiscal 16	Fiscal 15
	$	**$**	**$**	**$**
Accretion sublease reserve	408	559	1,632	2,236
Accretion of convertible debentures	1,545	5,895	47,930	5,895
Issuance costs on convertible debentures	1,287	995	5,148	995
Common shares issued in lieu of interest payment on convertible debentures	22,562	-	45,000	-
Interest paid and accrued on loan payable	5,595	10,348	22,472	209,840
Interest accrued on tax credits payable	(103,867)	-	(65,155)	-
Finance costs	**(72,470)**	**17,797**	**57,027**	**218,966**

5. RESULTS OF OPERATIONS (CONT'D)

5.1 Discussion on Q4-16 financial position and results of operations

For Q4-16, the Corporation reported an income and comprehensive income of $653,073 (Q4-15 – loss of $606,321). The Corporation's income per share was $0.02 (Q4-15 – loss of $0.02).

See Section 3 for details of the exploration work done on the different projects totalling a recovery of $719,680 (Q4-15 – an expense of $528,452).

a) General and Administrative

During Q4-16, general and administrative expenses decreased to $143,552 (Q4-15 - $224,078) and highlights are as follows:

- Salaries and benefits. Effective November 30, 2015, Normand Champigny's employment agreement was amended to reduce his salary from $20,000 to $10,000 per month.
- Promotion. In March 2014, the Corporation hired Cor Capital Inc. to provide non-exclusive investor relations services and the fees were $7,500 per month (with an initial payment in March 2014 of $22,500). This contract was terminated as at June 30, 2015.

b) Finance costs

During Q4-16, finance costs were a recovery of $72,470 versus an expense of $17,797 in Q4-15 and highlights are as follows:

- The accretion of convertible debentures represents $1,545 ($5,895 in Q4-15). These convertible debentures were issued on December 19, 2014 and will mature on December 19, 2016. They bear interest at a rate of 12% per year, payable in cash or shares every six months. In Q4-16, the $22,562 interest due were paid through the issuance of 451,233 common shares of the Corporation.
- Interest paid in Q4-16 of $5,595 ($10,348 in Q4-15) relates to the loan payable bearing a 14% interest rate. In August 2014 a repayment of $1,640,000 was done, which resulted in the reduction of the loan payable interest expense.
- Finally, a $38,712 credit was recorded relating to interest accrued on the tax credits payable. In April 2016, the Corporation was informed of the favorable resolution of the objection process relating to tax credits for fiscal 2009, 2010 and 2011 and therefore reversed the interest accrual it had recorded in Fiscal 16 on this re-assessment payable for $65,155.

c) Others

i) Flow-through share premium

Resource expenditures for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian income tax legislation. Flow-through common shares are recognized in equity based on the Corporation's quoted stock price on the date of the issuance. The difference between the amounts recognized in common shares and the total amount the investor pays for the flow-through common shares is recognized as a liability which is subsequently reversed into earnings as eligible expenditures are incurred. The resources expenditures relating to the $1,104,250 July and August 2013 flow-through financing were completed by December 31, 2014.

ii) Current tax recovery

In April 2016, the Corporation was informed of the favourable resolution of the objection process relating to tax credits for fiscal years 2009, 2010 and 2011. Therefore, a $62,814 provision was reversed into current tax recovery. In addition, following the audit on the 2014 Quebec refundable credits on mining duties for losses, a $63,359 additional receivable was recorded against the current tax recovery.

5. RESULTS OF OPERATIONS (CONT'D)

5.2 Discussion on Fiscal 16 financial position and results of operations

For Fiscal 16, the Corporation reported a loss and comprehensive loss of $683,392 (Fiscal 15 - $2,493,967). The Corporation's loss per share was $0.02 (Fiscal 15 - $0.11).

See Section 3 for details on the exploration work done on the different projects totalling $330,736 (Fiscal 15 – $1,508,730).

a) General and Administrative

General and administrative expenses decreased to $476,194 (Fiscal 15 - $1,129,889) and highlights are as follows:

- Administration fees. The Corporation paid an arms-length private company $10,000 per month up to May 2014 for accounting, secretarial and general administrative services.
- Directors' fees. On January 18, 2016, the Board of Directors approved a resolution to pay in shares the $16,000 owed to the Directors (less deductions at source) for their fees from September 1 to December 31, 2015. This share issuance was done at $0.05 per Sphinx share. As at February 29, 2016, the Corporation owes $8,000 to the Directors for their fees.
- Management fees, salaries and benefits. As at November 30, 2015, Normand Champigny agreed to wave $120,000 of the amount owed to him as per his employment agreement. Effective November 30, 2015, his employment agreement was amended to reduce his salary from $20,000 to $10,000 per month. As at November 30, 2015, Ingrid Martin agreed to wave $33,394 owed to her management company.
- Professional fees decreased to $120,756 ($347,567 in Fiscal 15). In Fiscal 15, the majority of the professional fees were incurred in relation to the evaluation and acquisition of exploration and mining projects.
- Promotion. In March 2014, the Corporation hired Cor Capital Inc. to provide non-exclusive investor relations services and the fees were $7,500 per month (with an initial payment in March 2014 of $22,500). In June 2015, this contract was terminated with an ending date effective August 31, 2015.

b) Finance costs

During Fiscal 16, finance costs decreased to $57,027 (Fiscal 15 - $218,966) and highlights are as follows:

- Interest paid and accrued on loan payable in Fiscal 16 of $22,472 (Fiscal 15 - $209,840) are mostly relating to the loan payable bearing a 14% interest rate. In Q4-16, the $45,000 interest due were paid through the issuance of 900,000 common shares of the Corporation.
- The accretion of convertible debentures represent $47,930 ($5,895 in Q4-15). These convertible debentures were issued on December 19, 2014 and will mature on December 19, 2016. They bear interest at a rate of 12% per year, payable in cash or shares every six months. In Fiscal 16, 900,000 common shares of the Corporation were issued in lieu of $45,000 of interest payments.
- In April 2016, the Corporation was informed of the favourable resolution of the objection process relating to tax credits for fiscal years 2009, 2010 and 2011 and therefore reversed the interest accrual it had recorded in Fiscal 16 on this re-assessment payable for $65,155.

c) Others

i) *Flow-through shares premium*

The resources expenditures relating to the $1,104,250 July-August 2013 flow-through financing were completed by December 31, 2014.

ii) Current tax recovery

In April 2016, the Corporation was informed of the favourable resolution of the objection process relating to tax credits for fiscal years 2009, 2010 and 2011. Therefore, a $62,814 provision was reversed into current tax recovery. In addition, following the audit on the 2014 Quebec refundable credits on mining duties for losses, a $63,359 additional receivable was recorded against the current tax recovery.

6. FINANCING ACTIVITIES

6.1 March 2014 financing

On March 28, 2014, the Corporation closed a non-brokered private placement for gross proceeds of $200,200. The Corporation issued 1,540,000 units at a price of $0.13 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.175 per common share until March 28, 2016.

This financing followed a financing closed in February 2014, where the Corporation issued 8,628,966 units at a price of $0.12 per unit for gross proceeds of $1,035,476. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.16 per common share. A total of 6,551,666 warrants will expire on February 14, 2016 and a further 2,077,300 warrants will expire on February 21, 2016.

6.2 September 2014 financing

On September 5 and 12, 2014, the Corporation issued 8,389,615 and 1,925,000 units respectively, at a price of $0.13 per unit for gross proceeds of $1,340,900, Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.175 per common share and their expiry dates are September 5 and September 12, 2016 respectively.

The Corporation paid cash finder's fees of $22,100 in respect of this financing. Also, on September 5 and 12, 2014, the Corporation issued, respectively, 16,000 and 154,000 agent's compensation options entitling the agent to purchase 170,000 units at an exercise price of $0.13 per unit, expiring respectively on September 5 and 12, 2015. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the agent to acquire one common share at a price of $0.175 per common share, expiring on September 5 and 12, 2016 respectively.

6.3 December financings

a) Convertible debentures

On December 19, 2014, the Corporation closed a non-brokered private placement of convertible debentures totaling $375,000. The convertible debentures will mature in 24 months and bear interest at a rate of 12% per year, payable in cash or shares every six months, at a price per share based on the 20-day volume weighted average price of the common shares ("VWAP") and subject to Exchange approval. The debentures are convertible into common shares at a price of $0.13 during the term of the debenture. At the maturity date, each debenture can be repaid in cash or in shares at a price per share based on the VWAP, subject to Exchange approval. As part of the private placement, 1,442,308 common share purchase warrants were issued. Each common share purchase warrant entitles the holder to purchase one common share at $0.17 for 24 months.

b) Private placements

On December 19, 2014, the Corporation closed a private placement totaling $879,548 by issuing 5,996,523 flow-through shares at a price of $0.13 and 1,250,000 units at price of $0.08 per unit. Each unit is comprised of one common share and one-half of a common share purchase warrant. Each whole common share purchase warrant will entitle the holder to purchase one common share at a price of $0.11 until December 19, 2016. A finder's fee totaling $52,900 was paid and 406,922 agent warrants were issued. Each agent warrant is exercisable at a price of $0.11 per common share until December 19, 2016.

7. FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Corporation recorded a loss of $683,392 in Fiscal 16 and has an accumulated deficit of $69,241,917 as at February 29, 2016. In addition to ongoing working capital requirements, the Corporation must secure sufficient funding to meet its other obligations, existing commitments for the exploration and evaluation programs and pay general and administration costs. As at February 29, 2016, the Corporation had working capital of $232,482.

While the Corporation has secured financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Corporation or that they will be available on terms which are acceptable to the Corporation. If new funding is not obtained, the Corporation may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these financial statements and this could have a significant impact on the financial position of the Corporation, its financial performance and its cash flows.

Major sources of cash during Fiscal 15 were the issuance of units for $1,641,100, flow-through share for $779,548 and convertible debenture for $375,000. Also the Corporation cashed an amount of $2,731,501 of Québec refundable credits on mining duties and $42,947 of refundable tax credit for resources. Major uses of cash during Fiscal 15 were approximately $2,444,261 on operating activities and $2,370,000 repayment of the loan payable.

In Fiscal 16, the Corporation cashed $161,636 of refundable tax credit for resources. Major uses of cash during Fiscal 16 were approximately $683,688 on operating activities.

7.1 Loan Payable

As at February 29, 2016, the loan outstanding amounts to $160,000 and the Corporation is paying monthly interest at 14% per annum. In March 2016, this loan was fully reimbursed.

7.2 Shares for debt

On October 2, 2014, the shareholders of the Corporation approved the shares for debt settlement agreements with each of Keats Consulting Inc. ("Keats"), Elysian Enterprises Inc. ("Elysian") and Zorayda Consulting Ltd. ("Zorayda") subsequent to which the Corporation issued 2,556,538 common shares in full and final satisfaction of an aggregate amount of $332,350 owing to Keats, Elysian and Zorayda with respect to their services performed up to December 10, 2013.

On January 18, 2016, the Board of Directors approved a resolution to pay in shares the $16,000 owed to the Directors (less deductions at source) for their fees up to December 31, 2015. These 296,468 shares were issued at $0.05 per share.

7. FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES (CONT'D)

7.3 Cash flow projection

Following is a table showing the cash flow projection up to February 28, 2017.

	Up to February 28, 2017
	$
February 2016 cash	199,890
Net tax credits to be received	1,045,000
Financing[1]	200,000
Payment to suppliers and management	(475,000)
Operating expenses	(375,000)
Exploration budget	(200,000)
Claim staking, project acquisition and maintenance	(40,000)
Loan repayment	(160,000)
Finance costs	(8,700)
Total	186,190

1) While the Corporation has secured financing in the past, there can be no assurance it will be able to do so for the $200,000 projected financings.

8. SELECTED QUARTERLY INFORMATION

The following table presents selected financial information for each of the most recent eight quarters:

	Q4-16	Q3-16	Q2-16	Q1-16
	$	$	$	$
Interest income	13,589	-	83	694
Earnings (loss)	653,073	(2,651)	(592,008)	(741,806)
Earnings (loss) per share	0.02	-	(0.01)	(0.02)
Working capital (deficiency)	232,482	(97,724)	(120,779)	300,011
Total assets	1,265,810	865,171	876,606	1,169,814

	Q4-15	Q3-15	Q2-15	Q1-15
Interest income	$	$	$	$
Earnings from discontinued operations	1,862	586	678	2,456
Loss	(606,321)	(944,920)	(340,732)	(601,994)
Loss per share	(0.02)	(0.04)	(0.02)	(0.04)
Working capital (deficiency)	856,636	(86,025)	(826,895)	(1,297,488)
Total assets	1,905,678	2,014,277	1,820,705	3,801,522

8. SELECTED QUARTERLY INFORMATION (CONT'D)

Highlights for each quarter are as follows.

8.1 Q4-16

In April 2016, the Corporation was informed by Revenu Quebec of the resolution in favour of the Corporation of the objection process related to the refundable tax credit for resources for fiscal years 2009, 2010 and 2011. Therefore all payables accrued previously for reassessment were reversed for $440,705 ($371,534 assessed plus $69,171 interest accrued). An additional provision of $63,518 was also reversed. In addition, a $234,217 receivable was recorded which represents the portion of the amount already paid that it is expected to be recovered for fiscal years 2009, 2010 and 2011. The provision accrued for Quebec refundable credits on mining duties for losses relating to operating fees paid to Glencore was reversed for $62,814. Notwithstanding the above, the Corporation kept a $46,700 overall provision relating to refundable tax credit for resources.

The Corporation received a payment from Revenu Quebec of $161,636 related to the 2015 refundable tax credit for resources.

8.2 Q3-16

On December 11, 2015, the Corporation terminated the Samson and Adam agreements with Midland.

8.3 Q2-16

Exploration expenditures totalling $226,031 were spent mostly on the Green Palladium Project.

The Corporation signed an acquisition agreement for the Marbridge and Calumet-Sud projects as well as acquiring 7 claims from Globex.

8.4 Q1-16

Exploration expenditures totalling $537,358 were spent on the Samson, Somanike, Green Palladium and Adam projects.

The Corporation signed an acquisition agreement for the Green Palladium project.

8.5 Q4-15

The Corporation completed a $879,548 private placement by issuing 5,996,523 flow-through shares and 1,250,000 units. It also issued for $375,000 of convertible debentures.

The Corporation signed an option agreement for the Adam project and announced the acquisition of the Green Palladium project which was completed in March 2015.

Exploration expenditures totalling $528,452 were spent on the Samson, Preissac and Green Palladium projects.

8.6 Q3-15

The Corporation completed a $1,340,900 private placement by issuing 10,314,615 shares. It also issued 2,556,538 common shares to settle a debt of $332,350 owed to previous management.

The Corporation signed two option agreements: one for the Samson project where a $40,000 cash payment was made and the other for the Dollier project where 150,000 common shares were issued and valued at $15,000.

8. SELECTED QUARTERLY INFORMATION (CONT'D)

Exploration programs were launched on the Preissac, Samson and Dollier projects in addition to having drilling resume on the Valmond project for a total of $691,192 exploration and evaluation expenditures incurred.

8.7 Q2-15

The fiscal 2012 Québec refundable credits on mining duties of $1,637,203 were received and consequently the residual balance of $1,530,000 due to Ressources Québec inc. was reimbursed and a partial payment to the other lenders was made for $110,000.

The Corporation acquired the Preissac project by issuing 588,235 common shares valued at $47,059.

8.8 Q1-15

The Corporation continued to constrain general and administrative costs; however the Corporation incurred additional professional fees in relation to project acquisition-related activities. All of the exploration costs incurred in Q1-15 were expensed on the Valmond gold project.

9. SUBSEQUENT EVENTS

9.1 Exploration projects

See section 3.2 for details on the Calumet-Sud project.

On June 4, 2016, the Corporation signed a project acquisition agreement with Les Ressources Tectonic Inc. whereby the Chemin Troilus project can be purchased for the following considerations: issuance of 1,000,000 common shares of the Corporation, $35,000 cash payment and 2% NSR royalty of which 1.5% can be bought back by the Corporation for $2,000,000. The agreement is subject to the Exchange's approval.

10. RELATED PARTY AND KEY MANAGEMENT TRANSACTIONS

In the normal course of operations, in Fiscal 16:

- A company controlled by Normand Champigny, President and CEO, charged management fees of $80,000 in Fiscal 15 (none in Fiscal 16). On July 1, 2014, the CEO became a salaried employee. As at November 30, 2015, Normand Champigny agreed to wave $120,000 of the amount owed to him as per his employment agreement. Effective November 30, 2015, his employment agreement was amended to reduce his salary from $20,000 to $10,000 per month. As at February 29, 2016, the Corporation owes Normand Champigny $75,150 of unpaid salary and vacation.
- A company controlled by Ingrid Martin, CFO since April 30, 2014, charged $53,049 ($78,448 in Fiscal 15) of management fees as CFO. She also charged $18,003 ($32,924 in Fiscal 15) for professional fees for her company's staff. These expenses are presented after considering that Ingrid Martin agreed, as at November 30, 2015, to wave $33,394 owed to her management company. As of February 29, 2016, the Corporation owes Ingrid Martin CPA inc. $42,792.
- Michel Gauthier, president of Gardin, was elected director of the Corporation on August 27, 2015. As at February 29, 2016, an amount of $34,480 is owed to Gardin on exploration fees and expenses. On November 2, 2015, Gardin announced it had acquired from Amixam on a private placement basis for an aggregate purchase price of $75,000 direct ownership of the 4,000,000 common shares of the Corporation and the rights to receive an additional 461,536 shares pursuant to the Green Palladium project acquisition agreement, representing a price of approximately $0.01681 per Sphinx share. As of February 29, 2016, the Corporation owes Gardin $34,480.

10. RELATED PARTY AND KEY MANAGEMENT TRANSACTIONS (CONT'D)

- Directors' fees. On January 18, 2016, the Board of Directors approved a resolution to pay in shares the $16,000 owed to the Directors (less deduction at source) for their fees up to December 31, 2015. This share issuance was done at $0.05 per Sphinx share. As at February 29, 2016, the Directors are owed $8,000 for their fees.

11. OUTSTANDING SHARE DATA

The Corporation had the following securities issued and outstanding:

	June 13, 2016	**February 29, 2016**
Shares	46,637,478	46,637,478
Stock options	1,400,000	1,400,000
Warrants	13,397,223	14,937,223
Agent options and underlying warrants	491,978	491,978
	61,926,679	**63,466,679**

On December 19, 2014, the Corporation closed a non-brokered private placement of convertible debentures totaling $375,000. The convertible debentures will mature in 24 months and bear interest at a rate of 12% per year, payable in cash or shares every six months, at a price per share based on the 20-day volume weighted average price of the common shares ("VWAP") and subject to the Exchange approval. The debentures are convertible into common shares at a price of $0.13 during the term of the debenture. At the maturity date, each debenture can be repaid in cash or in shares at a price per share based on the VWAP, subject to Exchange approval.

12. STOCK OPTION PLAN

The purpose of the stock option plan is to serve as an incentive for the directors, officers and service providers who will be motivated by the Corporation's success as well as to promote ownership of common shares of the Corporation by these people. There is no performance indicator relating to profitability or risk attached to the plan.

In June 2014, the Board approved certain changes to the stock option plan (the "Stock Option Plan"), which was approved by the Exchange. The reason for these changes is to maintain the incentive for a longer period considering the stability of the participants and the business model of the Corporation and also to incorporate the numerous amendments brought recently to the Exchange's policy relating to stock options.

The following is a summary of the main changes to the Stock Option Plan:
- The maximum number of common shares that can be issued upon exercise of stock options granted under the Stock Option Plan is equal to 1,543,000 common shares.
- The option price shall not be less than the price on the Exchange on the close of the previous trading day, provided that certain conditions are met as defined in the Stock Option Plan.

On October 10, 2014, the Corporation granted 1,525,000 stock options to directors, officers, advisors and consultants at an exercise price of $0.125 with an expiry date of October 10, 2024. Of the 1,525,000 stock options granted, 1,425,000 vested immediately and 100,000 are vesting over a one year period at 25% every three months from the date of grant.

13. CHANGES IN ACCOUNTING POLICIES

Refer to note 3 of the February 29, 2016 financial statements.

14. FINANCIAL INSTRUMENTS

Refer to note 16 of the February 29, 2016 financial statements.

15. OFF-BALANCE SHEET ARRANGEMENTS

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

16. RISKS AND UNCERTAINTIES

The business of exploration and mining involves a high degree of risk and there can be no assurance that the Corporation's exploration programs will result in profitable mining operations. Companies in this industry are subject to a variety of risks, including but not limited to, environmental and social acceptability issues, commodity prices, political and economic instability, with some of the most significant risks being:

a) Substantial expenditures are required to explore for mineral resources and the chances of identifying economically recoverable reserves are extremely remote;

b) Substantial expenditures are required to develop mineral reserves;

c) The junior resource market, where the Corporation raises funds, is extremely volatile and there is no guarantee that the Corporation will be able to raise funds as it requires them;

d) Although the Corporation has taken steps to verify ownership and legal title to the mineral projects in which it has an interest, according to the usual industry standards for the stage of exploration and development of such projects, these procedures do not guarantee the Corporation's title. Such projects may be subject to prior agreements or transfers and title may be affected by undetected defects; and

e) The Corporation is subject to the laws and regulations relating to environmental matters, including provisions relating to reclamation, discharge of hazardous materials and other matters. The Corporation conducts its exploration activities in compliance with applicable environmental protection legislation and is not aware of any existing environmental problems related to its projects that may cause material liability to the Corporation.

17. FORWARD-LOOKING STATEMENTS

This management's discussion and analysis contains forward looking statements reflecting Sphinx's objectives, estimates and expectations. These statements are identified by the use of verbs such as ''believe'', ''anticipate'', ''estimate'', and ''expect''. As well as the use of the future or conditional tense. By their very nature, these types of statements involve risk and uncertainty. Consequently, results could differ materially from the Corporation's projections or expectations.

June 13, 2016

(s) Normand Champigny	*(s) Ingrid Martin*
Normand Champigny	Ingrid Martin
Chief Executive Officer	Chief Financial Officer