



MANAGEMENT'S DISCUSSION AND ANALYSIS

Years ended February 28, 2017 and February 29, 2016

SPHINX RESOURCES LTD.

Management's Discussion and Analysis

Years ended February 28, 2017 and February 29, 2016

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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 fiscal year ended February 28, 2017, 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 2015	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 29, 2016
Fiscal 2016	March 1, 2015 – February 29, 2016
Q1-17	March 1, 2016 – May 31, 2016
Q2-17	June 1, 2016– August 31, 2016
Q3-17	September 1, 2016 – November 30, 2016
Q4-17	December 1, 2016 - February 28, 2017
Fiscal 2017	March 1, 2016 – February 28, 2017

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 2017, 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 12, 2017.

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

1.1 Strategy

Sphinx's strategy is to generate or acquire quality projects with good social acceptability, low cost exploration by ensuring year-round ground access, and a focus on precious metals and high-grade zinc. Sphinx will maintain a diverse portfolio of projects with various levels of advancement in different high grade metamorphic terranes, which have been often overlooked for their precious metals and zinc potential. To execute on this strategy, the Corporation relies on a team of recognized mine finders with significant experience in exploration project generation. Sphinx will concentrate first on Quebec with potential expansion into other Canadian provinces.

To support this strategy Sphinx has formed two partnerships:

- one with Sirios Resources Inc. ("Sirios") on the Chechoo-Eleonore Trend project in the Eeyou Istchee James Bay territory; and
- one with SOQUEM, a subsidiary of Investissement Québec, who is a leading player in mineral exploration in Québec on the Calumet-Sud project and palladium on both the Calumet-Sud zinc projects.

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1. OVERVIEW OF THE CORPORATION (CONT'D)

1.2 Financing

On September 22, 2016, the Corporation closed the first tranche of a non-brokered private placement for aggregate gross proceeds of \$276,500, comprised of 5,530,000 units of the Corporation at a price of \$0.05 per unit. Each unit consists of one common share in the capital of the Corporation and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of \$0.08 per common share until September 22, 2019. Management and one director of the Corporation subscribed for an amount of \$15,000 of the Private Placement. The Corporation paid certain finder's fee of up to 7% in cash, representing an aggregate amount of up to \$13,755, and issued 173,600 non-transferable finders warrants, each such entitling the finder to acquire one common share at a price of \$0.08 per common share until September 22, 2019.

On February 28, 2017, the Corporation closed a private placement for aggregate gross proceeds of \$1,402,810, comprised of 23,380,165 units at a price of \$0.06 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 \$0.09 per common share until February 28, 2020. Management and one director of the Corporation subscribed for an amount of \$15,300 of the private placement. In connection with the private placement, the Corporation has agreed to pay to certain finders a finder's fee of up to 7% in cash, representing an aggregate amount of up to \$66,992, and issued 1,011,628 non-transferable finders warrants, each such entitling the finder to acquire one common share at a price of \$0.09 per common share until February 28, 2020.

1.3 Refundable mining credits received for \$1,622,696

In Q1-17, the Corporation was informed by Revenu Quebec of the favorable resolution of the objection process related to the refundable tax credit for resources for fiscal years 2009, 2010 and 2011 and received a reimbursement of \$247,665. In addition, the Corporation received the fiscal 2014 Quebec refundable credits on mining duties for losses for \$739,272. The Corporation also received \$95,098 relating to the Fiscal 15 and Fiscal 2016 refundable tax credit for resources and refundable credits on mining duties for losses. Finally, the Corporation received \$540,661 of Quebec refundable credits on mining duties for losses for 2012 to 2014.

These reimbursements totalling \$1,622,696 dramatically improved the financial position of the Corporation and facilitated the payment of all its outstanding trade payables at the time. In March 2016, the Corporation reimbursed the residual balance of the loan payable for \$160,000 and was released from a forbearance agreement.

1.4 Convertible debentures

During Fiscal 2016, the Corporation issued a total of 900,000 common shares in lieu of a cash payment for the interest on the first and second 6-month tranches totalling \$45,000, in accordance with the terms of the convertible debentures issued by the Corporation on December 19, 2014.

On January 9, 2017, the Corporation issued 4,500,000 common shares as repayment of \$225,000 convertible debentures. The conversion price was based on the last twenty trading days, subject to a \$0.05 per common share minimum. Also on January 9, 2017, the Corporation issued 900,081 common shares in lieu of a cash payment for the interest from December 19, 2015 to December 19, 2016 for \$45,004, in accordance with the terms of the convertible debentures issued by the Corporation on December 19, 2014.

The \$150,000 convertible debenture issued to Société d'investissement dans la diversification de l'exploration s.e.c. ("SIDEX") was extended for 2 years as well as their 576,923 warrants exercisable at \$0.17.

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1. OVERVIEW OF THE CORPORATION (CONT'D)

1.5 Eco-Niobium promissory note

On July 17, 2016, the Corporation signed a promissory note with Eco-Niobium Resources Inc. ("Eco-Niobium") whereby the Corporation lent \$85,000 to Eco-Niobium. The Exchange approved this transaction. The loan bears interest at the rate of 3% per annum and matures in 36 months. The bridge loan is not convertible into Eco-Niobium Shares and is secured by a movable hypothec on all present and future movable assets of Eco-Niobium. The net proceeds of the loan will be used for general corporate purposes and to advance mining projects of Eco-Niobium including the social acceptability aspects of a niobium project of the Oka area. Sphinx had entered into an agreement with Eco-Niobium providing for a strategic investment in Eco-Niobium of up to \$250,000 by way of a non-brokered private placement of unsecured convertible debentures of Eco-Niobium. The TSX-V had conditionally approved the investment. One of the conditions that had to be satisfied was the approval by the shareholders of Corporation, excluding the votes of non-arms' length parties. The investment is a non-arms' length transaction under the policies of the Exchange as a result of three directors being also directors of Eco-Niobium, namely Normand Champigny, Kerry E. Sparkes and John W. W. Hick. . The Corporation decided not to seek the disinterested shareholder approval at its October 6, 2016 shareholder meeting to complete the strategic investment in Eco-Niobium by way of a non-brokered private placement of unsecured convertible debentures of Eco-Niobium. Considering the current status of this project and the various approvals that Eco-Niobium has to achieve to successfully move this project forward, including obtaining the legal mineral rights, management has provided for 100% of the promissory note.

2. 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 28, 2017	February 29, 2016
	\$	\$
Cheechoo-Éléonore Trend		
Project acquisition and maintenance	38,085	-
Geology	58,832	-
Geochemistry	85	-
Recharge to partner	(6,064)	-
Refundable tax credit for resources	(23,070)	-
	67,868	-
Calumet-Sud		
Project acquisition and maintenance	233	1,883
Share issuance	76,923	41,538
Option payment	(7,000)	-
Geology	3,399	2,365
Recharge to partner	(1,918)	-
Refundable tax credit for resources	(348)	(703)
	71,289	45,083
Green Palladium		
Project acquisition and maintenance	8,616	461
Share issuance	-	166,923
Drilling	1,000	196,426
Geology	84,132	68,419
Geophysics	36,655	58,485
Geochemistry	325	-
Refundable tax credit for resources	(41,377)	(66,794)
	89,351	423,920

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2. EXPLORATION PROJECTS (CONT'D)

	February 28, 2017	February 29, 2016
	\$	\$
Chemin Troilus		
Project acquisition and maintenance	38,743	-
Share issuance	30,000	-
Geology	61,919	-
Refundable tax credit for resources	(27,028)	-
	103,634	-
Somanike		
Project acquisition and maintenance	3,941	4,265
Share issuance	-	111,000
Drilling	-	159,673
Geology	61,723	27,500
Geophysics	-	47,575
Geochemistry	-	3,676
Refundable tax credit for resources	(20,603)	(22,617)
	45,061	331,072
Samson		
Project acquisition and maintenance	-	2,966
Drilling	-	132,604
Geology	-	16,099
Geophysics	-	35,299
Line cutting	-	-
Geochemistry	-	18,652
Refundable tax credits	-	-
	-	205,620
Adam		
Geology	-	7,588
Geophysics	-	10,154
	-	17,742
Project Generation		
Geology	6,637	-
Refundable tax credits	(2,240)	-
	4,397	-
Tax adjustments to prior years (note 1)	-	(557,414)
Total exploration and evaluation expenditures	381,600	466,023

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.

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2. EXPLORATION PROJECTS (CONT'D)

2.1 Cheechoo-Éléonore Trend project

a) Project description

The project consists of 551 claims along the northwest extension of the Cheechoo-Éléonore trend, located in the Eeyou Istchee James Bay territory, Québec.

On August 23, 2016, the Corporation signed a letter of agreement to form a 50-50% joint venture with Sirius Resources Inc. ("Sirios") to explore the claims that are presently under request along the northwest extension of the Cheechoo-Éléonore trend, located in the Eeyou Istchee James Bay territory, Québec. Under the terms of this joint venture agreement, the partners have agreed to spend a minimum of \$500,000 by each party over the next five years. Sirios is the operator of the project. If one of the party's interest dilutes to 10% or less, its interest shall be converted to a 2% net smelter return ("NSR") royalty. At any time, the non-diluted party may purchase half of the Royalty-holder's rights to all future royalty payments for \$1,000,000.

b) Exploration work on the project

Sphinx and Sirios join their robust and complimentary technical expertise to carry out an exploration program which aims to identify gold deposits along this promising and underexplored corridor. This trend comprises Sirios' Cheechoo gold discovery and the Éléonore mine, a gold operation owned by Goldcorp Inc. The Project's southeastern extremity is situated about 24 km northwest of the Éléonore mine and road access is available within 14 km of this location. On the basis of the same high degree of metamorphism and similar gold-arsenical paragenesis, Sphinx considers that the geological setting of the Project is of a similar character to the Cheechoo discovery and the Éléonore mine.

In September 2016, Sphinx announced the beginning of exploration work on the project. The objective of this first phase of exploration was to provide a preliminary evaluation of the gold potential of this promising and unexplored 50 km trend.

The management committee of the joint venture approved a till sampling program that was conducted and completed during the month of October by Consultants INLANDSIS with the collaboration with TJCM (*Table jamésienne de concertation minière*). The sampling used a spacing of 200 m and the program is designed along a line perpendicular to the ice flow direction as well as down-ice from the interpreted Cheechoo-Éléonore corridor. This survey is oriented in a NW-SE direction within the Project's claims and included a quality control program.

On November 3, 2016, Sphinx announced the completion of the field component of the 2016 exploration program on the Project.

It is anticipated that both the visual examination and analytical results will be available in early 2017. This will be followed by the planning of the 2017 field work. The work will be done in the areas that have returned the best results.

2.2 Calumet-Sud Project

a) Project description

The project consists of 21 claims (12.1 km²) 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.

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2. EXPLORATION PROJECTS (CONT'D)

On August 6, 2015 (amended on March 25, 2016 (note 20), the Corporation signed a definitive agreement with Gardin for the acquisition of 100% of the Calumet-Sud project in the Pontiac MRC in southwestern Quebec. 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 was issued in August 2016, valued at \$76,923 based on the Exchange share price of \$0.04 on the date of the share issuance. Finally, 2,846,231 common shares must be issued 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 than 19.9% of the common shares outstanding immediately after giving effect to such issuance. The Corporation must complete the share issuances and exploration work, failing which the project will be returned 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	100,000
On or before August 31, 2018	150,000	83,680
On or before February 28, 2020	200,000	-
Total	450,000	183,680

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 Obwondia 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.

In June 2016, a first detailed helicopter-borne geophysical survey was flown on the Calumet-Sud and Green Palladium projects. The survey was conducted jointly by SOQUEM and Sphinx. On the Calumet-Sud project, the survey identified several new electromagnetic anomalies not previously detected at a distance of 2 to 3 km south-southeast of the former-producing New Calumet mine (production of 3.8 million tonnes 5.8% Zn, 1.6% Pb, 65 g/t Ag and 0.4 g/t Au from 1943 to 1968). The area of these new electromagnetic anomalies includes a strong lead-zinc anomaly in soils 300 m in length and the area where high levels of zinc were measured in samples from trenches dug in 2014.

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2. EXPLORATION PROJECTS (CONT'D)

In addition, the interpretation of the magnetic survey data suggests the following in relation to platinum group elements ("PGE") potential on the two projects:

- the extension to the southwest onto the Calumet-Sud project of the platinum group elements-bearing 'reef' discovered by the Corporation on its Green Palladium project and hosted in the Obwondiag layered igneous complex (see press release dated June 18, 2015); and
- the presence of four kilometer scale target zones within the complex, appear to define two or possibly three potential horizons of interest for PGE which are open in all directions. The complex is covered by both the Green Palladium and Calumet-Sud projects.

The survey covered 636 line-km with flight lines spaced at 100 m and includes the Calumet Nord project (adjacent, 100% owned by Ressources Tranchemontagne, a wholly owned subsidiary of Gardin, and optioned to SOQUEM).

On December 20, 2016, Sphinx reported new and positive results for zinc and lead from a geochemical soil sampling program on the Calumet-Sud project. These results were obtained in follow-up of the HELITEM30C MULTIPULSE™ airborne survey completed earlier this year. Both the Sonny Zone and a new parallel zone (the "Sonny West Zone"), located 150 m west of the Sonny Zone, are delineated by strongly anomalous values in soil for zinc and lead. The Sonny Zone discovery was initially reported in the press release dated June 25, 2015. Both zones are untested by drilling.

The combined soil sampling data from the Sonny and Sonny West zones comprised 1,034 soil samples (B Horizon) over an area totalling approximately 0.8 km². Sampling and analytical protocols are comparable and consist of a spacing of 100 m by 100 m regionally and approximately 25 m by 25 m in and between the two zones. Sampling has not been conducted to the south of the anomalous area.

Significant results for the Sonny Zone, identified in 2014 are as follows:

- Salient zinc values above 1,000 ppm delineate an anomalous area measuring at least 300 m in strike length and 150 m in width, with a peak value of 15,600 ppm zinc (1.57%); and
- A number of one-metre long channel samples (the true thickness of the mineralization cannot be determined) in carbonate rocks that returned: Trench #1 - 1.9% Zn over 5 m, 3.7% Zn over 4 m, including 5.4% Zn over 2 m and Trench #2 - 3% Zn over 10 m including 6.9% Zn over 1 m.

The new Sonny West Zone is characterized as follows:

- Highly anomalous zinc (90 values >2,000 ppm Zn) and lead (14 values >200 ppm Pb) in soils form an anomalous area 1,800 m in strike length and a width ranging 150 to 300 m, with a peak value of 37,200 ppm Zn (3.7%);
- The zone is coincident with anomalous resistivity (high and low responses) and two parallel trends of electromagnetic conductors identified by the 2016 airborne survey;
- Disseminated sphalerite in carbonate bed rock has been identified at one location; and
- Soil geochemical anomalies are consistent with the orientation of the carbonate rock strata. These strata are generally oriented north-south and have a shallow dip towards the east. These strata are folded isoclinally, which explains the repetition of the Sonny and Sonny West zones in two parallel north-south bands.

These geochemical anomalies are new and have not been drilled. The two above mentioned zones are parallel and have a north-south trend consistent with the orientation of the bed rock in the area and the 2016 airborne survey responses. The area is covered by a veneer of soil and weathered bedrock. The two zones are hosted in metamorphosed carbonate host rocks.

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2. EXPLORATION PROJECTS (CONT'D)

Sphinx and SOQUEM have undertaken a ground gravity and induced polarization survey on the Sonny Zone and Sonny West Zone zinc targets. These geophysical surveys aim to identify the best targets for a drill program in the winter or during the late winter and spring of 2017.

2.3 Green Palladium project

a) Project description

The project consists of 87 claims (49 km²) located in the MRC Pontiac region in southwestern Quebec. 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% 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 Palladium 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 9.4% 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	337,872
Total	750,000	487,872

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 km² 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.

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2. EXPLORATION PROJECTS (CONT'D)

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.

b) Exploration work on the project

To share costs the helicopter-borne survey operated by SOQUEM for the Calumet-Sud project also covered the Green Palladium project and the Calumet-Nord project (636 line-km). Results are pending. Calumet-Nord is 100% owned by Ressources Tranchemontagne Inc. (controlled by Gardin) and was recently optioned to SOQUEM.

On November 1, 2016, Sphinx announced new PGE targets on its 100% owned Green Palladium project located in the Pontiac Regional County Municipality of southern Quebec, including the extension of the stratabound PGE reef discovered in 2015. The targets have been identified following the recent completion of a rock and soil sampling program. The original Green Palladium discovery horizon, which returned 3.44 g/t Pd (2.46 g/t) +Pt (0.23 g/t) +Au (0.25 g/t) over 40 cm (true width could not be determined) in drillhole GPd-15-01 (see press release of June 18, 2015) is now extended over a strike length of 800 m. A new second target area is identified 250m northwest of the original Green Palladium discovery.

New airborne magnetic survey data from the helicopter-borne geophysical survey conducted this summer over the Green Palladium and Calumet-Sud projects was disclosed in the September 7, 2016 press release.

The interpretation of these data suggested:

- the presence of four (4), kilometric-scale target zones within the Obwondiag layered igneous complex that contains the original Green Palladium PGE reef discovery; and
- the definition of two or possibly three potential horizons of interest for PGE which are unexplored.

In September and October 2016, prospecting, soil geochemical sampling and rock sampling programs were performed. A total of 16 rock and 692 soil samples were taken. Anomalous copper, nickel, palladium and platinum values in soil and rock samples show a strong spatial correlation with the magnetic trends identified during the 2016 heliborne geophysical survey. This work has led to the identification of new drill targets that were tested in the spring of 2017 through a ten-hole drilling program totalling 969 m. Geological continuity of the mineralized reef over an 800-metre length, has been confirmed. Complete assay results are expected at the beginning of summer.

Exploration in the project area is low cost and benefits from excellent infrastructure and community support.

2.4 Chemin Troilus

a) Project description

The Chemin Troilus project consists of 61 claims (32 km²) located in the Eeyou Istchee James Bay Territory, Québec. The Project is located 110 km north-northeast of the town of Chibougamau with good road access.

On June 4, 2016, the Corporation signed a project acquisition agreement with Les Ressources Tectonic Inc. ("Tectonic") whereby a 100% undivided interest in 24 claims was purchased for the following considerations: issuance of 1,000,000 common shares of the Corporation valued at \$30,000, \$35,000 cash payment and 2% NSR royalty of which 1.5% can be bought back by the Corporation for \$2,000,000. In addition, Sphinx has acquired 35 contiguous claims through map staking.

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2. EXPLORATION PROJECTS (CONT'D)

b) Exploration work on the project

The Project is located at the southwest end of a gold-copper corridor trending north-east. This corridor is located at the northern limit of the Frotet-Evans greenstone belt, in the Opatica geological subprovince of the Superior Province and includes the Troilus Mine. It is located 110 km north-north-west of the town of Chibougamau along existing road access to the Troilus Mine and therefore exploration can be carried out at a low cost.

The discovery of the Troilus Mine located 25 km north-east of the project was also the result of follow-up prospecting of mineralized boulders. The mine was previously operated by Inmet Mining Corporation from 1997 to 2010 and produced more than 2 million ounces of gold and 70,000 tonnes of copper. The Troilus Mine is currently held by Sulliden Mining Capital Inc. ("Sulliden") who have released a recent, indicated mineral resource estimate of 44 million tonnes containing 1.27 g/t Au and 0.12% Cu (Sulliden's press release dated May 25, 2016). The mineralization hosted at the Troilus Mine is not necessarily indicative of the mineralization hosted on the Corporation's project.

On January 10, 2017, the Corporation announced the results of the 2016 exploration program carried out on the Chemin Troilus project. The presence of anomalous counts of morphologically pristine gold grains in till samples collected at the head of a gold-bearing boulder dispersal train suggest a proximal common source in an area of 1.2 by 1.0 km up-ice of the head of a boulders dispersal train.

A total of 47 till samples and 28 rock samples were taken upstream and laterally from the area identified by mineralized boulders discovered in 2015 (see June 13, 2016 press release).

Till samples weighing about 12 kg were collected at a depth of about 1.2 meters. The samples are from the following areas:

- 13 samples in the immediate area of the mineralized boulders taken at a maximum distance of 300 m northeast of the boulders and with a sample spacing of less than 100 meters;
- 16 samples on lines 500 m and 1,200 m northeast of the mineralized boulders with a sample spacing at approximately 300 m intervals on lines spaced 500 to 800 m apart and oriented perpendicular to the direction of glacial transport;
- 10 samples along the Troilus Mine road in the northeast area of the project, 3 km northeast of the boulder train with a spacing of approximately 300 meters; and
- 8 samples in other lateral areas to the dispersion train of the mineralized boulders.

Gold grains were recovered from 47 till samples and a total of 34 samples contain one or more grains larger than 50 microns, 8 of which are described as "pristine". Pristine grains are generally interpreted as derived from sources proximal to the primary source.

Prospecting has discovered a new sub-angular block of approximately 1 m³ in size that returned an assay of 0.62 g/t Au. It is located approximately 50 m northeast of the head of the dispersal train identified in 2015. The boulder is slightly magnetic and contains 1 to 2% pyrite. Previous prospecting conducted in 2015 by Tectonic identified 13 mineralized blocks in an area of 220 m by 45 m oriented northeast within in the corridor and returned values up to 1.57 g/t Au.

The Corporation believes that the results of the 2016 exploration campaign are very encouraging and define a prospective area of 1.2 by 1.0 km upstream of the head of the dispersion train of mineralized boulders and till samples containing pristine gold grains. An induced polarization survey over the prospective area was completed in April 2017. Interpretation of the survey results is underway to identify drilling targets that can be tested during the month of June.

SPHINX RESOURCES LTD.

Management's Discussion and Analysis

Years ended February 28, 2017 and February 29, 2016

2. EXPLORATION PROJECTS (CONT'D)

2.5 Somanike (nickel-copper-platinum group elements)

a) Project description

The Somanike project comprises 95 claims (45 km²), and includes the former Marbridge mine concessions, "Marbridge"), 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 metre. 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.

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 two strategic acquisitions.

Acquisition of former Marbridge mine

On June 1, 2015, the Corporation signed an acquisition agreement with Royal Nickel for the purchase of 100% of the former Marbridge mine by issuing 2,000,000 common shares (valued at \$70,000). It is located within the municipality of La Motte. Royal Nickel also received a 2% NSR on the two former Marbridge mining concessions and the Corporation has the right and option to purchase this 2% NSR for \$2,000,000. The eight 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.

SPHINX RESOURCES LTD.

Management's Discussion and Analysis

Years ended February 28, 2017 and February 29, 2016

2. EXPLORATION PROJECTS (CONT'D)

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:

- 1,200,000 common shares of the Corporation valued at \$36,000; and
- a graduated Gross Metal Royalty ("GMR") defined as 1% of all metals produced from the Claims when the nickel 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	10,800
On or before June 15, 2019	100,000	-
On or before June 15, 2020	100,000	-
Total	500,000	10,800

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.

SPHINX RESOURCES LTD.

Management's Discussion and Analysis

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2. EXPLORATION PROJECTS (CONT'D)

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.

Compilation of all historical drill data in conjunction with the helicopter-borne survey performed by Sphinx identified previously unrecognized sulphide iron formations occurring across the project. These formations may be prospective for gold mineralization. Numerous drill targets have been generated. The Corporation is actively seeking a partner to fund the next exploration program.

2.6 Samson (nickel-copper-platinum group elements)

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.

2.7 Adam project (gold-copper)

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.

2.8 Dollier (gold)

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.

2.9 Valmond (gold)

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.

SPHINX RESOURCES LTD.

Management's Discussion and Analysis

Years ended February 28, 2017 and February 29, 2016

3. SELECTED ANNUAL INFORMATION

	Fiscal 2017	Fiscal 2016	Fiscal 2015
	\$	\$	\$
Financial Results			
Interest income	302	14,366	5,582
Loss	(686,252)	(683,392)	(2,493,967)
Basic and diluted loss per share	(0.01)	(0.02)	(0.11)
Financial Position			
Working capital	1,645,145	232,482	856,636
Total assets	1,887,439	1,265,810	1,905,678
Total non-current liabilities	113,897	24,630	342,887
Total equity	1,559,923	219,848	522,066

The main variation in loss is explained by the level of exploration and evaluation expenditures (recorded as expenses in the statement of loss): \$381,600 in Fiscal 2017, \$466,023 in Fiscal 2016 and \$1,508,730 in Fiscal 2015.

4. RESULTS OF OPERATIONS

General and administration expenses details are as follows:

	Q4-17	Q4-16	Fiscal 2017	Fiscal 2016
	\$	\$	\$	\$
Directors fees	12,000	12,000	48,000	42,000
Filing and transfer agent fees	13,624	5,579	44,023	47,158
Management fees	10,585	16,240	60,900	53,049
Office and miscellaneous	10,092	5,952	35,396	28,009
Professional fees	63,762	54,304	113,997	120,756
Promotion	61,637	15,769	111,530	68,066
Rent	-	(7,387)	-	(7,387)
Salaries and benefit	33,532	40,496	132,475	111,934
Share-based payments	-	-	88,450	1,890
Travel	16,184	599	30,762	10,719
General and administration	221,416	143,552	665,533	476,194

Finance costs details are as follows:

	Q4-17	Q4-16	Fiscal 2017	Fiscal 2016
	\$	\$	\$	\$
Provision on promissory note receivable	-	-	85,000	-
Accretion sublease reserve	254	408	1,016	1,632
Accretion of convertible debentures	8,247	1,545	44,970	47,930
Issuance costs on convertible debentures	231	1,287	4,092	5,148
Common shares issued in lieu of interest payment on convertible debentures	45,004	22,562	45,004	45,000
Reversal of interest accrued on convertible debentures	(42,719)	-	-	-
Interest paid and accrued on loan payable	-	5,595	-	22,472
Interest accrued on tax credits payable	-	(103,867)	-	(65,155)
Finance costs	11,017	(72,470)	180,082	57,027

SPHINX RESOURCES LTD.

Management's Discussion and Analysis

Years ended February 28, 2017 and February 29, 2016

4. RESULTS OF OPERATIONS (CONT'D)

4.1 Discussion on Q4-17 financial position and results of operations

For Q4-17, the Corporation reported an income and comprehensive income of \$272,895 (Q4-16 – income of \$653,073). The Corporation's income per share was \$0.01 (Q4-16 – income per share of \$0.02).

See Section 2 for details of the exploration work done on the different projects totalling \$35,416 (Q4-16 – credit of \$584,393). In addition, it must be noted that in Q4-16, an adjustment of \$611,006 was posted relating mostly to the refundable mining credit favorable resolution following the objection process further described in section 1.3.

a) General and Administrative

During Q4-17, general and administrative expenses increased to \$221,416 (Q4-15 - \$143,552) and highlights are as follows:

- Promotion. Several actions were performed to increase awareness of the Corporation's activities: redesign of web site as well as hiring of S.D.N.L. financial communications and Grignan Holding Ltd. to work on marketing the Corporation.
- Travel. The CEO attended more mining events and conferences.

b) Finance costs

During Q4-17, finance costs were at \$11,017 versus a recovery of \$72,470 in Q4-16 and highlights are as follows:

- The Corporation issued 900,081 common shares (451,233 in Q4-16) in lieu of interest payment on convertible debentures for \$45,004 (for 6 months interests) compared to \$22,562 in Q4-16 (for 3 months interests). Of the 375,000 convertible debenture initially issued in December 2014, \$225,000 were converted in common shares and \$150,000 was extended. With the \$42,719 reversal of interest accrued on convertible debenture recorded, the net interest expense in Q4-17 is \$2,285.
- Interest paid and accrued on loan payable. In Q4-16, a \$5,595 interest expense was recorded relating to the \$160,000 balance on a loan payable bearing a 14% interest rate. This \$160,000 loan was reimbursed in March 2016.
- Interest accrued on tax credits payable. In Q4-16, 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 2016 on this re-assessment payable for \$65,155.

c) 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 Q4-16. In addition, following the audit on the 2014 Quebec refundable credits on mining duties for losses, a \$63,359 additional receivable was recorded in Q4-16 within the current tax recovery.

In Q4-17, the Corporation received the \$540,661 relating to the 2012-2013-2014 mining duty refunds for which it had filed a notice of objection with Revenu Québec.

4.2 Discussion on Fiscal 2017 financial position and results of operations

For Fiscal 2017, the Corporation reported a loss and comprehensive loss of \$686,252 (Fiscal 2016 - \$683,392). The Corporation's loss per share was \$0.01 (Fiscal 2016 - \$0.02).

See Section 2 for details on the exploration work done on the different projects totalling \$381,600 in Fiscal 2017 (Fiscal 2016 – \$466,023).

SPHINX RESOURCES LTD.

Management's Discussion and Analysis

Years ended February 28, 2017 and February 29, 2016

4. RESULTS OF OPERATIONS (CONT'D)

a) General and Administrative

General and administrative expenses increased to \$665,533 in Fiscal 2017 (Fiscal 2016 - \$476,194) and highlights are as follows:

- Promotion. Several actions were performed to increase awareness of the Corporation's activities: redesign of web site as well as hiring of S.D.N.L. financial communications, Grignan Holding Ltd. and ECRG Limited to work on marketing the Corporation. 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.
- Share-based payments. On October 13, 2016, 1,450,000 stock options were granted to directors, officers, advisors and consultants at an exercise price of \$0.10 for 10 years, vesting immediately. An \$88,450 fair value was estimated using the Black-Scholes model.
- Travel. The CEO attended more mining events and conferences.

b) Finance costs

During Fiscal 2017, finance costs increased to \$180,082 (Fiscal 2016 - \$57,027) and highlights are as follows:

- Provision on promissory note receivable. See section 1.5 on the \$85,000 Eco-Niobium promissory note.
- Interest paid and accrued on loan payable. In Fiscal 2016, a \$22,472 interest expense was recorded relating to the \$160,000 balance on a loan payable bearing a 14% interest rate. This \$160,000 loan was reimbursed in March 2016.
- Interest accrued on 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 2016 on this re-assessment payable for \$65,155.

c) Others

i) Flow-through shares premium

In Fiscal 2016, a \$175,313 (none in Fiscal 2017) recovery of deferred income taxes was recognized to record the amortization, in proportion of the work completed, of the premium related to flow-through shares renunciation following the December 2014 private placement.

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 within the current tax recovery.

5. FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Corporation recorded a loss of \$686,252 in Fiscal 2017 and has an accumulated deficit of \$70,251,384 as at February 28, 2017. 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 28, 2017, the Corporation had working capital of \$1,645,145.

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.

SPHINX RESOURCES LTD.

Management's Discussion and Analysis

Years ended February 28, 2017 and February 29, 2016

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

Major sources of cash during Fiscal 2017 were the issuance of units for \$1,679,310. Also the Corporation cashed \$1,622,696 of Québec refundable credits on mining duties and of refundable tax credit for resources. Major cash flow received from operating activities during Fiscal 2017 amounted to \$286,015 (cash flow used in operating activities of \$1,336,681 when deducting the \$1,622,696 Québec refundable credits mentioned above), \$160,000 repayment of the loan payable and \$85,000 disbursed for the Eco-Niobium promissory note.

In Fiscal 2016, the Corporation cashed \$161,636 of refundable tax credit for resources. Major uses of cash during Fiscal 2016 were approximately \$683,688 on operating activities.

As of February, 2017, the Corporation had a positive working capital of \$1,645,145 (\$232,482 as at February 29, 2016).

5.1 Cash flow projection

Following is a table showing the cash flow projection up to February 28, 2018.

	Up to February 28, 2018
	\$
February 2017 cash	1,754,000
Net tax credits to be received	110,000
Projected financing ¹	400,000
Operating expenses	(625,000)
Exploration budget	(650,000)
Claim staking, project acquisition and maintenance	(7,000)
Total	982,000

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

6. SELECTED QUARTERLY INFORMATION

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

	Q4-17	Q3-17	Q2-17	Q1-17
	\$	\$	\$	\$
Interest income	83	81	138	-
Earnings (loss)	272,895	(327,710)	(496,977)	(134,460)
Earnings (loss) per share	0.01	(0.01)	(0.01)	-
Working capital (deficiency)	1,645,145	(305,328)	(299,346)	96,610
Total assets	1,887,439	347,456	289,855	589,280
	Q4-16	Q3-16	Q2-16	Q1-16
	\$	\$	\$	\$
Interest income	13,589	-	83	694
Earnings from discontinued operations :				
Loss	653,073	(2,651)	(592,008)	(741,806)
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

SPHINX RESOURCES LTD.

Management's Discussion and Analysis

Years ended February 28, 2017 and February 29, 2016

6. SELECTED QUARTERLY INFORMATION (CONT'D)

Highlights for each quarter are as follows.

6.1 Q4-17

On January 9, 2017, the Corporation issued 4,500,000 common shares as repayment of \$225,000 convertible debentures. The \$150,000 convertible debenture issued to SIDEX was extended for 2 years and as well as the warrants initially issued in conjunction with the convertible debenture.

On February 28, 2017, the Corporation closed a private placement for aggregate gross proceeds of \$1,402,810, comprised of 23,380,165 units at a price of \$0.06 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 \$0.09 per common share until February 28, 2020.

In Q4-17, the Corporation received \$540,661 of Quebec refundable credits on mining duties for losses for fiscal years 2012 to 2014.

6.2 Q3-17

On September 22, 2016, the Corporation closed a private placement for aggregate gross proceeds of \$276,500, comprised of 5,530,000 units at a price of \$0.05 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 \$0.08 per common share until September 22, 2019.

On October 13, 2016, the Corporation granted 1,450,000 stock options to directors, officers, advisors and consultants at an exercise price of \$0.10 with an expiry date of October 13, 2026, vesting immediately.

6.3 Q2-17

On June 4, 2016, the Corporation signed a project acquisition agreement with Les Ressources Tectonic Inc. ("Tectonic") whereby a 100% undivided interest in 24 claims was purchased for the following considerations: issuance of 1,000,000 common shares of the Corporation valued at \$30,000, \$35,000 cash payment and 2% NSR royalty of which 1.5% can be bought back by the Corporation for \$2,000,000. In addition, Sphinx has acquired 35 contiguous claims through map staking.

On July 17, 2016, the Corporation signed a promissory note with Eco-Niobium Resources Inc. ("Eco-Niobium") whereby the Corporation lent \$85,000 to Eco-Niobium. Considering the current status of this project and the various approvals that Eco-Niobium has to achieve to successfully move this project forward, including obtaining the legal mineral rights, management has provided for 100% of the promissory note.

On August 23, 2016, the Corporation signed a letter of agreement to form a 50-50% joint venture with Sirios Resources Inc. ("Sirios") to explore the claims that are presently under request along the northwest extension of the interpreted Cheechoo-Éléonore trend, located in the Eeyou Istchee James Bay territory, Québec.

The 8,389,615 warrants due to expire on September 5, 2016 and the 1,925,000 warrants due to expire September 12, 2016 were extended for two years such that the new expiry dates are September 5, 2018 and September 12, 2018, respectively.

SPHINX RESOURCES LTD.

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6. SELECTED QUARTERLY INFORMATION (CONT'D)

6.4 Q1-17

On March 25, 2016, the Corporation signed an option and joint venture agreement with SOQUEM for an option to acquire an undivided 50% interest in the Calumet-Sud project.

In March 2016, the Corporation reimbursed the residual balance of the loan payable of \$160,000 and was released from a forbearance agreement.

In Q1-17, the Corporation was informed by Revenu Quebec of the favorable resolution of the objection process related to the refundable tax credit for resources for fiscal years 2009, 2010 and 2011 and received a reimbursement of \$247,665. In addition, the Corporation received the fiscal 2014 Quebec refundable credits on mining duties for losses for \$739,272.

6.5 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 a net of \$504,223. In addition, a \$234,217 receivable was recorded which represents the portion of the amount already paid that 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.

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

6.6 Q3-16

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

6.7 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.

6.8 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.

7. SUBSEQUENT EVENT

There is no subsequent event to disclose.

SPHINX RESOURCES LTD.

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Years ended February 28, 2017 and February 29, 2016

8. RELATED PARTY AND KEY MANAGEMENT TRANSACTIONS

In the normal course of operations, in Fiscal 2017:

- As at November 30, 2015, Normand Champigny, CEO, president and director, 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 28, 2017, the Corporation owes Normand Champigny \$13,555 of unpaid salary and vacation (\$75,150 as at February 29, 2016).
- A company controlled by Ingrid Martin, CFO, corporate secretary and director, charged \$60,900 (\$53,049 in Fiscal 2016) of management fees as CFO. She also charged \$23,605 (\$18,003 in Fiscal 2016) 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 28, 2017, the Corporation owes Ingrid Martin CPA inc. \$6,513 (\$42,792 as at February 29, 2016).

Out of the normal course of operations, in Fiscal 2017:

- Michel Gauthier, president of Gardin, was elected director of the Corporation on August 27, 2015.
 - 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.
 - On August 6, 2015 (amended on March 25, 2016 (note 20)), the Corporation signed a definitive agreement with Gardin Inc. ("Gardin") for the acquisition of 100% of the Calumet-Sud project in the Pontiac MRC in southwestern Quebec. 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 was issued in August 2016, valued at \$76,923 based on the Exchange share price of \$0.04 on the date of the share issuance. Finally, 2,846,231 common shares must be issued at the earliest on August 6, 2017, under certain conditions.
 - As of February 29, 2016, the Corporation owes Gardin \$34,480 (nil as at February 28, 2017).
- Directors' fees: On January 18, 2016, the Board of Directors approved a resolution to pay in shares the \$16,000 owed to each of the independent 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 independent Directors are each owed \$8,000 for their fees (nil as at February 28, 2017).

9. OUTSTANDING SHARE DATA

The Corporation had the following securities issued and outstanding:

	June 12, 2017	February 28, 2017
Shares	83,870,801	83,870,801
Stock options	2,850,000	2,850,000
Warrants	40,817,003	40,817,003
Agent options and underlying warrants	1,185,228	1,185,228
	128,723,032	128,723,032

In addition to the above securities, the Corporation has a \$150,000 convertible debenture, maturing in December 2018, bearing 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 debenture is convertible into common shares at a price of \$0.13 during the term of the debenture. At the maturity date, the debenture can be repaid in cash or in shares at a price per share based on the VWAP, subject to Exchange approval.

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10. 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. The maximum number of common shares that can be issued upon exercise of stock options granted under the Stock Option Plan was increased from 1,543,000 to 4,700,000 common shares on July 28, 2016. Such number represents less than 10% of the total number of shares issued and outstanding and the amendment was approved by the Exchange.

On October 13, 2016, the Corporation granted 1,450,000 stock options to directors, officers, advisors and consultants at an exercise price of \$0.10 with an expiry date of October 13, 2026, vesting immediately.

11. CHANGES IN ACCOUNTING POLICIES

Refer to note 3 of the Fiscal 2017 financial statements.

12. FINANCIAL INSTRUMENTS

Refer to note 16 of the Fiscal 2017 financial statements.

13. OFF-BALANCE SHEET ARRANGEMENTS

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

14. 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.

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15. 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 12, 2017

(s) Normand Champigny

Normand Champigny
Chief Executive Officer

(s) Ingrid Martin

Ingrid Martin
Chief Financial Officer