

FORM 51-102F1
Management Discussion and Analysis
Oriental Non-ferrous Resources Development Inc.
For the year ended September 30, 2017

Date: January 29, 2018

Overview

The following Management's Discussion and Analysis ("MD&A") provides relevant information on the operations and financial condition of Oriental Non-ferrous Resources Development Inc. ("ONRD" or the "Company") for the year ended September 30, 2017. This MD&A has been prepared as of January 29, 2018 and includes information up to that date.

The following MD&A should be read in conjunction with the Company's audited consolidated financial statements of the Company for the years ended September 30, 2017 and 2016 together with the accompanying notes that form part of the statements. The consolidated financial statements and the notes therein have been prepared in accordance with International Financial Reporting Standards ("IFRSs"). All amounts are expressed in Canadian dollars unless otherwise stated. Additional information may be found on SEDAR at www.sedar.com.

Forward-Looking Information

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words 'believes,' 'expects,' 'anticipates,' 'estimates,' 'intends,' 'plans,' 'forecasts,' or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties, including, but not limited to, those identified in the "Risk Factors" section. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and underlie the forward-looking statements as reasonable assumptions, any of which could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements.

Within this MD&A, the Company has specifically noted the forward-looking nature of comments where applicable. Generally, readers should be aware that forward-looking statements included or incorporated by reference in this document include statements with respect to:

- The Company's acquisition strategy, including the basis upon which the Company will evaluate acquisition criteria and the benefits associated with an acquisition.
- The Company's ability to carry out exploration programs.
- Expectations regarding the ability to raise capital to fund future working capital requirements.

A number of factors could cause actual events, performance or results, including those in respect of the foregoing items, to differ materially from the events, performance and results discussed in

the forward-looking statements. Factors that could cause actual events, performance or results to differ materially from those set forth in the forward-looking statements include, but are not limited to:

- the effect of continuing operating losses on the Company's ability to obtain, on satisfactory terms, or at all, the capital required to maintain itself as a going concern;
- continued negative operating cash flows as the Company continues to expend substantial financial resources on exploration and evaluation activities on its Mongolian properties.
- the risks associated with the increase in operating costs from additional development costs and increased staff;
- the Company's ability to attract and retain key personnel and key collaborators; and
- the substantial risks involved in early-stage mining companies related to, among other things, exploration, development, and cost containment.

Although the forward-looking statements contained in this MD&A are based on what we consider to be reasonable assumptions based on information currently available to us, there can be no assurance that actual events, performance or results will be consistent with these forward-looking statements, and our assumptions may prove to be incorrect. These forward-looking statements are made as of the date of this MD&A. Forward-looking statements made in this MD&A are made as of the date of the original document and have not been updated by us except as expressly provided for in this MD&A. As required by applicable securities legislation, as a reporting issuer, it is the Company's policy to update forward-looking information in its periodic management discussions and analyses, as required from time to time, and provide updates on its activities to the public through the filing and dissemination of news releases and material change reports.

Description of Business and Overall Performance

The Company is engaged in the business of acquisition and exploration of mineral resource properties.

The Company was incorporated under the Business Corporations Act of British Columbia on August 20, 2015. The head and registered office of the Company is 5148 Williams Road, Richmond, British Columbia.

On September 10, 2015, the Company acquired 100% of Genuine Success Global Limited ("GSG"), a company incorporated on May 20, 2014 under the laws of British Virgin Islands, by way of share exchange. Pursuant to the share exchange agreement between the Company, GSG and the shareholders of GSG, the Company issued 75,000,000 shares of the Company to the shareholders of GSG. Mr. Youliang Wang is also a major shareholder of GSG.

GSG owns 100% of Tunshan Xiangdong Co., Ltd. ("Tunshan"), a Mongolian mineral exploration company incorporated on August 31, 2007. Tunshan has acquired mineral exploration license with expiry date of July 31, 2020. The mineral properties are located in Kharganii am-1, Bornuur soum, Tuv aimag, Mongolia totalling 1,073 hectares. Tunshan has also acquired mineral mining license with expiry date of September 5, 2044 covering 42.12 hectares of same areas in the mineral exploration license in Kharganii am-1, Bornuur soum, Tuv aimag, Mongolia.

As a junior mineral exploration company, the Company's core assets are the exploration rights to its mineral properties. The Company's current objective is to seek out and acquire prospective mineral exploration properties in Mongolia with the view to exploring and developing the properties.

As at September 30, 2017 and 2016, the Company had no producing properties, and consequently no operating income or cash flows from operation. The Company has been dependent on shareholder funding to finance all of its activities and it is anticipated that it will continue to rely on this source of funding for its exploration expenditures and to meet its ongoing working capital requirements.

In the year ended September 30, 2017, the Company issued 250,000 common share for proceeds of \$200,000 (2016: nil shares issued). In the year ended September 30, 2017, the Company received \$200,000 (2016: \$nil) from financing activities. The Company used \$248,854 in operating activities in the year ended September 30, 2017 (2016: \$484,108). The Company invested \$25,140 in mineral property exploration activities in the year ended September 30, 2017 (2016: \$33,196). As the Company continued to monitor its working capital condition, mineral exploration activities were reduced significantly in the year ended September 30, 2017 and 2016.

In the opinion of management, all adjustments consisting of normal recurring adjustments, considered necessary for a fair presentation of the Company's financial position, results of operations and cash flows, have been included.

As at September 30, 2017 and 2016, the Company had capitalized the following expenditures:

Balance, September 30, 2014	\$1,411,978
Geological survey	78,960
Geophysical prospecting	138,180
Other geological work	59,220
Other	27,580
Effect of movements in exchange rates	20,478
Balance, September 30, 2015	1,736,396
Other geological work	33,195
Effect of movements in exchange rates	(1,014)
Balance, September 30, 2016	\$1,768,577
Other geological work	24,667
Effect of movements in exchange rates	(217)
Balance, September 30, 2017	\$1,793,027

Selected Annual Information

In CAD\$	Years Ended September 30,		
	2017	2016	2015
Operating Expenses	\$(262,456)	\$(2,382,837)	\$(199,582)
Net Loss for the Year	\$(262,456)	\$(2,382,837)	\$(199,582)
- Basic and Diluted Earnings (Loss) Per Share	\$(0.00)	\$(0.03)	\$(0.00)
Total Assets	\$1,907,447	\$1,941,282	\$2,437,821

Results of Operations

The Company incurred a net loss and comprehensive loss of \$262,456 and \$263,826 for the year ended September 30, 2017, respectively (2016: net loss and comprehensive loss of \$2,382,837 and \$2,394,991, respectively). As at September 30, 2017, the Company's deficit was \$3,407,383 (2016: \$3,144,927).

For the year ended September 30, 2017, the Company incurred general and administrative expenses of \$262,456 (2016: \$2,382,837).

The following is the breakdown of the general and administrative expenses:

	Year Ended September 30,	
	2017	2016
Expenses	\$	\$
Professional fees	106,689	330,813
Payroll expenses	107,074	107,914
Share-based payments	-	1,864,010
Office expenses	8,726	28,444
Regulatory Filing expenses	24,495	19,496
Travel and entertainment	11,528	22,564
Project expenses	134	5,780
Rent and utilities	3,487	3,123
Bank fees	323	825
Foreign exchange gain	-	(132)
Total	262,456	2,382,837

As the Company completed a listing on Canadian Securities Exchange (the "Exchange") in prior year, the Company's professional fees were decreased to \$106,689 in the year ended September 30, 2017 (2016: \$330,813). The payroll expenses remained stable at \$107,074 for the year ended September 30, 2017 (2016: \$107,914).

The share-based payment of \$nil (2016: \$1,864,010) is a non-cash item. The amount in 2016 represented the fair market value of options granted to the directors and officers of the Company in 2016. No options were granted during the year ended September 30, 2017.

For the year ended September 30, 2017, the Company incurred office expenses of \$8,726 (2016:

\$28,444). Office expenses decreased due to management's effort in reducing administrative expenses of the Company.

For the year ended September 30, 2017, the Company incurred regulatory filing expenses of \$24,495 (2016: \$19,496). This amount represents amount paid to the Exchange and the Company's transfer agent.

For the year ended September 30, 2017, the Company incurred travel and entertainment expenses of \$11,528 (2016: \$22,564). The decrease was due to management's effort in reducing administrative expenses of the Company.

Summary of Quarterly Results

The following is a summary of selected financial data for the Company for the eight most recently completed quarters.

	For the quarters ended			
	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
Net loss	\$45,039	\$102,482	\$79,080	\$35,855
Basic and diluted loss per share	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)
Weighted average number of common shares outstanding - basic and diluted	77,549,372	77,530,907	77,494,277	77,386,776

	For the quarters ended			
	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
Net loss	\$45,906	\$2,022,763	\$197,655	\$116,513
Basic and diluted loss per share	\$(0.00)	\$(0.03)	\$(0.00)	\$(0.00)
Weighted average number of common shares outstanding - basic and diluted	77,354,167	77,354,167	77,354,167	77,354,167

As the Company had been seeking a listing on the Exchange, the Company incurred additional expenses including professional fees in the quarters ended March 31, 2016 and December 31, 2015.

The significant loss incurred in the quarter ended June 30, 2016 was due to the recognition of share-based payment of \$1,864,010, which is the fair market value of options granted to directors and officers of the Company. The share-based payment is a one-time non-cash item.

The Company has no dividend policy and has no intention of developing a dividend policy in the foreseeable future. The Company has paid no dividends and has no retained earnings from which it might pay dividends.

Liquidity

As at September 30, 2017, the Company had working capital deficiency of \$43,175 (2016: working capital of \$45,101).

In the year ended September 30, 2017, the Company issued 250,000 common share for proceeds of \$200,000 (2016: nil shares issued). In the year ended September 30, 2017, the Company received \$200,000 (2016: \$nil) from financing activities. The Company used \$248,854 in operating activities in the year ended September 30, 2017 (2016: \$484,108). The Company invested \$25,140 in mineral property exploration activities in the year ended September 30, 2017 (2016: \$33,196). As the Company continued to monitor its working capital condition, mineral exploration activities were reduced significantly in the year ended September 30, 2017 and 2016. Other than the mineral property claims, the Company does not currently hold an interest in any other business nor does it have an interest in any fixed assets, directly or indirectly. The Company's activities have been funded through equity financing and the Company expects it will continue to be able to utilize this source of financing until it develops cash flow from future operations.

There can be no assurance that the Company will be successful in its endeavors. If such funds are not available or other sources of finance cannot be obtained, then the Company will be forced to curtail its activities to a level for which funding is available and can be obtained.

Financial Instruments

All financial assets are initially recorded at fair value and classified into one of four categories: held to maturity, available for sale, loans and receivable or at fair value through profit or loss ("FVTPL"). All financial liabilities are initially recorded at fair value and classified as either FVTPL or other financial liabilities. Financial instruments comprise cash, accounts payable and accrued liabilities, and due to shareholders. At initial recognition management has classified financial assets and liabilities as follows:

i) Financial assets

The Company has determined its cash as FVTPL. A financial instrument is classified at FVTPL if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with Company's documented risk management or investment strategy. Financial instruments FVTPL are measured at fair value and changes therein are recognized in income.

ii) Financial liabilities

The Company has determined its accounts payable and accrued liabilities, and due to shareholders as other financial liabilities and is initially recorded at fair value and subsequently measured at amortization costs by using the effective interest method. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial instruments recorded at fair value

The Company's financial assets consist of cash and cash equivalents. The estimated fair values of cash and cash equivalents approximate their respective carrying values due to the short period

to maturity. The Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of the inputs used in making the measurements – Financial Instruments – Disclosures.

For the years ended September 30, 2017 and 2016, the fair value of cash was measured using Level 1 inputs.

Level 1 - Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Significant unobservable inputs which are supported by little or no market activity.

The fair values of other financial instruments, which include accounts payable and due to shareholders approximate their carrying values due to the relatively short-term maturity of these instruments.

Capital Resources

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral property interests. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company considers capital to consist of shareholders' equity.

The property in which the Company currently has an interest is in the exploration stage; as such the Company has historically relied on shareholder funding to finance all of its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements.

Related Party Transactions

During the years ended September 30, 2017 and 2016, the Company paid following management in the form of director and officer fees and share-based compensation to the key management of the Company.

	Year ended September 30,	
	2017	2016
	\$	\$
Management fees – President	15,385	10,238
Management fees – CFO	72,000	79,263
Directors’ fees	9,000	6,938
Share-based compensation	-	1,491,208

As at September 30, 2017, the Company owed \$108,539 to a shareholder of the Company (September 30, 2016: \$2,471). This amount represented expenses paid by the shareholder on behalf of the Company.

All transactions with related parties have been in the normal course of operations and were measured at their exchange amounts established and agreed to by the related parties. Any amounts due to related parties were unsecured, non-interest bearing and have no specific repayment terms.

Commitments and Contractual Obligations

The Company has no commitments and contractual obligations.

Proposed Acquisition

The Company has entered into an agreement with Maple Beauty Global Limited (“MBGL”) to acquire a mineral mining license to an iron and zinc mine known as the Khaldun iron-zinc mine located in Govi-Ugtaal, Middle Govi (Dundgovi) province, Mongolia. In connection with the acquisition of the Khaldun iron-zinc mine, the Company has entered into a three-cornered amalgamation agreement (the “Agreement”) dated February 7, 2017, with Genuine Success Global Limited (“GSGL”), a wholly-owned subsidiary of the Company, and MBGL, pursuant to which the Company will acquire the business and assets of MBGL, including the Khaldun iron-zinc mine. Under the terms of the Agreement, MBGL and GSGL will amalgamate (the “Amalgamation”) under the BVI Business Companies Act and continue as one corporation (“Amalco”) that is a wholly-owned subsidiary of the Company, which will carry on the business of MBGL following the Amalgamation.

Pursuant to the Agreement, each holder of MBGL shares will receive five hundred (500) common shares of the Company for each share of MBGL held for a deemed aggregate purchase price of \$20,000,000. Upon completion of the Amalgamation, it is expected that former MBGL shareholders will hold 25,000,000 common shares of the Company, at a deemed price of \$0.80 per share, representing 32.21% of the 77,604,167 issued and outstanding common shares of the Company. A “Resources Development and Utilization Plan for Khaldun Iron (Zinc) Mine, Govi-Ugtaal Sum, Middle Govi (Dundgovi) Province, Mongolia” has been prepared by Shandong Lianchuang Architectural Design Co., Ltd. on behalf of the Company. The Company has also engaged a qualified person to prepare a technical report in compliance with the standards set out in National Instrument 43-101 Standards of Disclosure for Mineral Projects.

GSGL and MBGL are related parties by virtue of certain common shareholders, six of whom are not insiders of the Company and one of whom, ZhengXin Liu, is an insider of the Company by virtue of his indirect control of Long Harvest Ventures Limited, which holds 15,000,000 common shares of the Company, representing 19.33% of the issued and outstanding common shares of the Company. Mr. Liu owns 10,000 shares of MBGL and as a result of the amalgamation will receive 5,000,000 common shares of the Company representing 4.88% of the issued and outstanding common shares of the Company after the amalgamation (and together with the shares held by Long Harvest Ventures Limited, Mr. Liu will hold an aggregate of 20,000,000 common shares of the Company, representing 19.54% of the issued and outstanding common shares of the Company after the amalgamation).

Shareholders of the Company have approved the Amalgamation at the meeting of the shareholders of the Company on June 6, 2017.

Closing of the Amalgamation (“Closing”) is subject to certain conditions, including regulatory approval.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet agreements.

Fourth Quarter

In the fourth quarter ended September 30, 2017, the Company incurred net loss of \$45,039 attributed to operating activities. The net loss incurred in the fourth quarter was lower than the preceding two quarters as the Company continued to reduce its operating expenses.

Recent Accounting Pronouncements

The following standards and interpretations have not been in effect as they will only be applied for the first time in future periods. They may result in consequential changes to the accounting policies and other note disclosures.

IFRS 9 Financial Instruments (new)

In July 2014, the IASB issued IFRS 9, Financial Instruments, will replace IAS 39, Financial Instruments: Recognition and Measurement, and some of the requirements of IFRS 7, Financial Instruments: Disclosures. The objective of IFRS 9 is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity’s future cash flows. The IASB has determined the revised effective date for IFRS 9 will be for annual periods beginning on or after January 1, 2018.

IAS 7 Statement of Cash Flows

In February 2016, the IASB issued amendments to IAS 7 Statement of Cash Flows. These amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendments apply for annual periods beginning on or after January 1, 2017.

IFRS 2 Share-based payment

The IASB issued has published amendments to IFRS 2, Share-based Payment. The new requirements could affect the classification and/or measurement of cash settled share-based payments, classification of share-based payments settled net of tax advantage, and share-based payment from cash-settled to equity settled – and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments apply for annual periods beginning on or after January 1, 2018.

Other MD&A Requirements:

Outstanding Share Data

Under the Articles of the Company, the Company is authorized to issue unlimited shares with no par value.

On September 10, 2015, in connection with the acquisition of GSG, the Company issued 75,000,000 common shares to former GSG shareholders.

In the period ended September 30, 2015, the Company completed a non-brokered private placement of 2,354,167 shares at a price of \$0.27 per share for total gross proceeds of \$635,625.

On December 19, 2016, the Company closed a non-brokered private placement for 250,000 common shares of the Company at a price of \$0.80 per share for gross proceeds of \$200,000. The shares issued pursuant to the private placement are subject to a four (4) month hold period that expires on April 20, 2017. Proceeds raised from the sale of the shares will be used for claim maintenance fees, general property and geological review.

As at September 30, 2017, the share capital and share reserve of the Company was \$891,665 and \$2,400,342, respectively (September 30, 2016: share capital and share reserve of \$691,665 and \$2,400,342, respectively).

As at the date of this MD&A and September 30, 2017, the Company had 77,604,167 shares issued and outstanding (September 30, 2016: 77,354,167).

As at the date of this MD&A and September 30, 2017, the Company had 5,000,000 stock options outstanding and exercisable.

Control and Procedures

Venture issuers are not required to establish or maintain disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR). The Company is not required to certify the design and evaluation of its DC&P and ICFR and has not completed such an evaluation. The inherent limitations on the ability of the certifying officers to design and implement, on a cost-effective basis, DC&P and ICFR for the Company may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

As indicative of many small companies, the lack of segregation of duties and effective risk assessment were areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire

additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and work load will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial reports, the integrity and reputation of senior accounting personnel, and candid discussion of those risks with the audit committee.

Risks and Uncertainties

The Company is engaged in the exploration for and development of mineral deposits. These activities involve significant risks which careful evaluation, experience and knowledge may not, in some cases, eliminate. The commercial viability of any material deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade, proximity to infrastructure. Government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts revenues and expenses during the reporting period. Actual results could differ from those estimates.

Annual losses are expected to continue until the Company has an interest in an exploration and evaluation property that produces revenues. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The Company's accompanying financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Company and other factors.

Outlook

The Company's primary focus for the foreseeable future will be on reviewing its financial position, continuing exploration activities on its mineral property and financing new business ventures in the mineral resource industry.

Approval

The board of directors of the Company has approved the disclosure contained in this MD&A.

Additional Information

Additional disclosure of the Company's technical reports, material change reports, news release and other information can be obtained on SEDAR at www.sedar.com.