



ST-GEORGES PLATINUM AND BASE METALS LTD.

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

For the six months ended June 30, 2016

INTRODUCTION

The following management's discussion and analysis of the financial condition and results of operations ("MD&A") for St-Georges Platinum and Base Metals Ltd. ("Company") should be read in conjunction with the audited financial statements for the year ended December 31, 2015 and the interim financial statements for the six months ended June 30, 2016. Those financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All currency amounts are in Canadian dollars, unless otherwise stated. Additional information relating to the Company can be found on SEDAR (www.sedar.com) under St-Georges Platinum and Base Metals Ltd. or on the Company's website (www.stgeorgesplatinum.com).

This MD&A is dated August 26, 2016.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements with respect to the Company. These forward-looking statements, by their very nature, involve risks and uncertainties that could cause actual results to differ materially from those contemplated. The Company considers the assumptions upon which these forward-looking statements are based to be reasonable, but cautions the reader that these assumptions regarding future events, many of which are beyond the Company's control, may ultimately prove to be incorrect.

COMPANY DESCRIPTION

St-Georges Platinum & Base Metals Ltd. was incorporated under the Canada Business Corporations Act on June 21, 2002. The Company is listed on the Canadian Securities Exchange, having the symbol SX, on the US OTC, having the symbol SXOOF, and on the Deutsche Börse in Frankfurt (FSE) under the symbol 85G1. The address of the Company's corporate office and principal place of business is 999 De Maisonneuve West, Suite 725, Montreal, Québec H3A 3L4 Canada. The principal activities of the Company are the development of eco-mining metallurgical processes and the exploration and evaluation of mineral properties in Canada. The Company, which is in the process of exploring its mineral properties, has one reportable segment and all of the assets are located in Canada.

OVERVIEW

The Company is engaged in the exploration of certain mineral properties in the province of Quebec summarized as follows and described in more details in the financial statements:

Villebon Property

The Villebon Property is located within the Abitibi Greenstone Belt of northwestern Quebec.

Julie and Isoukustouc Projects

The Julie Project is located south of Lac La Blache, Quebec.

The Isoukustouc Project is located within the Manicouagan River – Manic Complex, Quebec.

Lithium projects

On April 28, 2016, the Company entered into an Option and Joint Venture Agreement, with directors of the Company and Active Growth Capital Inc. Pursuant to the Joint Venture Agreement, the directors granted the Company a 50% interest, for no consideration, in certain claims comprising the Muscovite Mines Property. The directors have granted Active Growth an option to acquire a 50% interest in the Muscovite Mines Property for consideration which includes issuing the Company 600,000 common shares of Active Growth.

The Company has granted Active Growth the option to acquire 50% of their interest, thereby bringing Active Growth's total interest to 75% of the Muscovite Mines Property. In consideration, Active Growth must incur an aggregate of \$200,000 in exploration work on or before the second anniversary of the date of execution of the Option and Joint Venture Agreement.

Upon earning the initial 50% interest in the Muscovite Mines Property, the Company and Active Growth will form a joint venture. The participating interest of the joint venture will be determined based on whether Active Growth pursues the additional 25% interest. The Joint Venture Agreement is subject to Active Growth completing a minimum financing within 45 days of execution of the Joint Venture Agreement and approval by the TSX-V.

Equity transactions

On May 9, 2016, the Company completed a private placement for total subscriptions of \$145,000 for 7,250,000 units priced at \$0.02 per unit. Each unit consists of one common share and one non-transferrable twenty-eight month warrant entitling the purchaser to acquire one common share and one additional warrant for an exercise price of \$0.04. The second warrant has an exercise price of \$0.06 and expires twenty eight months from the initial issue date. Four insiders of the Company subscribed for a total of \$59,000 of the placement.

Due to a director

On April 25, 2015, the Company signed a Promissory Note in favour of director of the Company. Under the terms of the Note, the Company promises to pay the lender \$25,000 no later than April 25, 2016, together with a \$5,000 fee and interest of 24% per annum, capitalized on the first day. The loan is secured by a security interest in all of the tangible and intangible property of St-Georges. In the current period, the principle amount of the loan was repaid by the issuance of shares.

QUALIFIED PERSON

The technical information disclosed in this MD&A has been reviewed and approved by Joel Scodnick, P.Geo., Vice-President, Exploration for St-Georges and a Qualified Person, as defined by National Instrument 43-101 for the *Standards of Disclosure for Mineral Projects*.

RESULTS OF OPERATIONS

For the six months ended June 30, 2016, the Company recorded a net loss of \$92,271 (2015 - \$121,944) and had a cumulative deficit of \$12,167,456 (December 31, 2015 – \$12,075,185). The Company had no source of operating revenues or any related operating expenditures.

SELECTED ANNUAL INFORMATION

For the years ended December 31	2015	2014	2013
	\$	\$	\$
Revenues – Interest income	-	-	-
Operating expenses	(137,259)	(523,357)	(448,738)
Net loss and comprehensive loss for the year	(12,268)	(749,761)	(7,267,254)
Basic and diluted loss per share	(0.01)	(0.02)	(0.46)

As at December 31	2015	2014
	\$	\$
Cash and cash equivalents	-	3,754
Working capital (deficiency)	(285,025)	(774,806)
Exploration and evaluation assets	1,035,267	1,160,084
Total assets	1,069,129	1,252,482
Shareholders' equity	643,948	363,179

For the years ended December 31, 2015 and 2014, the Company had no revenues.

The Company incurred a net loss and comprehensive loss for the year of \$12,268 for the year ended December 31, 2015, which was a decrease of \$737,493 compared to \$749,761 for the year ended December 31, 2014. The decrease in the loss is primarily due to gains on settlement of debt, reduction of subcontractor's fees, publicity fees and stock based compensation as the Company concentrated on reducing discretionary charges where possible. Further details are available in the analysis below.

For the years ended December 31, 2014 and 2013, the Company had no revenues.

The Company incurred a net loss and comprehensive loss for the year of \$749,761 for the year ended December 31, 2014, which was a decrease of \$6,517,493 compared to the net loss and comprehensive loss of \$7,267,254 for the year ended December 31, 2013. The decrease in the loss is primarily due to the recognition of impairment charges of \$6,796,442 on its Exploration and Evaluation Assets in 2013.

For the year ended December 31, 2014, the Company generated operating expenses of \$523,357, which was an increase of \$74,619 compared to the operating expenses of \$448,738 for the year ended December 31, 2013.

Operating Expenses

For the years ended December 31, 2015 and 2014

For the years ended December 31	2015	2014
	\$	\$
Professional fees	14,506	30,096
Subcontractors	43,400	95,142
Publicity and promotion	16,908	131,174
Office expenses	2,489	5,679
Mineral rights	-	8,219
Brokerage fees	19,278	45,892
Travel expenses	-	12,195
Financial fees and bank charges	23,626	35,977
Interest on Convertible Debentures	17,052	49,900
Accretion of Debentures	-	-
Stock based compensation	-	109,083
	137,259	523,357

Impairment charge on Exploration and Evaluation Assets

The Company evaluated its Exploration and Evaluation Assets and determined that there were indicators of impairment as it focused on specific claims for further investment in 2016. As a result, the Company recorded an impairment charge in 2015 of \$118,692 (2014 - \$173,547).

The Company also recorded a gain on debt settlement in the year of \$303,038 (2014 – Nil).

SUMMARY OF QUARTERLY RESULTS

The following table outlines selected unaudited financial information of the Company for the last eight quarters.

	Jun. 30, 2016	Mar. 31, 2016	Dec. 31, 2015	Sep. 30, 2015
Total assets	1,076,952	1,066,278	1,069,129	1,257,721
Working capital (deficiency)	(272,950)	(308,420)	(285,025)	(328,628)
Shareholders' equity	653,177	616,431	643,948	812,843
Revenue	-	-	-	-
Net income (loss)	(64,754)	(27,517)	158,680	(24,467)
Net income (loss) per share	(0.00)	(0.00)	0.00	(0.00)
	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2014	Sep. 30, 2014
Total assets	1,258,185	1,248,775	1,252,482	2,438,099
Working capital (deficiency)	(368,133)	(298,865)	(774,806)	(767,556)
Shareholders' equity	777,310	847,531	363,179	1,413,567
Revenue	-	-	-	-
Net income (loss)	(70,222)	(51,723)	(1,459,727)	864,381
Net income (loss) per share	(0.00)	(0.00)	(0.04)	0.30

THREE MONTHS ENDED JUNE 30

For the three months ended June 30, 2016 and 2015, the Company had no revenues.

The Company incurred net losses for the period of \$64,754 (2015 - \$70,222). The reduction in the loss is primarily due to the reduction of subcontractor costs to \$23,546 in the current period (2015 - \$45,649), related to a reduction in charges for the new CFO, offset somewhat by higher interest and publicity and promotion costs.

SIX MONTHS ENDED JUNE 30

For the six months ended June 30, 2016 and 2015, the Company had no revenues.

The Company incurred net losses for the period of \$92,271 (2015 - \$121,944). The decrease in the loss is primarily due to a reduction of subcontractor costs to \$34,046 (2015 - \$60,224) due to lower charges from the new CFO.

LIQUIDITY AND CASH FLOW

At June 30, 2016, the Company had cash of \$785 (December 31, 2015 - \$Nil).

At June 30, 2016, the Company had a working capital deficit of \$272,950 (December 31, 2015 - \$285,025).

On May 9, 2016, the Company completed a private placement for total subscriptions of \$145,000 for 7,250,000 units priced at \$0.02 per unit. Each unit consists of one common share and one non-transferrable twenty eight month warrant entitling the purchaser to acquire one common share and one additional warrant for an exercise price of \$0.04. The second warrant has an exercise price of \$0.06 and expires twenty eight months from the initial issue date. Four insiders of the Company subscribed for a total of \$59,000 of the placement.

As at June 30, 2016, the Company had 49,839,045 common shares outstanding, and at the current date has 50,339,045 common shares outstanding.

FINANCIAL RISK MANAGEMENT AND FINANCIAL ESTIMATES

Financial Risk

The primary goals of the Company's financial risk management are to ensure that the outcomes of activities involving elements of risk are consistent with the Company's objectives and risk tolerance, and to maintain an appropriate risk/reward balance while protecting the Company's balance sheet from events that have the potential to materially impair its financial strength. Balancing risk and reward is achieved through aligning risk appetite with business strategy, diversifying risk, pricing appropriately for risk, mitigating risks through preventive controls and transferring risk to third parties.

The Company's exposure to potential loss from financial instruments is primarily due to various market risks, including interest rate, liquidity and credit risk. There has been no change in the financial risk of the Company during the period.

Market Risk

Market risk is the risk of loss arising from adverse changes to market rates and prices, such as interest rates, equity market fluctuations, foreign currency exchanges rates, and other relevant market rate or price changes. Market risk is directly influenced by the volatility and liquidity in the markets in which the related underlying assets are traded. Below is a discussion of the Company's primary market risk exposures and how those exposures are currently managed.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. The purpose of liquidity management is to ensure that there is sufficient cash to meet all financial commitments and obligations as they fall due. To manage cash flow requirements, the Company may have to issue additional common shares or conclude private investments.

As at June 30, 2016, the Company has current liabilities and accrued liabilities of \$275,550 due within 12 months and has cash and cash equivalents of \$785 to meet its current obligations. As a result, the Company does face liquidity risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The Company's credit risk is due mainly to its other receivables.

The Company's statement of financial position is presented net of any allowance for doubtful advances established on a case by case basis. This amount best represents the Company's maximum exposure to any potential credit risk. As of June 30, 2016 the allowance for doubtful advances was \$Nil (2015 - \$Nil).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market-interest rates. The Company's convertible debentures fixes interest at 6% per annum and accordingly is not subject to cash flow interest rate risk due to changes in the market rate of interest. The Company does not use financial derivatives to reduce its exposure to risk. The management of the Company considers minimal its interest rate risk.

Fair Value Measurement

Fair value is the amount at which a financial instrument could be exchanged between willing parties, based on current markets for instruments with the same risk, principal and remaining maturity. Fair value estimates are based on present value and other valuation techniques using rates that reflect those that the Company could currently obtain, on the market, for financial instruments with similar terms, conditions and maturities.

The carrying amount and fair value of financial instruments, with the exception of the secured debenture, are considered to be a reasonable approximation of fair value because of their short-term maturities.

The carrying values of the convertible debentures approximate its fair value at the reporting date because the convertible debentures was calculated by discounting future cash flows using rates that the Company would otherwise use for such debt with similar terms, conditions and maturity dates, adjusted for the Company's credit risk. Management believes that no significant change occurred in the risk of these instruments.

CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at June 30, 2016, the Company's shareholders' equity was \$653,177 (December 31, 2015 – \$643,948) and it had an amount due to a related party of \$7,612 (December 31, 2015 - \$32,602). The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels. To meet these objectives, management monitors the Company's capital requirements against unrestricted net working capital and assesses additional capital requirements on specific business opportunities on a case-by-case basis.

Capital for expansion comes mostly from proceeds from the issuance of common shares. The net proceeds raised will only be sufficient for a certain amount of exploration and development work on its properties, and for working capital purposes. Additional funds are required to finance the Company's corporate objectives. There was no change in the Company's capital management policy for the period ended June 30, 2016.

The Company is not currently exposed to any externally imposed capital requirements.

RELATED PARTY TRANSACTIONS

a) Related party transactions

During the period, the Company incurred the following transactions with related parties not disclosed elsewhere in the financial statements:

Sub-contractor fees of \$15,000 (2015 - \$5,000) were accrued to a company controlled by its Chief Financial Officer for financial and accounting services.

At June 30, 2016, included in accounts payable and accrued liabilities is \$29,630 (December 31, 2015 - \$32,450) owing to related parties.

These amounts are non-interest bearing, unsecured and have no fixed terms of repayment.

b) Due to Related Parties

On April 25, 2015, the Company issued a promissory note in the amount of \$25,000 maturing on April 25, 2016 in favour of a Director of the Company. Interest on the promissory note is calculated at 24% per annum, in addition to a \$5,000 signing fee. The note is secured by a general security interest in all the tangible and intangible assets of the Company. In the current period, the principle amount of the loan was repaid by the issuance of shares.

c) Subsequent events

On July 19, 2016, the Company granted 3,100,000 stock options to eligible participants to acquire common shares of the Company at an exercise price of \$0.075 per share, vesting immediately and expiring on July 19, 2021.

On July 27, 2016, the Company has entered into a Binding Memorandum of Understanding to acquire Le Royal lithium prospect located approximately 30 km north of the city of Val d'Or in Quebec. St-Georges is acquiring Le Royal lithium prospect jointly with Platypus Minerals Ltd. (ASX: PLP) on an initial 30:70 relative basis.

In July 2016, the Company issued 500,000 shares upon the receipt of payment relating to the share offering.

On August 1, 2016, the Company settled an outstanding account of \$30,006 by the payment of \$10,000. Stock Option Grant

On August 4, 2016, the Company entered into a binding term sheet - "JV Agreement"- with Platypus Resources (ASX: PLP) detailing the key commercial terms of their joint venture in relation to Le Royal Lithium. New terms enables St-Georges to acquire up to 50% of the project under certain conditions.

In August 2016, the directors of St-Georges controlling the Muscovite claims notified St-Georges of Active Growth failure to meet its obligation in regards to the option agreement and of the termination of the said agreement. St-Georges still own jointly with Active Growth 82 mining claims surrounding the muscovite projects and might negotiate and agreement with ACK or sell these claims in the future.

RISK FACTORS

Exploration

Exploration and mining involve a high degree of risk. Few exploration properties end up going into production. Other risks related to exploration and mining activities include unusual or unforeseen formations, fire, power failures, labour disputes, flooding, explosions, cave-ins, landslides and shortages of adequate or appropriate manpower, machinery or equipment.

The development of a resource property is subject to many factors, including the cost of mining, variations in the quality of the material mined, fluctuations in the commodity and currency markets, the cost of processing equipment and others, such as aboriginal claims and government regulations, including regulations regarding royalties, authorized production, import and export of natural resources and environmental protection. Depending on the price of the natural resource produced, the Company may decide not to undertake or continue commercial production. There can be no assurance that the expenses incurred by the Company to explore its properties will result in the discovery of a commercial quantity of ore. Most exploration projects do not result in the discovery of commercially viable mineral deposits.

Environmental and Other Regulations

Current and future environmental laws, regulations and measures could entail unforeseeable additional costs, capital expenditures, restrictions or delays in the Company's activities. Environmental regulations and standards are subject to constant revision and could be substantially tightened, which could have a serious impact on the Company and its ability to develop its properties economically. Before it commences mining a property, the Company must obtain environmental permits and the approval of the regulatory authorities. There is no assurance that these permits and approvals will be obtained, or that they will be obtained in a timely manner. The cost of complying with government regulations may also impact the viability of an operation or altogether prevent the economic development of a property.

Financing and Development

The Company does not presently have sufficient financial resources to undertake its planned exploration and development programs. Development of the Company's properties therefore depends on its ability to raise the additional funds required. There can be no assurance that the Company will succeed in obtaining the funding required. The Company also has limited experience in developing resource properties, and its ability to do so depends on the use of appropriately skilled personnel or signature of agreements with other large resource companies that can provide the required expertise.

Commodity Prices

The factors that influence the market value of platinum, palladium, rhodium, copper, cobalt, nickel, carbon graphite and any other mineral discovered are outside the Company's control. The impact of these factors cannot be accurately predicted. Resource prices can fluctuate widely and have done so in recent years.

Risks Not Covered by Insurance

The Company may become subject to claims arising from cave-ins, pollution or other risks against which it cannot insure itself due to the high cost of premiums or other reasons. Payment of such claims would decrease and could eliminate the funds available for exploration and mining activities.

signed "Francois Dumas"
President and Chief Executive Officer

signed "Richard Barnett"
Chief Financial Officer