JAXON MINERALS INC.

Management's Discussion and Analysis

January 31, 2016

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For the year ended January 31, 2016

GENERAL

The following discussion and analysis of the operations, results, and financial position of Jaxon Minerals Inc. ("the Company"), for the year ended January 31, 2016, should be read in conjunction with the Company's audited financial statements for the year ended January 31, 2016. Unless otherwise noted, amounts are in Canadian dollars.

DATE

This Management's Discussion & Analysis ("MD&A") covers the twelve months ended January 31, 2016 and was prepared on May 25, 2016.

MANAGEMENT'S RESPONSBILITY FOR FINANCIAL STATEMENTS

The Company's management is responsible for the presentation and preparation of the financial statements on which this discussion and analysis is based. The financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS").

FORWARD LOOKING STATEMENTS

Certain information contained or incorporated by reference in this MD&A, including any information as to our future financial or operating performance, constitutes "forward-looking statements". All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by us, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Such factors include, but are not limited to: fluctuations in the currency markets; fluctuations in the spot and forward price of gold or other commodities; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada and in other countries; business opportunities that may be presented to, or pursued by, us; operating or technical difficulties in connection with mining or development activities; employee relations; litigation; the speculative nature of exploration and development, including the risks of obtaining necessary licenses and permits; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and the risk of inadequate insurance, or inability to obtain insurance, to cover these risks. Many of these uncertainties and contingencies can affect our actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, us. Readers are cautioned that forward-looking statements are not guarantees of future performance. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements.

We disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

OVERALL PERFORMANCE

Introduction

As disclosed in the last audited annual financial statements for the fiscal year ended January 31, 2015, the Company dropped the options that it previously had acquired to the Lucile Lake, Beatty Lake and Copper Reef Blocks in the Flin Flon region near the Manitoba-Saskatchewan border.

Snow Lake Property

The Company fulfilled all of its requirements under the option agreement to purchase a 100% interest, subject to a 3% royalty, in 144 hectares of mineral claims in the Snow Lake area of Manitoba. The Company incurred $283,280 in expenditures on the property which included geophysics and diamond drilling. In accordance with the terms of the agreement the Company notified the vendor to transfer title to the Company which the vendor failed to do. When filing dates for assessment to be applied to the claims came due (of which there was a significant amount of credits available) the Company was not notified of the deadline dates until they had passed. The vendor then commenced an action in the Supreme Court of BC for loss of his royalty which the Company defended and in addition sought damages from the vendor, for the loss of the claims. An application for Arbitration was filed and after considerable legal expenses by both parties and after all the attendant disruption to the Company’s focus, it was determined that the action be settled By issuing the vendor 100,000 common shares of the Company. In view of the foregoing the Company wrote-off its $283,280 interest in the Snow Lake claims.

ST Silver-Gold Prospect, Yukon

The ST prospect, covering over 4 strategic claims, lies 120 km northwest of Whitehorse, Yukon in a region with major regional fault systems and a large tertiary aged multiple staged volcanic complex. Streams draining the area have long been known to carry fine crystalline gold with the source as yet undetermined. Previous operators have conducted regional and local surveys which resulted in the discovery of a significant gold-silver exploration target. The claims cover coincident airborne EM/ground 3DIP geophysical anomalies. The area of the airborne was covered with a survey grid totaling 23 kilometres of cut lines. Soil geochemical sampling has identified a gold/silver (plus indicator elements) anomaly immediately down slope from the geophysical zones. Historic exploration expenditures total approximately $175,000. The Company has paid $1,000 and issued 500,000 common shares to the vendor. The vendor will retain a 2% NSR on the future production and has waived annual Royalty payment of $5,000 until November 12, 2016.

Hot Bath Property, British Columbia

The Company signed an option agreement with Brian Johnston on the Hot Bath project in British Columbia between the communities of Dease Lake and Iskut, which consist of up to 11 mineral claims covering 3,634 hectares. During a three year period the Company shall issue 6,750,000 common shares to earn a 50% interest in the property. The vendor will retain a 2%NSR of which the Company has the option at any time to acquire a 1% NSR for a cash payment of $1,000,000.

The Hot Bath claim block covers 3,634.4 hectares near the centre of the east sheet of the recently studied Quest Northwest project of Geosciences BC. The property was selected based on results from rock geochemistry and geological mapping completed as part of the Quest study. An airborne magnetic geophysical survey of the area supports the interpretation of mid-jurassic calc-alkaline intrusives that are known to be favourable host rocks for copper-gold mineralization.

Mobil Metal Ion geochemical, Induced Polarization and ground magnetometer geophysical surveys by DeCoors Mining Corp. in 2014 and 2015, identified a zone of elevated metal values corresponding with the centre of the intrusive interpreted from the airborne magnetometer survey. The data indicated a ringed intrusive with anomalous samples of copper and gold with coincident IP anomalies on the structure over a width of approximately 400 metres and extends over a strike of 800 metre, still open to the north-east. Several rock samples taken during this program assayed over 3% copper.

The Hot Bath claim block straddles the contact between the late Triassic quartz monzonite intrusive of the Stikine formation and the mid-jurassic assemblage of calc-alkaline plutonic rocks of favourable composition to be mineralized. This coupled with high copper values from samples acquired within the claim block and the circular magnetic structure support the premise for a mineralized intrusive. The property has the potential to host a mineralized porphyry intrusive similar to the nearby Gnat and Red Chris deposits.

Financial Condition

As of January 31, 2016, the Company had $3,421 in cash (2015: $349) and a working capital deficiency of $(259,212) (2015: deficiency of ($76,845).

OUTLOOK

Priorities for the Year Ended January 31, 2017 (Fiscal 2017)

For fiscal 2017, the Company will focus its priorities as follows:

- Address the Company's working capital deficiency (See Pending Transactions)
- Raise sufficient funding to carry out preliminary exploration work on the Hot Bath property (See Pending Transactions)
- Continue its search for additional mineral projects that fit within the Company's financial and technical constraints.

RESULTS OF OPERATIONS

Exploration and development

During the year ended January 31, exploration expenditures were as follows:

	2016	2015	2014
Balance, beginning of year	**$ 28,500**	**$ 283,280**	**$ 800,942**
Acquisition costs	-	28,500	12,425
Consulting and engineering	-	-	12,337
Field expenses	420	-	4,793
Filing fees	-	-	500
Write down of properties	-	(283,280)	(516,732)
Recovery	(711)	-	(30,985)
Balance, end of year	**$ 28,209**	**$ 28,500**	**$ 283,280**

General and Administrative Expenses

For the years ending January 31	**2016**	**2015**
Consulting	$ -	$ 1,000
Filing fees	3,783	6,638
Interest and financing fees	24,038	8,838
Investor relations	-	645
Management fees	-	6,000
Office and miscellaneous	62,018	14,391
Professional fees	53,665	30,171
Regulatory and transfer agent fees	10,471	4,768
Travel and entertainment	-	1,600
	$ (153,975)	$ (74,051)

The general and administrative expenses for the year ended January 31, 2016 totaled $153,975 (2015: $74,051) and consisted mainly of filing fees of $3,783 (2015: $6,638), interest and financing fees of $24,038 (2015: $8,838) due mainly to loan from shareholders, office and miscellaneous totaling $62,018 (2015: $14,391), professional fees of $53,665 (2015: $30,171), and regulatory and transfer agent fees of $10,471 (2015: $4,768). Overall, general and administrative expenses increased in 2016 by $79,924 as a result of management's efforts for continuing operations to defend the Snow Lake arbitration and to further develop its projects and new project acquisitions.

FOURTH QUARTER SUMMARY

Exploration expenditures during the fourth quarters ending January 31 were as follows:

	2016	2015
Balance, beginning of quarter	$ 28,209	$ 283,280
Acquisition costs	-	28,500
Assays and reports	-	-
Consulting and engineering	-	-
Field expenses	-	-
Total exploration expenses for the quarter	**-**	**28,500**
Write-down of exploration and evaluation assets	-	(283,280)
Balance, end of quarter	**$ 28,209**	**$ 28,500**

General and Administrative Expenses

For the fourth quarter ending January 31	2016	2015
Management	-	4,050
Interest and financing fees	23,748	-
Office and miscellaneous	14,689	3,636
Professional fees	15,318	1,305
Regulatory, filing and transfer agent fees	830	3,009
Total general and administrative expenses for the quarter	**54,585**	**12,000**

The general and administrative expenses for the fourth quarter ended January 31, 2016 totaled $54,585 (2015: $12,000) and consisted mainly of Interest and financing fees of $23,748 (2015: $Nil), professional fees of $15,318 (2015: $1,305), regulatory, filing and transfer agent fees of $830 (2015: $3,009), and office and miscellaneous expenses of $14,689 (2015: $3,636).

SELECTED ANNUAL INFORMATION

The following table sets out certain audited financial information for the Company for each of the last three fiscal years.

Fiscal Year ended	**Jan 31, 2016**		**Jan 31, 2015**		**Jan 31, 2014**	
Reporting Framework		IFRS		IFRS		IFRS
Total revenue	$	Nil	$	Nil	$	Nil
Expenses	$	153,975	$	74,051	$	228,079
Exploration expenses	$	420	$	28,500	$	30,055
Net loss	$	187,658	$	568,074	$	744,811
Deficit	$	7,366,653	$	7,178,995	$	6,610,921
Total assets	$	40,515	$	66,453	$	290,826

SUMMARY OF QUARTERLY RESULTS

The following table sets out certain unaudited financial information for the Company for each of the last eight quarters.

Quarter ended	**Jan 31, 2016**		**Oct 31, 2015**		**Jul 31, 2015**		**Apr 30, 2015**	
Total revenue	$	Nil	$	Nil	$	Nil	$	Nil
G & A expenses	$	54,585	$	61,997	$	26,330	$	11,063
Exploration expenses	$	420	$	nil	$	nil	$	nil
Net loss	$	82,843	$	67,422	$	26,330	$	11,063
Exploration and evaluation assets	$	28,209	$	28,209	$	28,209	$	28,500
Total assets	$	40,515	$	61,997	$	66,720	$	71,748

Quarter ended	**Jan 31, 2015**		**Oct 31, 2014**		**Jul 31, 2014**		**Apr 30, 2014**	
Total revenue	$	Nil	$	Nil	$	Nil	$	Nil
G & A expenses	$	12,000	$	40,266	$	8,393	$	13,392
Exploration expenses	$	nil	$	nil	$	nil	$	nil
Net loss	$	506,023	$	40,266	$	8,393	$	13,392
Exploration and evaluation assets	$	28,500	$	283,280	$	283,280	$	283,280
Total assets	$	66,453	$	338,755	$	376,605	$	376,714

LIQUIDITY AND CAPITAL RESOURCES

The activities of the Company, principally the acquisition of mineral properties and exploration thereon, are financed through the completion of equity offerings involving the sale of equity securities. These equity offerings generally include private placements and the exercise of warrants and options. During the year ended January 31, 2015, the Company issued 2,500,000 common shares in exchange for 159,016 shares of GRIT and during the year ended January 31, 2015 the Company disposed of 75,278 GRIT shares for proceeds of $39,153 resulting in a realized loss of $96,949. The remaining 83,738 GRIT shares recognized an unrealized loss of $113,794 resulting in a fair value of $37,604 as at January 31, 2015. During the year ended on January 31, 2016, the Company disposed of the remaining 83,738 GRIT shares at $3,921, resulting in a realized loss of $33,683.

As at January 31, 2016 there were 205,000 options outstanding at an average exercise price of $1.50 which if fully exercised would raise $307,500.

As at January 31, 2016 the Company had cash on hand of $3,421 (2015: $349) and working capital deficiency of $(259,212) (2015: deficiency of $76,845).

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The Company does not have any long term contractual obligations.

OFF-BALANCE SHEET TRANSACTIONS

The Company has not entered into any off-balance sheet transactions.

RELATED PARTY TRANSACTIONS

The key management personnel of the company are the Directors, Chief Executive Officer, and the Chief Financial Officer.

Compensation of the Company's current and former key management personnel is comprised of the following:

		January 31, 2016		January 31, 2015
Management and Professional fees	$	-	$	9,000

During the year ended January 31, 2016, the Company entered into the following transactions with related parties not disclosed elsewhere in the financial statements:

Paid $60,000 (2015 - $10,000) in office and administrative fees to a company with an officer in common with the Company.

As at January 31, 2016 included in accounts payable and accrued liabilities is $18,107 (2015- $6,107) due to related parties and included in loans payable are loans, interest and financing fees of $190,515 (2015- $52,243) due to non-arms length parties.

SHARES ISSUED AND OUTSTANDING

As at May 25, 2016 the Company had 18,442,195 shares outstanding and 205,000 options outstanding.

PENDING TRANSACTIONS

On May 4, 2016 the company announced a non-brokered private placement of up to 5,000,000 units at $0.07 to raise gross proceeds of up to $350,000. Each unit will comprise one common share and one-half common share purchase warrant. Each whole share purchase warrant will entitle the holder to purchase one common share at $0.10 with an expiry date of one year from the closing of the private placement. The funds raised will be allocated to conduct exploration on the Company's Hot Bath project, plus working capital.

SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with IFRS applicable to the preparation of financial statements. The company has consistently applied the same accounting policies in its opening IFRS statement of financial position at February 1, 2010 and throughout all periods presented, as if these policies had always been in effect. The Company's significant accounting policies have not changed materially as a result of the adoption of IFRS but include the following policies for clarity.

New accounting pronouncements and changes in accounting policies

A description of the accounting standards adopted during the year, as well as a summary of new accounting standards and interpretations not yet adopted can be found in Note 4 of the audited financial statements for the year ended January 31, 2016.

FINANCIAL INSTRUMENTS

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Cash is carried at fair value using level 1 fair value measurement. The carrying value of receivables and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Management believes that the credit risk concentration with respect to cash is remote. Receivables are due primarily from government agencies.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. All of the Company's financial liabilities are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant and the Company, as all other companies in its industry, has exposure to these risks.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to maintain cash and term deposits in its banking institutions and does not believe interest rate risk to be significant.

(b) Foreign currency risk

The Company has no exposure at the present time to foreign currency risk on fluctuations related to cash, receivables, accounts payable and accrued liabilities since almost all transactions are denominated in Canadian Dollars.

(c) Price risk

The Company is not a producing entity so is not directly exposed to fluctuations in commodity prices. The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

RISKS AND UNCERTAINTIES

Exploration and mining companies face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical.

The principal activity of the Company is mineral exploration, which is inherently risky. Exploration is also capital intensive, and the Company currently has no source of income and must depend on equity financings as its main source of capital. Only the skills of its management and staff in mineral exploration and exploration financing serve to mitigate these risks and therefore are one of the main assets of the Company.

The following are the risk factors which the Company's management believes are most important in the context of the Company's business. It should be noted that this list is not exhaustive and that other risk factors may apply. An investment in the Company may not be suitable for all investors.

Competition

The Company competes with many companies that have substantially greater financial and technical resources than the Company for the acquisition of mineral properties as well as for the recruitment and retention of qualified employees.

Title Matters

Title to and the area of mining claims may be disputed. Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current state of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Company has No History of Operations

The Company has no history of operations and is in the early stages of exploration on its mining property. The Company may experience higher costs than budgeted and delays which were not expected. The Company must also locate and retain qualified personnel to conduct exploration work. Further adverse changes in any one of such factors or the failure to locate and retain such personnel will have an additional adverse effect on the Company, its business and results of operations.

The Mining Industry is Speculative and of a Very High Risk Nature

Mining activities are speculative by their nature and involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The Company's activities are in the exploration stage and such exploration is subject to the risk that previously reported inferred mineralization is not economic. If this occurs, the Company's existing resources may not be sufficient to support a profitable mining operation. The Company's activities are subject to a number of factors beyond its control including intense industry competition and changes in economic conditions, including some operating costs (such as electrical power). Its operations are subject to all the hazards normally incidental to exploration, development and production of precious metals, any of which could result in work stoppages, damage to or loss of property and equipment and possible environmental damage. An adverse change in any one of such factors, hazards and risks would have a material adverse effect on the Company, its business and results of operations. This might result in the Company not meeting its business objectives.

The Company is Dependent on Various Key Personnel

The Company's success is dependent upon the performance of key personnel. The Company does not maintain life insurance for key personnel and the loss of the services of senior management or key personnel could have a material and adverse effect on the Company, its business and results of operations.

The Company's Activities might suffer Losses from or Liabilities for Risks which are not Insurable

The Company does not currently carry any form of political risk insurance, insurance for loss of or damage in respect of its equipment and property or any form of environmental liability insurance, since insurance is prohibitively expensive. The payment of any such liabilities would reduce the funds available to the Company. If the Company suffers damage to its equipment it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

There is Uncertainty in the Nature and Amount of the Company's Resources

While the Company has carried out, and will carry out on an annual basis, estimates of its mineral resources, this should not be construed as a guarantee that such estimates are accurate. If such estimates prove to be materially inaccurate, that would have a material and adverse effect on the Company's business and results of operations.