

**Crystal Lake Mining Corporation**  
**(Formerly Sierra Iron Ore Corporation)**  
**Management Discussion and Analysis (“MD&A”)**  
**Three Month Period Ended December 31, 2016**

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The effective date of this report is February 28, 2017.

## **Management Discussion & Analysis**

Management’s discussion and analysis (“MD&A”) provides a detailed analysis of the results and financial condition of Crystal Lake Mining Corporation (formerly Sierra Iron Ore Corporation) for the period ended December 31, 2016. The following MD&A should be read in conjunction with the unaudited consolidated interim financial statements for the period ended December 31, 2016 and 2015, which have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting.

The reader should also refer to the audited consolidated financial statements for the year ended September 30, 2016, which were prepared in accordance with IFRS.

The condensed consolidated interim financial statements were prepared in accordance with IFRS with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The operations of the Company were primarily funded by the issue of share capital.

The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties, complete sufficient public equity financing, or generate profitable operations in the future. The condensed consolidated interim financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue business.

The Company’s continuing operations are dependent upon its ability to identify, evaluate and negotiate an agreement to acquire an interest in a material asset or business. Any acquisition or investment proposed by the Company will be subject to regulatory approval.

News releases and previous filings may be found on SEDAR at [www.SEDAR.com](http://www.SEDAR.com).

The Company’s management is responsible for presentation and preparation of the financial statements and the MD&A.

## **Description of Business**

Crystal Lake Mining Corporation (the "Company") was incorporated under the Business Corporations Act (British Columbia) on July 20, 2009 and is publicly listed and traded on the TSX Venture Exchange (“TSX-V”) under the trading symbol “CLM”. The Company is currently engaged in the identification, acquisition and exploration of prospective mineral properties in Canada. The Company’s head office address is 13236 Cliffstone Court, Lake Country, British Columbia, V4V 2R1, Canada. The Company’s registered and records office is located at 1400 – 1125 Howe Street, Vancouver, British Columbia, V6Z 2K8, Canada.

## **Forward Looking Statements**

Certain information within the meaning of applicable Canadian securities laws. Such forward-looking information may include, but is not limited to, information which reflect management’s expectations regarding the Company’s future growth, results of operations (including, without limitation to future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Often, this information includes words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate” or “believes” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

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In making and providing the forward-looking information included in this MD&A the Company’s assumptions may include among other things: (i) assumptions about the price of base metals; (ii) that there are no material delays in the optimization of operations at the exploration and evaluation assets; (iii) assumptions about operating costs and expenditures; (iv) assumptions about future production and recovery; (v) that there is no unanticipated fluctuation in foreign exchange rates; and (vi) that there is no material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the following: (i) decreases in the price of base metals; (ii) the risk that the Company will continue to have negative operating cash flow; (iii) the risk that additional financing will not be obtained as and when required; (iv) material increases in operating costs; (v) adverse fluctuations in foreign exchange rates; and (vi) environmental risks and changes in environmental legislation.

This MD&A (See “Financial Instruments and Risk Management”) contains information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company’s control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.

### **Overall Performance**

- The Company’s loss for the period ended December 31, 2016 was \$162,157.
- Working capital deficit was \$1,420,158 at December 31, 2016.

### **Mineral Properties**

#### **Iron Property, Emo, Ontario**

The Company entered into a series of agreements, the last of which was finalized during the year ended September 30, 2016, to acquire the right to earn a 60% interest in the iron mineralization on the Emerald Lake Property located north of the town of Emo, Ontario.

Pursuant to the agreements, the Company paid \$65,000 in fiscal 2014 and issued 2,865,625 common shares valued at \$386,859 in fiscal 2015. In order to complete the acquisition of the 60% interest, the Company is required to pay four additional installments of \$50,000 each commencing April 15, 2016 and continuing every six months to October 17, 2017, plus additional finder’s fees of 115,475 common shares, which were issued during the year ended September 30, 2016 and valued at \$46,190 and an additional 6,392,000 common shares on the earlier of a positive feasibility or the commencement of commercial production. The Company is also required to incur exploration expenditures of \$1,500,000 by October 15, 2017. The Company has the option to acquire an additional 32% interest in the iron ore mineralization present on the property at terms to be negotiated, plus the right of first refusal on future properties acquired by the vendor.

The Company is negotiating an amended agreement.

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**EL 5 Property, Emo, Ontario (formerly known as the Farm Property)**

The Company entered into a series of agreements, the last of which was finalized during the period ended December 31, 2016, to acquire the right to earn a 50% interest in Iron Property located in Emo, Ontario.

Pursuant to the agreements, the Company paid \$250,000 in fiscal 2015. In order to complete the acquisition of the 50% interest, the Company is required to pay \$10,000 within five days of regulatory approval and an additional \$250,000 within 18 months of the March 18, 2016 regulatory approval. The Company is also required to incur exploration expenditures of \$2,000,000 by October 22, 2018. The Company has the option to acquire an additional 42% interest in the property at terms to be negotiated, plus the right of first refusal on future properties acquired by the vendor. The property is subject to a 3% NSR.

The Company is negotiating an amended agreement.

The property consists primarily of an approximately kilometre long segment of a linear tabular body existing along a strike length of approximately 31 kilometres. The area has been shown by detail ground magnetics to possess width regularity and the mineralized zone is hosted by clastic sediments, representing a portion of the Richardson trough. An anticlinal fold has been decapitated by erosion so as to expose an underlying noritic (laccomorphic) layered complex. Thermal effects attributed to the emplacement of the complex, have yet to be determined. The presence of nearby outcropping of bedrock suggests the presence of variable to manageable thicknesses of overburden.

In June 2015, the Company announced positive results from a geochemical survey conducted on its Emo, Ontario optioned claims. In addition to defining a drill target for gold, targets were located for other metals, including Ni -Cu-PGMs were identified. Significantly all targets align along the apparently same NNE- SSW trend. Additional anomalies will require and expanded geochemical survey to enhance refinement.

In June 2015, the Company announced that it was analyzing its geochemical results for the purpose of confirming suggested mineralization trends. This analysis will assist in the prioritization of its identified anomalies in preparation for planned Q3 diamond drilling. The Company solicited tenders for diamond drilling of previously unidentified anomalies located on its optioned ground in western Ontario. The Ni- Cu – PGM anomalies appear to be supplemented by Fe (magnetite) +Au. The Company fully expects the drilling to commence in Q3.

In September 2016, the Company announced the first exploration results on its optioned property in NW Ontario referred to as the EL5 Farm Property. The Company would like to report the results from a second geochemical (SGH) survey, designated Farm - 2, of a portion of anomaly EL 1 - 5 (aka Farm).The Farm - 2 survey results replace the results, previously reported (Aug 2016) from an earlier SGH survey.

The detailed report authored by the Forensic Scientist, Organics Manager Director of Research of Activation Laboratories Ltd. (Actlabs) located in Ancaster, Ontario states (page 36) that “The overall SGH rating at the Farm-2 survey relative to the presence of CU-Ni- PGE mineralization is 4.5 on a scale of 6.0 in intervals of 0.5 feet”. The author also stated that “The degree of confidence in the SGH Rating only starts to be “good” at a level of 4.0”.

Please refer to the President’s Message for a current discussion of exploration results.

**EL1 Property, Emo, Ontario (formerly known as the Allen Property)**

The Company entered into a series of agreements, the last of which was finalized during the period ended September 30, 2016, to acquire the right to earn up to a 60% interest in the L1 Property located in Emo, Ontario.

Pursuant to the agreements, the Company paid \$100,000 in fiscal 2015. In order to complete the acquisition of an initial 15% interest, the Company is required to pay \$100,000 upon regulatory approval, \$500,000 within 8 months of regulatory approval, \$1,500,000 within 12 months of the March 14, 2016 regulatory approval and issue 3,500,000 common shares over

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a period of 12 months after regulatory approval. The Company is also required to incur exploration expenditures of \$1,500,000 within 24 months following regulatory approval.

During the year ended September 30, 2016, the agreement was amended to provide the Company with an option to and the right of first refusal to purchase an additional 45% undivided interest in the L1 Property upon completion of the obligations.

The Company is negotiating an amended agreement.

The L1 Property contains polymetallic Ni – Cu – Co sulphides hosted by basic norites presumed to be the basal layer of a phased layered (lacomorphic) Complex referred to as the Emo Complex. The sulphides describe massive, parallel trending lenses (also referred to as shoots) with historic drilling indicates widths of 14 feet to 40 feet. These widths may be significantly greater but must be tested.

### **Tom Cat Claims, British Columbia**

The Company owns a 100% interest in certain mining claims, known as the Tom Cat Claims, located in the Nicola Mining District, British Columbia. The claims are subject to a 2% Net Smelter Royalty (“NSR”), of which 1% may be purchased for \$2,000,000 for five years from the start of commercial production.

The Tom Cat is located 200 kilometers east-northeast of Vancouver within the historic Aspen Grove copper camp and shares a property boundary with the Big Kidd property that is under exploration. The region is well known to host some of the world's significant copper resources, including those at Copper Mountain and at the Highland Valley.

In October 2012, the Company announced the commencement of an exploration program of geological mapping and sampling program as a prelude to a planned diamond drill program on the property.

In December 2012, the Company staked additional mineral claims adjacent to the Tom Cat property and, with the addition of the newly staked claims, the Tom Cat property is now comprised of ten contiguous mineral claims covering an area of 4013 hectares.

The Aspen Grove area was recognized for its potential in developing economic mineral deposits since the initial discovery of copper mineralization in in the late 1880's. The recognition was later progressively justified with the perseverance of exploration to the development of productive mineral resources at the recently reactivated Copper Mountain mine 50 kilometres to the south and the world class Highland Valley mine 80 kilometres to the north, in addition to other producers, past producers and pending producers within this prime geological porphyry belt. The ground covered by the property has been explored by prospecting and trenching since 1906 resulting in the discovery of nine documented mineral prospects and/or showings. Continued exploration on the Tom Cat showing resulted in a 1965 Pyramid Mining drill intersection of 45.7 meters of 0.32% copper. In 2006 & 2007 exploration by Bold Ventures resulted in the delineation of variable chargeability IP drill targets. Subsequent diamond drilling on the Tom Cat showing returned an intersection of 4.4 metres of 0.54% copper in a 40 metre section of mineralization. In one of the nine holes drilled a -50° drill hole (K07-05) 650 metres north of the Tom Cat was terminated in progressively altered volcanics indicating a potential intrusive contact.

The degree of mineralization and potential for a copper mineral zones is indicated on the properties adjacent to the Property.

To the north, Minfile records report an inferred 1.8 million tonnes of 1.00% copper on the Paycinci developed prospect and a drill indicated 54,000 tonnes of 0.876% copper on the Cincinnati. To the south at the Par prospect, Minfile records report a historical noncompliant assay from a trench over various samples taken on 116 meters averaged 0.64% copper.

***(NOTE: Historic records cannot be relied upon unless verified in accordance with NI 43-101.)***

Laurence Sookocoff, P Eng, a Qualified Person (QP) as defined by National Instrument 43-101, is responsible for the technical information contained in this MD&A relating to the Tom Cat property.

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## **Right of First Refusal**

In September 2016, the Company engaged in acquiring significant land positions in the Emo, Ontario area. The Company is exploring a large area under the direction of its geological consulting staff who have developed an in-depth understanding of the area through years of rock and soil analysis in the area, extensive research and evolving geological modeling of the formations of interest.

As part of this initiative, the Company has negotiated a key agreement with Emerald Lake Development Corp. (“Emerald Lake”) and has acquired a right of first refusal (“ROFR”) to acquire 100% of eight additional claim blocks in the area; claims which essentially comprise the balance of Emerald Lake’s core property holdings in the area. Any properties purchased will remain subject to a 3% NSR which may be reduced to 2% by a \$1,000,000 payment.

The ROFR Agreement (dated September 27, 2016) requires the Company to pay Emerald Lake the sum of \$50,000 by April 30, 2017 in order to preserve the right to acquire any or all of the subject properties at any time up to September 30, 2017.

## **Liquidity, Capital Resources and Capital Expenditures**

The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties, complete sufficient public equity financing, or generate profitable operations in the future.

The Company’s continuing operations are dependent upon its ability to identify, evaluate and negotiate an agreement to acquire an interest in a material asset or business.

The Company will take appropriate measures to raise the necessary funding through private placements, exercising of stock options, warrants and/or credit facilities to address its liabilities and to continue operations.

At December 31, 2016, the Company’s working capital (deficit), defined as current assets less current liabilities, was \$(1,420,158) up from \$(1,180,709) at September 30, 2016, primarily due to increased accounts payable.

During the period from October 1, 2016 to February 28, 2017, the Company:

- i) issued 500,000 common shares pursuant to exercise of warrants for gross proceeds of \$100,000. The proceeds were received during the year ended September 30, 2016.
- ii) closed a non-brokered private placement and issued 115,000 units for net proceeds of \$40,250. Each unit consists of one common share, issued at \$0.35 per share, and one-half common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of \$0.50 on or before November 15, 2018. The proceeds were received during the year ended September 30, 2016.

The Company’s cash is mainly in Canadian dollars. The Company is subject to only minor exchange rate fluctuations relative to the reporting currency.

The Company has not made any commitments for capital expenditures, for exploration and development expenses, or for mineral property option payments.

The Company has not made any arrangements for sources of financing that remain undrawn.

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**Contractual Obligations**

The Company has no long-term debt outstanding or contractual obligations other than those contained in option agreements respecting its mineral properties.

**Summary of Quarterly Results**

The table below provides, for each of the quarters since incorporation, a summary of both property acquisition and exploration costs on a project-by-project basis, and of corporate expenses.

	Loss per quarter	Fully diluted loss per share	Interest income	Property costs – Tom Cat claims	Property costs - Iron Property
Jan. 1, 2015 – Mar. 31, 2015	(209,943)	0.01	-	-	-
Apr. 1, 2015 – Jun. 30, 2015	(174,919)	0.01	-	-	8,800
Jul. 1, 2015 – Sept. 30, 2015 (i)	(870,390)	0.03	-	20,841	149,094
Oct. 1, 2015 – Dec. 31, 2015	(296,580)	0.01	-	41,353	241,584
Oct. 1, 2015 – Dec. 31, 2015	(296,580)	0.01	-	41,353	241,584
Jan. 1, 2016 – Mar. 31, 2016	(93,619)	0.00	-	2,835	76,450
Apr. 1, 2016 – Jun. 30, 2016	(309,082)	0.01	-	3,500	21,785
Jul. 1, 2016 – Sept. 30, 2016	(187,217)	0.00	-	28,250	8,882
Oct. 1, 2016 – Dec. 31, 2016	(162,157)	0.00	-	21,000	-

(i) Include share based compensation expense of \$412,724 and write-off of due from related party of \$194,793.

**Three Months Ended December 31, 2016**

Net loss and comprehensive loss for the period ended December 31, 2016 was \$162,157 compared to \$296,580 for the period ended December 31, 2015. During the period ended December 31, 2016:

- i) Consulting fees increased to \$24,597 (September 30, 2016 - \$50,768) due to decreased usage of consulting services during the period.
- ii) Directors fees decreased to \$3,770 (September 30, 2016 - \$7,225) due to a decrease in the number of directors.
- iii) Office and miscellaneous decreased to \$39,671 (September 30, 2016 - \$101,775) due to a decrease in general activities in the current period.
- iv) Professional fees decreased to \$30,819 (September 30, 2016 - \$92,333) due to decreased service requirements incurred in the current period.
- v) Travel and promotion decreased to \$11,564 (September 30, 2016 - \$20,539) due to a decrease in the need to travel to the property by management in the current year.

**Financial Risk Factors**

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

The carrying value of the Company’s receivables, due from related parties, accounts payable and accrued liabilities, due to related parties, and mortgage payable approximate their fair value because of the short-term nature of these instruments. Cash is carried at a fair value using a level 1 fair value measurement. Loans payable are accounted for using the effective interest rate method.

*Credit risk*

Credit risk is the risk of loss associated with counterparty’s inability to fulfil its payment obligations. The Company’s management believes it has no significant credit risk.

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*Liquidity risk*

The Company’s approach to managing liquidity risk is to use its best efforts to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2016, the Company had a cash balance of \$33,984 (September 30, 2016 - \$101,983) to settle current liabilities of \$1,483,855 (September 30, 2016 - \$1,304,239). All of the Company’s accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The Company expects to fund these liabilities through the use of existing cash resources and additional equity financing.

**Capital Management**

The Company’s primary objectives in capital management are to safeguard its ability to continue as a going concern in order to provide return for shareholders and to maintain sufficient funds to finance the exploration and of its exploration and evaluation interests. Capital is comprised of the Company’s shareholders’ equity. As at December 31, 2016, the Company’s shareholders’ equity was \$1,373,807 (September 30, 2016 – \$1,482,628).

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements. There were no changes in the Company’s approach to capital management during the period ended December 31, 2016.

*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.

a) Interest rate risk

The Company has cash balances held with financial institutions. The Company is satisfied with the credit rating of its bank.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in a foreign currency. As at December 31, 2016, the Company had minimal cash amounts in foreign currencies and considers foreign currency risk insignificant.

c) Price risk

The Company is exposed to price risk with respect to commodity and 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. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of commodities, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

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### **Off Balance Sheet Arrangements**

The Company did not have any off-balance sheet arrangements as at December 31, 2016.

### **Related Party Transactions**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company’s executive officers. Other than disclosed below, there was no other compensation paid to key management during the period ended December 31, 2016 and 2015. During the period ended December 31, 2016, the Company paid or accrued:

- (i) general, rent and administration fees of \$Nil (Year ended September 30, 2016 - \$4,500) to a company with a common director of the Company.
- (ii) management fees of \$31,116 (Year ended September 30, 2016 - \$123,457) to the CEO and CFO and companies controlled by CEO and CFO of the Company.
- (iii) directors fees of \$3,770 (Year ended September 30, 2016 - \$26,302) to directors and a former director of the Company.
- (iv) professional fees of \$Nil (Year ended September 30, 2016 - \$145,124) to a law firm managed by a director of the Company for legal services.
- (v) share-based compensation of \$Nil (Year ended September 30, 2016 - \$31,291) to directors of the Company.

Included in due to related parties as at December 31, 2016 is \$384,437 (September 30, 2016 - \$394,971) due to directors, a spouse of a director, former directors and companies controlled by directors.

At December 31, 2016, the Company owed the CEO \$91,280 (September 30, 2016 - \$91,280) for loans received from the CEO.

During the year ended September 30, 2016, the Company issued 510,000 common shares to directors of the Company to settle debts aggregating \$215,000 (Note 6).

### **Outstanding Share Information at February 28, 2017**

#### Authorized Capital

Unlimited common shares without par value.

#### Issued and Outstanding Capital

42,487,417 shares outstanding



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Stock Options and Warrants Outstanding

The following stock options were outstanding February 28, 2017:

Expiry Date	Exercise Price	Number of Options	Number of Options Exercisable
July 21, 2017	\$ 0.35	1,475,000	1,475,000
April 3, 2018	\$ 0.35	650,000	650,000
May 7, 2018	\$ 0.40	400,000	400,000
September 7, 2018	\$ 0.40	132,500	132,500
September 17, 2018	\$ 0.43	117,500	117,500
		2,775,000	2,775,000

The following warrants were outstanding at February 28, 2017:

Number of Warrants	Exercise Price	Expiry Date
1,066,667	\$0.20	March 2, 2017
300,000	\$0.20	April 6, 2017
1,000,000	\$0.24	May 4, 2017
200,000	\$0.55	December 21, 2017
396,500	\$0.50	May 3, 2018
57,500	\$0.50	November 15, 2018
3,020,667		

### Uncertainties and Risk Factors

Being in the exploration stage, the Company will face a variety of risks, and while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible. The Company faces a variety of risk factors such as project feasibility, risks related to determining the validity of mineral property title claims, commodities prices, political and environmental laws and regulations. Management monitors its activities and those factors that could impact them in order to manage risk and make timely decisions.

### Financial Instruments

Please refer to Note 2 and note 8 in the December 31, 2016 Condensed Consolidated Interim Financial Statements on [www.SEDAR.com](http://www.SEDAR.com) for financial instrument information.

### New Accounting Policies and New Accounting Pronouncements

Please refer to Note 2 in the December 31, 2016 Condensed Consolidated Interim Financial Statements on [www.SEDAR.com](http://www.SEDAR.com) for newly adopted accounting policies and recent accounting pronouncements.

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## **Technical Advisory Board**

In January 2016, the Company created a technical advisory board (“TAB”) to assist management with its Emo, Ontario exploration and development project.

The TAB is presently comprised of Messrs. Frank Puskas and Peter Fischer; their professional qualifications and major involvements have been summarized in associated press releases.

## **Presidents Message**

On behalf of our Management Team, I would like to thank all stakeholders for their continued support.

During the period ended December 31, 2016, the Company continued to focus its attention on Canada and exploration initiatives undertaken on its recently acquired Emo, Ontario properties.

Effective July 14, 2016, we changed our company’s name to ‘Crystal Lake Mining Corp.’ to reflect our more recent exploration focus on Canadian properties, primarily in and around the highly prospective Crystal Lake (Emo) area of Ontario. We feel that this historically underexplored, underdeveloped and often misunderstood geological complex has significant potential for hosting numerous commercial scale polymetallic ore bodies.

Our shareholders should be aware that we have recently used considerable resources to acquire significant options on a large land package in this very prospective area of the Canadian Shield, the heart of mining in Canada.

Our reasoning is based on several key notions:

1. Mines are usually found near other mines – subject always to larger macro geological influences over an area;
2. Detailed geological study and scientific modelling is required from top experts at all stages of exploration and development – *with specialized knowledge and specific experience with the formations under exploration*;
3. Risk is largely reduced by following 1 and 2.

Obviously this is an oversimplification but my point is made.

My first point speaks for itself and we are exploring the right area; however, by overlooking or failing to consider and understand the impact of higher level events and their effect on local geology, many clues can be missed.

As to the science, I am proud that we have assembled what we consider to be a very high level group of geologists to assist us at the advisory level.

The Company’s Technical Advisory Committee consists of Mr. Paul Pitman, Dr. Frank Puskas and Dr. Peter Fischer.

In addition to having have extensive and impressive experience (as detailed in our press releases) members have developed crucial area specific proprietary models which we are using to guide and plan our exploration initiatives. Now that we have completed our Phase 1 drilling program on each of the L5 and L1 properties we are analyzing the results and applying them to the models.

Some of the recent findings and methodologies are summarized below.

The EL1 Property hosts the principal exploration target which contains polymetallic Ni–Cu–PGM sulphides hosted by a mafic norite intrusion presumed to be the basal layer of a phased layered (lacomorphic) Complex. This body is referred to as the Emo Complex or Dobie Intrusion.

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Early exploration beginning in the 1950's and ending in 1972 defined a disseminated copper-nickel body averaging about 0.28% Cu and 0.24% Ni and 0.05% Co. The mineralized body was defined by historical drilling from 220 short drill holes. While not considered economic at the time, CLM is attracted by disseminated mineralization containing higher-grade parallel trending lenses (also referred to as shoots) with historic drilling indicates widths of 4.3m to 12.2m.

One such shoot of an estimated 204,000 tonnes graded 0.65% Cu and 0.87% Ni. Other such shoots were identified but not similarly documented as to tonnage or grade in the historical filed records. The exploration model developed by Emerald Lake is to explore for deeper massive sulphide bodies which may occur below the disseminated low-grade copper-nickel mineralization. The above Results are historic only and have not being independently verified in accordance with NI 43-101.

The L5 (Farm) property was acquired to facilitate the exploration of a large and very strong magnetic anomaly. The fee simple title was acquired by CLM to provide local accommodation for Company personnel and to maintain secure storage facilities for core, logs and equipment.

The difficulty of finding a source of high-grade nickel-copper sulphides on a large mafic-ultramafic body prompted management to employ an interpretative study referred to as “SGH” (Spatiotemporal Geochemical Hydrocarbons) in order to unravel surface mineralized trends and pinpoint targets. Crystal Lake is now confident that it has identified possible targets of nickel-copper mineralization on its EL1 property though this innovative nano-geochemical process.

SGH differs from conventional geochemistry as it is an “organic”, deep-penetrating geochemical survey which targets individual metals. In this instance, Ni, Cu and PGEs were analyzed and presented as separate anomalies. SGH is the only known organic geochemical method that, in spite of the name, uses “non-gaseous” semi-volatile organic compounds interpreted using a forensic signature approach. The analysis involves the testing for 162 hydrocarbon compounds in the C5-C17 carbon series. These hydrocarbons have been shown to be residues from the decomposition of bacteria and microbes that feed on the target commodity as they require inorganic elements to catalyze the reactions necessary to develop hydrocarbons and grow cells in their life cycle. Specific classes of hydrocarbons have been successful for delineating mineral targets found at over 950 meters in depth. SGH is unique and should not be confused with other hydrocarbon tests or traditional analyses that measure C1 (methane) to C5 (pentane) or other gases; SGH does not analyze for any hydrocarbons that are actually gaseous at room temperature.

Interpretation, which led to deep targets on the L1 Property, was based solely on SGH data and did not include the consideration from any other geochemistry (inorganic), geology, or geophysics related to the survey area. The interpretation of the SGH data is in reference to a template or group of SGH classes of compounds specific to a chosen type of mineralization (i.e. in this instance copper, nickel, and platinum). The SGH Pathfinder Class maps often illustrate an anomaly that is a vertical projection over mineralization at the shallowest location.

Results of the interpretation of the L1 Property suggest that the identified outstanding nested-segmented halo anomaly of the northern redox zone appears to vector to the source of the mafic intrusion where upwelling of mineralized fluids may have occurred. This is also expected to be the case for the central and southern redox zones however, due to significant larger dispersion patterns, the intrusion as the source of the mineralized fluids is thought to lie at greater depth.

The SGH results at the L1 Property survey illustrate separate anomalies with signatures associated with copper, nickel and PGE's. SGH has often successfully illustrated the zonation that may be present which together describe the possible structure, in this case for a Cu-Ni-PGE type target. Based on the Laboratory SGH rating scale of 0 to 6, the results of the Dobie intrusion study on the patented L1 ground has been rated from 5.0 to 5.5 indicating excellent drill targets. While complex in detail, SGH signatures of copper, nickel and PGE are overlapping zones define the deposit type quite well. However, the interpreter noted that, as platinum or other platinum group elements are far less mobile than copper, nickel, or

gold, any platinum that might be present is probably near the geometric center of the Redox cell and is at a much greater depth. PGE's may thus be at a depth that is not able to be detected with SGH. The SGH signature therefore for PGEs is given a lower rating of 4.0 out of 6.0.

**Crystal Lake Mining Corporation**  
**(Formerly Sierra Iron Ore Corporation)**  
**Management Discussion and Analysis (“MD&A”)**  
**Three Month Period Ended December 31, 2016**

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L5 Property geochemical test appeared to illustrate copper, nickel and PGE anomalies that had dispersion consistent with a copper-nickel-PGE type deposit. The outstanding nested-segmented halo anomaly vectored to the source of the weakness in the basement where upwelling of mineralized fluids may have occurred. Separate anomalies with signatures associated with copper, nickel and with PGEs were discovered, possibly indicating a zonation or structural feature of the mineralization. Note that this interpretation is based only on the analytical results provided by the SGH Nano geochemistry results. Drilling of highly rated anomalies (5.0 of 6.0) are targets at present. But drilling will probably be deferred until SGH results and other testing, analyzing, and interpretations have been completed.

We are very encouraged by the results and scientific interpretations to date and we are looking forward to releasing additional results as they are received from Emerald Lake Development Corp, “the Operator”.

The Company has recently signed an agreement with Emerald Lake Development to obtain “Option of first Refusal” to acquire 100% interest in 8 other prospective properties in the Emo, Ontario area.

Currently different mining contractors are being interviewed and prices obtained for the purposes of a budget for the upcoming work program planned to commence early spring of 2017.

*“Wally Boguski”*

President & CEO