CONTINENTAL PRECIOUS MINERALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED

MAY 31, 2017

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Continental Precious Minerals Inc. ("Continental" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended May 31, 2017. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited consolidated financial statements of the Company for the years ended May 31, 2017 and 2016, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included in this MD&A. Information contained herein is presented as at August 29, 2017, unless otherwise indicated.

The Company's financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Continental's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from the offices of the Company or on SEDAR at **www.sedar.com**.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward looking statements.

Forward-looking statement	Assumptions	Risk factors
The Company will be able to carry out anticipated business plans.	The operating activities of the Company for the twelve months ending May 31, 2018, will be consistent with the Company's current expectations.	Sufficient funds not being available; increases in costs; the Company may be unable to retain key personnel.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Continental's ability to predict or control. Please also make reference to those risk factors referenced in the "Risks and Uncertainties" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Continental's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

Continental was a reporting issuer listed on the Toronto Stock Exchange ("TSX") under the symbol "CZQ". The Company was amalgamated with Fin Resources Inc., under the laws of the Province of Ontario, Canada by Articles of Amalgamation dated July 7, 1987. Historically Continental's business focus has been in the natural resources industry. Current management is actively seeking new business opportunities. To date, Continental has not earned any revenues from its mineral property interests and is considered to be in the exploration stage.

During the year ended May 31, 2017, the Company disposed of its interest in the Sweden Uranium Project as discussed in Exploration and Evaluation section below.

As a result of this disposition the company no longer met the applicable criteria to remain on the TSX exchange. The Company has applied for voluntary delisting of its shares from the TSX and concurrently applied for a listing on the NEX exchange.

On June 26, 2017, the Company's application to voluntarily delist its shares from trading on the TSX and transition to the NEX has been approved. Accordingly, the Company's shares commenced trading on the NEX at market open on July 4, 2017 under the new symbol "CZQ.H".

Overall Performance

On October 21, 2016, Mr. Grant Sawiak resigned as the Chief Executive Officer ("CEO") and a director of the Company. The Board of Directors appointed Mr. Norman Brewster, who has been a director of the Company since November 2013, as Interim CEO. In addition, the Company announced that Mr. Ram Ramkumar was appointed as a director of the Company.

On February 28, 2017, the Company announced that Dave Pryce resigned as a director of the Company.

During the year ended May 31, 2017, the Company sold Viken Project for $250,000 (see "Exploration and Evaluation Assets" below).

On June 26, 2017, the Company's application to voluntarily delist its shares from trading on the TSX and transition to the NEX has been approved. Accordingly, the Company's shares commenced trading on the NEX at market open on July 4, 2017 under the new symbol "CZQ.H".

Management and directors are currently reviewing opportunities outside the extraction industry that have developed as a result of present market conditions and the Company's strong cash position.

Exploration and Evaluation Assets

VIKEN PROJECT

During the year ended May 31, 2016, the Company impaired the carrying value of the property to $1. During the year ended May 31, 2017, the Company transferred the 11 mineral claims comprising the Sweden Uranium Project to EU Energy Corp. The terms of the sale agreement provide that Continental be paid a total of $250,000, which was received during the year ended May 31, 2017. Additionally Continental is entitled to receive a NSR of 2% which upon a 30 day notice from EU Energy Corp. could be purchased for $600,000. However, if EU Energy Corp. does not commence commercial production from the property within 5 years, the royalty is reduced to 0.5% and can be purchased for $150,000.

During the year ended May 31, 2017, the Company incurred ($29,022) (year ended May 31, 2016 - $218,137) in exploration expenses in connection with the Sweden Uranium Project. The negative exploration expenses during the year ended May 31, 2017 was due to a refund received from a vendor for expenses incurred in previous periods.

DOK PROPERTY

During the year ended May 31, 2016, the Company decided not to pursue the option agreement and has fully impaired the property. During the year ended May 31, 2017, the Company incurred $3,652 (year ended May 31, 2016 - $8,864) in connection with the property.

Off-Balance-Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Proposed Material Transactions

As of the date of this MD&A, the Company does not have any proposed material transactions to announce.

Environmental Contingency

The Company's historical mining and exploration activities were subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and generally becoming more restrictive. As of the date of this MD&A, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

Capital Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of acquisitions; and
- to maximize shareholder return.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the board of directors on an ongoing basis. The Company considers its capital to be total shareholders' equity, comprising share capital, reserves and deficit which at May 31, 2017, totalled $5,754,048 (May 31, 2016 - $5,741,653).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Information is provided to the Board of Directors of the Company. The Company's capital management objectives, polices and processes have remained unchanged during the year ended May 31, 2017.

Selected Annual Financial Information

The following is selected financial data derived from the audited consolidated financial statements of the Company at May 31, 2017, 2016 and 2015.

	Year ended May 31, 2017	Year ended May 31, 2016	Year ended May 31, 2015
Net loss	$(56,154)	$(2,112,555)	$(1,578,439)
Net loss per share (basic)	$(0.00)	$(0.18)	$(0.14)
Net loss per share (diluted)	$(0.00)	$(0.18)	$(0.14)
	As at May 31, 2017	**As at May 31, 2016**	**As at May 31, 2015**
Total assets	$5,807,528	$5,791,892	$7,864,426

- The net loss for the year ended May 31, 2017 consisted primarily of (i) professional fees of $137,397; (ii) share-based compensation of $66,872 and director fees of $80,000 and offset by gain on sale of Sweden Uranium Project of $249,999 and interest income of $40,745;

- The net loss for the year ended May 31, 2016 consisted primarily of (i) exploration and evaluation of $209,970; (ii) professional fees of $229,673; (iii) share-based compensation of $11,927; and (iv) impairment of exploration and evaluation assets of $1,506,491 and offset by (iv) interest and other income of $56,694;

- The net loss for the year ended May 31, 2015 consisted primarily of (i) exploration and evaluation of $1,023,643; (ii) professional fees of 341,765; (iii) share-based compensation of $112,646 and offset by (iv) interest and other income of $93,762;

Selected Quarterly Information

The Company's quarterly information in the table below is prepared in accordance with IFRS.

Three Months Ended	Total Revenue ($)	Income (loss)		Total Assets ($)
		Total ($)	Per Share (9) (10) ($)	
2017 – May 31	-	((98,613) (1)	(0.00)	5,807,528
2017 – February 28	-	258,183 (2)	0.02	5,880,934
2016 - November	-	(127,276) (3)	(0.01)	5,661,468
2016 – August 31	-	(88,448) (4)	(0.01)	5,699,525
2016 – May 31	-	(1,654,472) (5)	(0.14)	5,791,892
2016–February 29	-	(101,502) (6)	(0.01)	7,413,117
2015–November 30	-	(242,430) (7)	(0.02)	7,485,381
2015–August 31	-	(114,151) (8)	(0.01)	7,780,827

Notes:

(1) Net loss of $98,613 principally relates to adjustment of gain on sale of Viken Project of $50,000, professional fees of $28,232, director fees of $13,250, stock exchange fees of $12,379 and office and general of $11,525 offset by interest income of $9,765 and recovery of exploration and evaluation of $7,524.

(2) Net income of $258,183 principally relates to gain on sale of Viken Project of $299,999, interest income of $10,321 offset by director fees of $22,250, professional fees of $10,005, stock exchange fees of $9,831, office and general of $6,535, exploration and evaluation of $2,724, shareholder relations of $323 and travel and business development of $469.

(3) Net loss of $127,276 principally relates to professional fees of $59,719, director fees of $22,250, share-based compensation of $66,872, office and general of $9,630, shareholder relations of $7,867, transfer agent fees of $2,000 and travel and business development of $78 offset by negative exploration and evaluation of $30,941 and interest and other income of $10,199.

(4) Net loss of $88,448 principally relates to professional fees of $39,441, director fees of $22,250, exploration and evaluation of $10,371, travel and business development of $6,173, office and general of $15,431, shareholder relations of $5,242 offset by interest and other income of $10,460.

(5) Net loss of $1,654,472 principally relates to professional fees of $51,225, director fees of $22,250, exploration and evaluation of $18,558, travel and business development of $9,320, office and general of $9,432, shareholder relations of $150, impairment of exploration and evaluation assets of $1,506,491 and loss on sale of marketable securities of $29,287 offset by interest and other income of $7,759.

(6) Net loss of $101,502 principally relates to professional fees of $67,967, director fees of $22,250, exploration and evaluation of $21,351, stock exchange fees of $12,428 and office and general of $3,406 offset by interest and other income of $14,213.

(7) Net loss of $242,430 principally relates to exploration and evaluation of $140,744, professional fees of $60,268, share-based compensation of $11,583, director fees of $21,250, office and general of $17,680, shareholder relations of $8,034 and transfer agent fees of $2,000 offset by interest and other income of $19,129.

(8) Net loss of $114,151 principally relates to exploration and evaluation of $29,317, professional fees of $50,213, share-based compensation of $15,341, travel and business development of $11,265, director fees of $9,750, office and general of $18,035 and shareholder relations of $11,341 offset by interest and other income of $31,111.

(9) Basic and diluted.

(10) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

Discussion of Operations

Year ended May 31, 2017, compared with year ended May 31, 2016

The Company's net loss totalled $56,154 for the year ended May 31, 2017, with basic and diluted loss per share of $0.00. This compares with a net loss of $2,112,555 with basic and diluted loss per share of $0.18 for the year ended May 31, 2016. The decrease in loss of $2,056,401 was principally because:

- Impairment of exploration and evaluation assets of $1,506,491 for the year ended May 31, 2016 and there was no such impairment for the year ended May 31, 2017.

- Gain on sale of Viken Project of $249,999 during the year ended May 31, 2017.

- Exploration and evaluation decreased by $235,340 from $209,970 for the year ended May 31, 2016 to negative $25,370 for the year ended May 31, 2017 due to a refund received for the Viken Project during the year ended May 31, 2017 and more exploration activities on the Viken Project during the year ended May 31, 2016.

- Professional fees decreased by $92,276 for the year ended May 31, 2017, compared to the year ended May 31, 2016. The decrease in professional fees can be attributed to higher consulting fees paid to the former CEO during the year ended May 31, 2016.

- All other expenses related to general working capital purposes.

Three months ended May 31, 2017, compared with three months ended May 31, 2016

The Company's net loss totalled $98,613 for the three months ended May 31, 2017, with basic and diluted loss per share of $0.00. This compares with a net loss of $1,654,472 with basic and diluted loss per share of $0.14 for the three months ended May 31, 2016. The decrease in loss of $1,555,859 was principally because:

- Impairment of exploration and evaluation assets of $1,506,491 for the three months ended May 31, 2016 and there was no such impairment for the three months ended May 31, 2017
- Exploration and evaluation decreased by $26,082 from $18,558 for the three months ended May 31, 2016 to negative of $7,524 for the three months ended May 31, 2017 due to more exploration activities on the Viken Project during the three months ended May 31, 2016.

- Professional fees decreased by $22,993 for the three months ended May 31, 2017, compared to the three months ended May 31, 2016. The decrease in professional fees can be attributed to higher consulting fees paid to the former CEO during the nine months ended May 31, 2016.

- All other expenses related to general working capital purposes.

Liquidity and Financial Position

There is no assurance that equity capital will be available to the Company in the future in the amounts or at the times desired or on terms that are acceptable to the Company to pursue other business opportunities. See "Risks and Uncertainties" below.

Cash used in operating activities was $230,715 for the year ended May 31, 2017. Operating activities were affected by share-based compensation of $66,872 and gain on sale of Viken Project of $249,999. Operating activities were also affected by the net change in non-cash working capital balances of $8,566 because of an increase in accounts payable and accrued liabilities of $3,241, decrease in prepaid expenses of $1,016 and decrease in accounts receivable of $4,309.

There was $275,000 in cash flows provided by investing activities during the year ended May 31, 2017, representing proceeds from return of capital of marketable securities of $25,000 and proceeds from sale of Viken Project of $250,000.

There were no cash flows from financing activities during the year ended May 31, 2017.

At May 31, 2017, the Company had $5,733,085 in cash (May 31, 2016 - $5,688,800).

Accounts payable and accrued liabilities increased to $53,480 at May 31, 2017, compared to $50,239 at May 31, 2016. The Company's cash balance as at May 31, 2017 is sufficient to pay these liabilities.

The Company has no operating revenues and therefore must utilize its income from marketable securities, funds obtained from the exercise of stock options and other financing transactions to maintain its capacity to meet ongoing operating activities.

As of May 31, 2017, and to the date of this MD&A, the cash resources of the Company were held with financial institutions with high creditworthiness.

The Company has no debt and its credit and interest rate risk is minimal. Accounts payable and accrued liabilities are short-term and non-interest-bearing.

Regardless of how the Company's business develops, its working capital of $5,717,048 at May 31, 2017, is believed to be adequate for it to continue operations for the twelve-month period ending May 31, 2018.

Related Party Transactions

Related parties include the Board of Directors, officers, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions. In accordance with International Accounting Standards 24 Related Party Disclosure, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, to similar transactions to non-key management personnel related entities on an arm's length basis.

For the year ended May 31, 2017, included in the Company's professional fees are management fees of $nil (2016 - $93,333) charged by R2A2 Holdings Inc., on behalf of the former Chief Executive Officer ("CEO") Rana Vig, for performing the duties of CEO of the Company. Included in these fees were additional payments beyond that of performing his duties as CEO for matters related to the legal actions and depositions that Mr. Vig had been required to attend to and also the extra work in seeking and reviewing alternative opportunities for the Company. Effective February 1, 2016, Rana Vig stepped down as CEO of the Company and Mr. Grant Sawiak was appointed as the CEO.

During the year ended May 31, 2017, Marrelli Support Services Inc. ("Marrelli Support") and DSA Corporate Services Inc., together known as the "Marrelli Group" charged the Company $46,624 (2016 - $48,488) for the following services:

- Mr. Peng, employee of Marrelli Support, to act as Chief Financial Officer ("CFO") of the Company.
- Bookkeeping and office support services:
- Regulatory filing services; and
- Corporate secretarial services.

The Marrelli Group is also reimbursed for out of pocket expenses. As of May 31, 2017, the Marrelli Group was owed $6,507 (May 31, 2016 - $2,890). These amounts were included in accounts payable and accrued liabilities. These amounts are unsecured, non-interest bearing and due on demand.

Other than the consulting fees and professional fees discussed in the above, remuneration of Directors and key management personnel of the Company was as follows:

Year Ended May 31, 2017

	Salaries and benefits $	Share based payments $	Total $
Martin Bernholtz, Director	15,000	13,374	28,374
Norman Brewster, interim CEO and Director	13,000	13,374	26,374
Gordon Ashworth, Director	13,000	13,374	26,374
Grant Sawiak, former CEO and former Director [(1)]	5,000	nil	5,000
David Pryce, Director	27,000	13,376	40,376
Ram Ramkumar, Director	7,000	13,374	20,374
Total	**80,000**	**66,872**	**146,872**

Year Ended May 31, 2016

	Salaries and benefits $	Share based payments $	Total $
Bob Perry, former Director	5,500	1,903	7,403
Rana Vig, former Chairman, former CEO and former Director (1)	nil	5,658	5,658
Martin Bernholtz, Director	15,000	3,524	18,524
Norman Brewster, Director	12,500	3,524	16,024
Gordon Ashworth, Director	6,500	nil	6,500
Grant Sawiak, CEO and Director	6,000	nil	6,000
David Pryce, Director	30,000	nil	30,000
Larry Tsang, former CFO	nil	(2,682)	(2,682)
Total	**75,500**	**11,927**	**87,427**

[(1)] On October 21, 2016, Mr. Grant Sawiak resigned as the CEO and a director of the Company.

Members of the Board of Directors do not have employment or service contracts with the Company. They are entitled to director fees and stock options for their services.

Disclosure Controls

Disclosure controls and processes have been designed to ensure that information required to be disclosed by the Company is compiled and reported to Company management as appropriate to allow timely decisions regarding required disclosure. The Company's CEO and CFO have concluded, based on their evaluation as of May 31, 2017, that the Company's disclosure controls and procedures are effective to provide reasonable assurance that material information related to the Company is made known to them by employees and third party consultants working for the Company. There have been no significant changes in the Company's disclosure controls and processes during the year ended May 31, 2017.

It should be noted that while the Company's CEO and CFO believe that the Company's disclosure controls and processes will provide a reasonable level of assurance and that they are effective, they do not expect that the disclosure controls and processes will prevent all errors and frauds. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that its objectives are met.

Internal Control Over Financial Reporting ("ICFR")

Management is responsible for certifying the design of the Company's ICFR as required by National Instrument 52-109 – "Certification of Disclosure in Issuers' Annual and Interim Filings". ICFR is intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of condensed interim consolidated financial statements for external purposes in accordance with IFRS. ICFR should include those policies and procedures that establish the following:

- maintenance of records in reasonable detail that accurately and fairly reflect the transactions and dispositions of assets;
- reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS;
- receipts and expenditures are only being made in accordance with authorizations of management and the Board of Directors; and
- reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the condensed interim consolidated financial statements.

Because of its inherent limitations, ICFR may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management, including the CEO and CFO, has evaluated the design of the Company's ICFR as of May 31, 2017 pursuant to the requirements of Multilateral Instrument 52-109. The Company has designed appropriate ICFR for the nature and size of the Company's business, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS except as noted herein.

There have been no changes in ICFR during the year ended May 31, 2017 that have materially affected, or are reasonably likely to materially affect the Company's ICFR.

Change in Accounting Policies

New accounting standards not yet effective

A number of new accounting standards, amendments to standards, and interpretations have been issued but not yet effective up the date of issuance of the Company's consolidated financial statements. The Company intends to adopt these standards when they become effective. The Company has not yet determined the impact of these standards on its consolidated financial statements, but does not anticipate that the impact will be significant.

Share Capital

As of the date of this MD&A, the Company had 11,706,896 issued and outstanding common shares.

Financial Instruments

The Company's financial instruments consist of:

Description	May 31, 2017 $	May 31, 2016 $
Cash and cash equivalents	5,733,085	5.688.800
Marketable securities	21,033	44.356
Accounts receivable	4,695	9.004
Accounts payable and accrued liabilities	53,480	50.239

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange risk and equity and commodity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and accounts receivable. Cash and cash equivalents consist of cash and investment-grade short-term guaranteed investment certificates, which have been invested with the Company's banking institution, from which management believes the risk of loss to be minimal.

Accounts receivable consists of sales taxes receivable from government authorities in Canada. Accounts receivable are in good standing as of May 31, 2017 and May 31, 2015. Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable is minimal.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they come due. As at May 31, 2017, the Company had a cash and cash equivalents balance of $5,733,085 (May 31, 2016 - $5,688,800) to settle current liabilities of $53,480 (May 31, 2016 - $50,239). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company believes it has sufficient funds to meet its liabilities when they become due.

Market Risk

Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by the Company's Canadian chartered bank. Management believes that the Company's exposure to interest rate risk is minimal.

Sensitivity analysis

As of May 31, 2017, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period:

(i) Cash and cash equivalents are subject to floating interest rates. As at May 31, 2017, if interest rates had decreased/increased by 1% with all other variables held constant, the loss for the year ended May 31, 2017 would have been approximately $57,000 (May 31, 2016 - $57,000) higher/lower as a result of lower/higher interest income from cash and cash equivalents and short-term investments. Similarly, as at May 31, 2017, reported Shareholder's Equity would have been approximately $57,000 (May 31, 2016 - $57,000) lower/higher as a result of lower/higher interest income from cash and cash equivalents and short-term investment due to a 1% decrease/increase in interest rates.

(ii) The Company does not hold significant balances in foreign currencies to give rise to exposure to foreign exchange risk.

Trends

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. During the year ended May 31, 2017, equity markets in Canada have showed very encouraging signs of improvement, with stock prices increasing significantly during this period. Strong equity markets is a favourable condition for completing a public merger or acquisition transaction of the type being sought by the Company, and the Company is encouraged by these developments after a long period of extremely difficult equity markets. Apart from these and the risk factors noted under the heading "Risks and Uncertainties", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the following risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position:

Uninsurable Risks

In the course of exploration of mineral properties, certain detrimental events and, in particular, unexpected or unusual geological conditions, including rock bursts, cave-ins, fires, flooding and earthquakes, may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

No Assurance of Title

Third parties may dispute title to any of the Company's mineral exploration licences. Any of the Company's mineral exploration licences may be subject to prior unregistered agreements or transfers, and title may be affected by undetected encumbrances or defects, governmental action or the appeal process to which the Company's mineral exploration licences are currently subject.

Foreign Operations

Most of the Company's mineral property interests are located in Sweden where mineral exploration and mining activities may be affected in varying degrees by changes in government regulations, such as mining laws, tax laws, business laws and environmental laws, affecting the Company's business in that country. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business or, if significant enough, may make it impossible to continue to operate in the country. Operations or the possibility to sell the interests may be affected in varying degrees by government regulations with respect to restrictions on exploration and mining, production, price controls, foreign exchange restrictions, export controls, income taxes, expropriation of property, environmental legislation and mine safety.

No History of Revenues

The Company has no history of generating revenue or profits. There can be no assurance that it will generate revenues or profits in the future.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Management Team

The Company's management team is limited to a CEO and a part-time CFO. The Company, accordingly, relies extensively on the expertise and performance of consultants. The success of the Company will depend upon the performance of this group and may depend upon the Company's ability to recruit additional personnel.

Conflicts of Interest

Some of the directors and officers of the Company are also directors and officers of other companies that are similarly engaged in the business of acquiring, exploring and developing natural resource properties. Such associations may give rise to conflicts of interest from time to time. In particular, one of the consequences may be that corporate opportunities presented to a director or officer of the Company may be offered to another company or companies with which the director or officer is associated, and may not be presented or made available to the Company. The directors and officers of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company, to disclose any interest which they may have in any project or opportunity of the Company, and to abstain from voting on such matter. Conflicts of interest that arise will be subject to and governed by the procedures prescribed by the Business Corporations Act (Ontario).

Volatility in Financial Markets

Continental has identified extreme volatility occurring in the financial markets as a significant risk for the Company. As a result of the market turmoil, investors are moving away from assets they perceive as risky to those they perceive as less so. Companies like Continental are considered risk assets and as mentioned above are highly speculative. The volatility in the markets and investor sentiment may make it difficult for Continental to access the capital markets to raise the capital it will need to fund its current level of expenditures.

Commitments

The Company's contractual obligations as at May 31, 2017 include:

Contractual Obligations	Total	Up to 1 year	1 - 3 years	4 - 5 years	After 5 years
Accounts payable and accrued liabilities	$53,480	$53,480	$nil	$nil	$nil
Total	**$53,480**	**$53,480**	**$nil**	**$nil**	**$nil**

Litigation and Contingency

Edward Godin, the former president, CEO and a director of the Company commenced a proceeding against the Company in May 2013 in which he is seeking damages in the amount of $650,000. Following its ongoing investigation, the Company commenced a proceeding against Mr. Godin for approximately $3,000,000 for numerous breaches of his fiduciary duties owed to the Company. These actions are ongoing.

During the year ended May 31, 2014, the Company commenced a lawsuit against Iftikhar Malik in which the Company seeks the return of approximately $189,000 from him. The former CEO of the Company, Edward Godin, caused the Company to make monthly payments, in an amount equal to Mr. Godin's salary, to Mr.

Malik from approximately November 2011 until December 2012. The Company considers these payments were improperly made and therefore commenced the lawsuit against Mr. Malik. Mr. Malik has filed his defence and counter-sued the Company for $300,000. The Company believes the claim is without merit and plans to vigorously defend its position.

The outcome of the proceedings cannot be determined at this time and the Company has not accrued any amounts related to the suits.