MANAGEMENT'S DISCUSSION AND ANALSIS FOR THE THREE MONTS ENDED MAY 31, 2016
(All amounts expressed in Canadian dollars, unless otherwise stated)

This Management Discussion and Analysis ("MD&A") provides a detailed analysis of the business of AMI Resources Inc. (the "Company") and compares its financial results for the three months period ended May 31, 2016 to the previous year. The MD&A should be read in conjunction with the consolidated financial statements of the Company and related notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Refer to Note 3 of the three months ended May 31, 2016 consolidated financial statements for disclosure of the Company's significant accounting policies and a discussion of future accounting policy changes. The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in the Canadian dollar.

This MD&A contains certain statements that may constitute "forward-looking statements". Forward-looking statements include but are not limited to, statements regarding future anticipated business developments and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company's ability to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

Additional information relating to the Company can be located on the SEDAR website at www.sedar.com.

This MD&A is current as at July 29, 2016.

BACKGROUND

The Company is a development stage company engaged in the acquisition and exploration of mineral properties. The Company is currently focusing its exploration activities on precious metals in West Africa. Through its wholly-owned subsidiaries AMI Africa Exploration Ltd.("AMI Africa") and Ashanti Sankofa Limited ("Ashanti"), the Company holds a prospecting license for a gold concession in the Ashanti Region of Ghana and held mineral interests in Niger. The Company is a reporting issuer in British Columbia, Alberta and Quebec and trades on the TSX Venture Exchange under the trading symbol – **AMU-V**.

QUARTERLY HIGHLIGHTS

- The Company arranged a $350,000 private placement which closed subsequent to the end of the Quarter.
- The Company completed a reconnaissance soil program on the Anuoro concession that identified two new parallel structures.
- The Company announced that it intends to recommence drilling over its North Ashanti Gold Project in Ghana, West Africa.

MINERAL PROPERTIES

In accordance with the rules outlined in National Instrument 43-101, all information concerning mineral properties in Ghana have been prepared by the Company's qualified persons: Robert Spiers, geologist and C.E.O. of the Company, Simon Meadows-Smith, consulting geologist with SEMS Exploration Services in Accra, Ghana; and information concerning mineral properties in Niger by consulting geologist Claude Jobin, P. Eng M.Sc.

Ghana - North Ashanti Gold Project

AMI Africa holds or held 100% interest (subject to a government 10% carried interest) in two Prospecting Licences (Beposo (33 sq m) & Anuoro (65 sq km)) currently covering a combined area of approximately 98 km^2 which together comprise the North Ashanti Gold Project.

The North Ashanti Gold Project is located in the Ashanti Region of Ghana, West Africa. Ghana is currently the world's 8th largest gold producer and a number of mines are located along this Ashanti Shear.

The North Ashanti Gold Project is located approximately 220 kilometres northwest by road from the capital city Accra, and 40 kilometres southeast by road from the country's second city, Kumasi. The Asante Akyem North District capital town of Konongo is located immediately north of the concession area. Konongo is also the regional gold mining centre with several small open pits and a historic underground mine. Newmont Mining Corporation's ("Newmont") Akyem Mine is located approximately 25 km to the Northeast.

Structurally the North Ashanti Project covers a 14 km segment of the Konongo-Axim Shear System, or Ashanti Shear. This shear zone hosts a number of deposits and operating gold mines. The Konongo mine, which adjoins the North Ashanti Project to the north, and the Obuasi mine located to the soutwest . The shear continues towards the southwest adjacent to the western contact of the Ashanti Belt and also hosts the Bogosu mine and the Prestea mine. Newmont's Akyem mine is also located approximately 25 kilometers to the southeast.

Beposo License

AMI Africa was granted the 33.35 sq km Beposo Concession on April 22, 2004. The Beposo license was a consolidation of three previous licenses (Ankasi, Adumasa & Pemenase) held since 1997. The Beposo license contains an at surface NI 43-101 qualified gold resource of approximately 230,000 ounces in two main zones. AMI Africa has received several extensions of the Beposo license and has held EPA permits for exploration work on the Beposo license. In 2007, the Minerals Commission in conjunction with the EPA imposed a 6 to 10 km non-economic zone around Lake Botsumtwi, which encompasses the area of the Company's gold resource. In response to the EPA's decision a Writ of Summons was filed on May 13th 2011 in the High Court of Justice seeking compensation for the loss of the Company's gold resource. In October 2014, the Company was advised by its legal counsel that the High Court of Justice – Commercial Division had ruled against the Company. The Company, after consultations with its Ghanaian counsel, has filed an appeal of this decision on a contingency fee basis with counsel. As a result of ongoing communication between the Company and the Minerals Commission, the Company has advised its legal counsel to suspend its appeal in hopes of reaching an agreement to have the Beposo license re-instated by the government. As at February 28, 2014, an impairment of $2,578,525 has been taken with respect to the Beposo concession.

Anuoro License

AMI Africa was granted the 128.9 sq km Anuoro license on September 28, 2005. On December 14, 2009, AMI Africa received a 24-month extension from the Minister of Mines on its Anuoro prospecting license. In March 2012 the Company shed half of the license in accordance with the Mining Act and on June 5, 2012 the Minerals Commission has recommended a two-year renewal of the retained 64.99 sq km license upon payment of the US$20,000 renewal fee. Newmont Ghana Gold Ltd. ("Newmont") paid this amount in accordance with the terms of the January 22, 2010 Newmont/AMI Option Agreement. In-order to comply with Ghana's Mining Act 2006, AMI Africa incorporated a Ghanaian subsidiary Ashanti (formerly AMI Africa Ghana Exploration Ltd.) AMI Africa then assigned the Anuoro license to Ashanti. On May 9th, 2014 Ashanti finally received a letter from the Ministry of Lands and Natural Resources stating the Anuoro license has been renewed until May 9 2016. The North Anuoro zone contains an at-surface NI 43-101 qualified gold resource of 97,686 ounces. On April 6, 2016 Ashanti submitted the required renewal documentation to the Minerals Commission requesting an extension for the Anuoro license. Ashanti has yet to receive the extension however; management believes it will be renewed for a minimum term of one year.

On January 22, 2010, AMI Africa entered into an agreement with Newmont which granted Newmont the right to earn an initial 51% interest in the Anuoro license by spending US$2,000,000 in work expenditures and property option payments during the first 3-year period. A minimum of US$900,000 in work expenditures and US$300,000 in property option payments is required in the first two years (requirements met). Should Newmont earn the 51% interest, both AMI Africa and Newmont would enter into a Joint Venture Agreement under which Newmont will have 90 days in which to elect to increase its interest in Anuoro to 75% by spending an additional US$2,000,000 in work expenditures and property payments over the next two years. Newmont also entered into a Tenancy Agreement for the rental of AMI Africa's exploration camp and facilities. During the year ended February 28, 2013, the Company received $123,080 (February 29, 2012 - $142,283) in property option payments and camp cost recoveries. No further recoveries have been received to date.

On August 16, 2012 the Company received notice from Newmont that after spending US$1,892,834 in exploration expenditures and property payments they were terminating the option agreement. The majority of Newmont's work was concentrated in the northern portion of the Anuoro license, which they hoped would indicate a broad potential economic mineralization capable of producing low bulk tonnage for heap leaching. Several other targets have been generated across the entire project by Newmont and the Company and these additional targets have yet to be drill tested.

Due to the adverse market conditions for junior exploration companies the Company recorded an impairment of $1,547,210 on the Anuoro license for the fiscal year ended February 28, 2014.

As at May 31, 2016, the Anuoro property's carry value was $309,931.

Historical Exploration

Exploration of the North Ashanti Gold Project area started in 1989 with the acquisition of the Adumasa Concession. In 1997, AMI Africa acquired the Pemenase and Ankasi Concessions. The three concessions were subsequently consolidated in April 2004 by AMI Africa into the Beposo Licence. In 2005 the Anuoro River Prospecting Licence was granted to AMI Africa. These Beposo and Anuoro concessions made up the North Ashanti Gold Project.

Exploration work undertaken by AMI Africa since early 2001 has identified two styles of gold mineralisation within the project area. The Beposo Main Zone lies upon the Beposo Shear which forms part of the Ashanti Shear corridor which can be traced from the Konongo Mine, immediately to the north of the project area, through the Beposo Mine, immediately to the south of the project area, then through the giant Obuasi gold mine and southwards to the Prestea Mine. The Beposo Main Zone comprises a package of sheared Birimian metasediments, mostly sericite and carbonate altered greywackes, with quartz veinlets, pyrite and arsenopyrite mineralisation. Sediments to the west of the Beposo shear are generally more argillaceous (phyllites). A porphyritic, felsic, intrusive body trends along the western margin of the Beposo shear and the predominantly greywacke sediments abut Birimian mafic volcanics about fifty metres to the east of the shear. Below the base of oxidation, most gold is associated with fine-grained arsenopyrite.

The Anuoro concession remains largely untested. AMI Africa has concentrated exploration efforts on previously identified gold occurrences on the eight kilometre stretch immediately south of the Konongo Gold Mine. Shallow RC drilling and two deeper diamond core holes have identified a mineralised, intermediate igneous body which lies a couple of kilometres east of the Ashanti Shear but trending in a sub parallel orientation. Gold mineralisation within this strongly weathered, igneous rock is confined to narrow quartz veins which generally dip towards the east. Only drill intersections from the northern prospect within the Anuoro River concession have been included in this resource calculation. A southern zone on the Anuoro several excellent drill results (ie: 15 m grading 2.22 g/t Au and 8 m grading 2.64 g/t Au), however this zone could not be included in the NI43-101 Resource report without further drilling.

Newmont concentrated the majority of their exploration efforts on the northern portion of the Anuoro license. Twelve trenches were dug in the north and five dug in the south to test the soil anomalies for a combined length of 3164m and depths varying from 1.6m to 3.0m. These trenches were manually dug. 2378 trench samples were collected at 1m to 2m intervals along profile with preference given to lithological variations and alteration where necessary. Some of the best intercepts reported were 4m @ 0.21 g/t; 10m @ 0.57 g/t including 3m @ 1.58 g/t; 31m @ 0.22 g/t and 12m @1.13 g/t.

131 Aircore drill holes totalling 4341m were completed over selected anomalies to quickly test for saprolite mineralization. The average depth of the holes was 30m. Three phases of RC drill programs were completed to test for mineralization at depth. 61 RC holes totalling 5918m were drilled. Results were generally low grade with the best being 20m @ 1.6 g/t including 8m @ 2.3 g/t.

<u>Recent exploration activities:</u>

The results of a recently completed field reconnaissance program undertaken over sections of the northern portion of the Anouro concession area has resulted in supporting the existence of local anomalism for gold (in-excess of 150ppb - geological background values). For full results see Table 1. The results are preliminary in nature and not conclusive evidence of the likelihood of the occurrence of a mineral deposit.

The recent reconnaissance program was conducted by an independent Ghanaian consulting group, Scott Taylor Limited, in response to a desktop study and GIS data collation and review by Ashanti representatives. The review and the ongoing development strategy toward realising the full extent of the Anouro regions gold potential led to the proposal and completion of the field reconnaissance and subsequent grab sampling program.

Management elected to commence the field reconnaissance program in parallel with existing development plans in order to assess a structural corridor adjacent and sub-parallel to the existing Ashanti drilling and resource which lies on the inferred southern projection of the Owere Mine, “Sentreso” trend, see Figure 1 for details.

The reconnaissance field program and associated grab sampling supports the presence of anomalous gold values in the region as illustrated in Figures 1 to 3. The anomalous gold values display two theoretical trends (Figures 2 and 3) here in referred to the “northern grab sampling zone” or “NGSZ” and the “southern grab sampling zone” or “SGSZ”. These early reconnaissance results have provided further weight to the theory that the anomalous trend extends near surface as a moderately continuous zone of higher than geological background gold values.

Management's broader view for the area is to advance the projects near surface potential for further gold mineralisation quickly with a view to identifying the project's potential Mineral Resource and subsequently fast-tracking the project into more definitive studies.

Concurrent with a drill program, a follow-up geochemical sampling program and other work will include geological and structural evaluations of the immediate and surrounding geological terrain, local and regional targeting and identification of potential additional gold anomalism in-line with existing programmes defined by Management.

All historical and current results to date supports the northern Anouro as having potential for gold mineralisation.

Highlights from Reconnaissance Program:

- 86 grab samples from surface float and remanent local prospecting pits has resulted in the support of earlier field programs by previous explorers (Newmont 2008[1] geochemical sampling).
- The recent program by AMI realised outcomes **including sample number 002 returning 3998ppb Au, sample number 016 returning 60985ppb and sample number 034 returning 1856ppb Au.**
- **16%** of samples (14 out of 86 grab samples tested) taken returned in-excess of the geological background gold grade of 150ppb Au[2].
- The samples which exceed the geological background values **form two distinct zones of accumulation** which warrant further more structured field follow-up.
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Table 1. Analytical outcomes for the grab sampling of field float and local prospecting pit spoils.

Scheme	Easting	Northing	FAE505	FAE505	FAE505	Geological Description
Unit	m	m	ppb	ppb	ppb	
Detection Limit			2	2	2	
Element			Au	Au(R)	Au(S)	
1	692501	729177	160	153	168	Foliated greywacke with qtz veinlets. 045/55NW
2	692501	729177	3998	3700	4000	Quartz vein rock chips from old galamsey u/grd pit
3	692186	728895	137	132		greywacke with ferruginous stain quartz veinlets, E-W/70N in an old open pit
4	692186	728895	1569	1660		greywacke with ferruginous stain quartz veinlets, E-W/70N at different sample point in the old open pit
5	692186	728895	1243	800		greywacke with ferruginous stain quartz veinlets, E-W/70N at different sample point in the old open pit
6	692186	728895	32			Quartz vein in the pit 0.5m
7	692266	728999	55			Debris of greywacke from old galamsey u/grd pit
8	692266	728999	1250			Mixture of quartz vein and greywacke from the u/grd pit
9	691961	728630			16	Mottle clay and weathered greywacke from

						excavated 3m deep old pit
10	690201	727032	53			Greywacke with quartz veinlets outcrop, 45/70NW
11	690460	727297	68			Greywacke with quartz veinlets outcrop, 45/50NW
12	690514	727272	7			Greywacke with quartz veinlets boulders
13	691826	728619	676	753		Foliated quartz vein, 1.5m wide in an old galamsey u/grd pit. 040/75N
14	691650	728510	1489			Quartz vein chippings from an old galamsey u/grd pit. 040/75N
15	691546	728488	6			Sheared quartz vein in 3m deep old pit
16	692647	729350	60985	54000	58000	Sample given by galamsey workers from current underground mine pit
17	690280	726954	4			Quartz floats in the small river
18	690280	726954	61			Outcrop of foliated greywacke in the small river. 045/50NW
19	690307	727123	15			Floats of quartz vein from the old u/grd pit
20	690307	727123	159			Foliated greywacke with thin qtz veinlet from the old U/grd pit
21	690303	727083	7			Floats of quartz vein from the old u/grd pit
22	690283	727060	6			Floats of quartz vein from the old u/grd pit
23	690283	727060	6	6		Foliated greywacke from the old U/grd pit
24	690200	726970	6			Saprolite of foliated greywacke from the old U/grd pit, 45/60NW
25	690200	726970	8			Floats of quartz vein from the old u/grd pit
26	689161	725809	100			Outcrop of foliated greywacke with quartz veinlets interbedded. 045/ dips NW
27	689161	725809	83			Outcrop of foliated greywacke with quartz veinlets interbedded. 045/dips NW
28	689161	725809	66			Outcrop of foliated greywacke
29	689175	725868	836	870		Outcrop of foliated greywacke with quartz veinlets interbedded.
30	688957	726044	2			Foliated green mafic rock with weathered cubic pyrite. 042/vertical dip
31	689014	726118	5			Foliated green mafic rock with weathered cubic pyrite.
32	689313	726295	2	2		Ferruginous material (duricrust)
33	689111	725835	190			Outcrop of foliated greywacke with quartz veinlets interbedded. 045/50 NW
34	688867	725551	1856			Floats of foliated greywacke with quartz veinlets interbedded.
35	688867	725551	13			Laterite soil with quartz fragments collected under a falling tree.
36	688722	725486	74	65		Floats of quartz fragments
37	688693	725706	3			Foliated green mafic rock with weathered cubic pyrite. 042/vertical dip
38	688632	725716	3			Foliated green mafic rock with weathered cubic pyrite. 042/vertical dip
39	688602	723699	5			Boulders of quartz vein
40	688401	725666	2	3		Boulders of quartz vein

41	688742	725383	1498	1440		Boulders of foliated greywacke with quartz veinlets interbedded.
42	685537	723658	8			boulders and fragments of quartz
43	685518	723579	8			boulders and fragments of quartz
44	688077	724549	129	124		Foliated greywacke with quartz veinlets 045/65NW
45	688077	724549	98			Foliated greywacke with quartz veinlets 045/65NW
46	688025	724635	132	105		boulders of foliated greywacke
47	687581	725345	4			Duricrust
48	686689	724882	4			Greywacke with quartz veinlets
49	686689	724882	6			Greywacke with quartz veinlets
50	686826	724723	149			Greywacke with quartz veinlets
51	687154	724520	32			0.3m quartz vein
52	687154	724520	27			Multi-coloured phyllite with quartz veinlets 045/vertical dip
53	687154	724520	25			Saprolite of phyllite with quartz veinlets (horizontal channel sampling)
54	686575	724759	14			boulders and fragments of quartz
55	687260	724617	5			Laterite gravel
56	687409	724793	5		5	boulders and fragments of quartz
57	687212	725182	7			quartz gravel in Adumasa town
58	687136	725280	7			highly weathered material in Adumasa town
59	687118	725318	5			Sheared phyllite with quartz veinlets
60	687118	725318	4			Sheared phyllite with quartz veinlets
61	685917	723752	6			phyllite with quartz veinlets
62	686064	723583	8			quartz laterite
63	685698	724023	9			Floats and fragments of quartz
64	685801	723957	2			boulders and fragments of quartz
65	686271	723781	10			Duricrust
66	686271	723781	14			Quartz floats
67	685776	723999	22			Quartz fragments on phyllite outcrop in 2m pit
68	686689	724581	6			Laterite gravel
69	686985	724341	14			Quartz gravel
70	690031	726802	4			Greywacke with quartz veinlets
71	690024	726843	3			Greywacke with quartz veinlets and also old u/grd pit
72	689823	726653	7			Greywacke with quartz veinlets
73	689916	726655	2			Greywacke with quartz veinlets outcrop, 50/60NW
74	689954	726646	4			Greywacke with quartz veinlets outcrop, 45/55NW
75	689802	726538	10			Greywacke with quartz veinlets boulders
76	689721	726503	63			Greywacke with quartz veinlets
77	689251	725935	1030	1100	1160	Greywacke with quartz veinlets
78	690669	727429	2			Boulders of sheared quartz
79	690664	727615	2			Boulders and floats of sheared smoky quartz
80	690778	727634	2	3		Greywacke with quartz veinlets floats all over
81	691009	727821	29			Greywacke with quartz veinlets floats all over
82	692421	729161	88			Greywacke with quartz veinlets
83	692186	729141	2			Floats of sheared quartz with large crystals of hornblende
84	692045	729004	2			Sheared quartz with dark minerals

85	692062	728793	53			Greywacke with quartz veinlets at the entrance of old u/grd pit
86	691575	728274	5			Greywacke with quartz veinlets 047/55NW

Notes to Accompany Table 1:

- The selected grab samples are not representative of the minerialization on the property and are preliminary in nature and not conclusive evidence of the likelihood of the occurrence of a mineral deposit.
- Coordinates are taken on a hand held GPS thus have +/- 5m accuracy.
- Figures in the above table are in parts per billion (ppb) with a lower detection limit of 2ppb applying, readings which analysis showed to be below 2ppb are replaced with <2ppb.
- Geological descriptions are those of the independent consultant Scott Taylor Limited engaged by AMI to execute the field program and cannot be construed as definitive.
- Analytical analysis was conducted by SGS Laboratory Services GH. Ltd, P. O. Box 38, Jerusalem Junction, Tarkwa, Ghana.
- Analytical method employed by SGS is as follows: FAE505: Au, FAS, Solv Ext, AAS, 50g using accredited methods using accredited number OI-L3-906-AFR(GH)-MIN-FA-01 and 02.

Supplementary figures

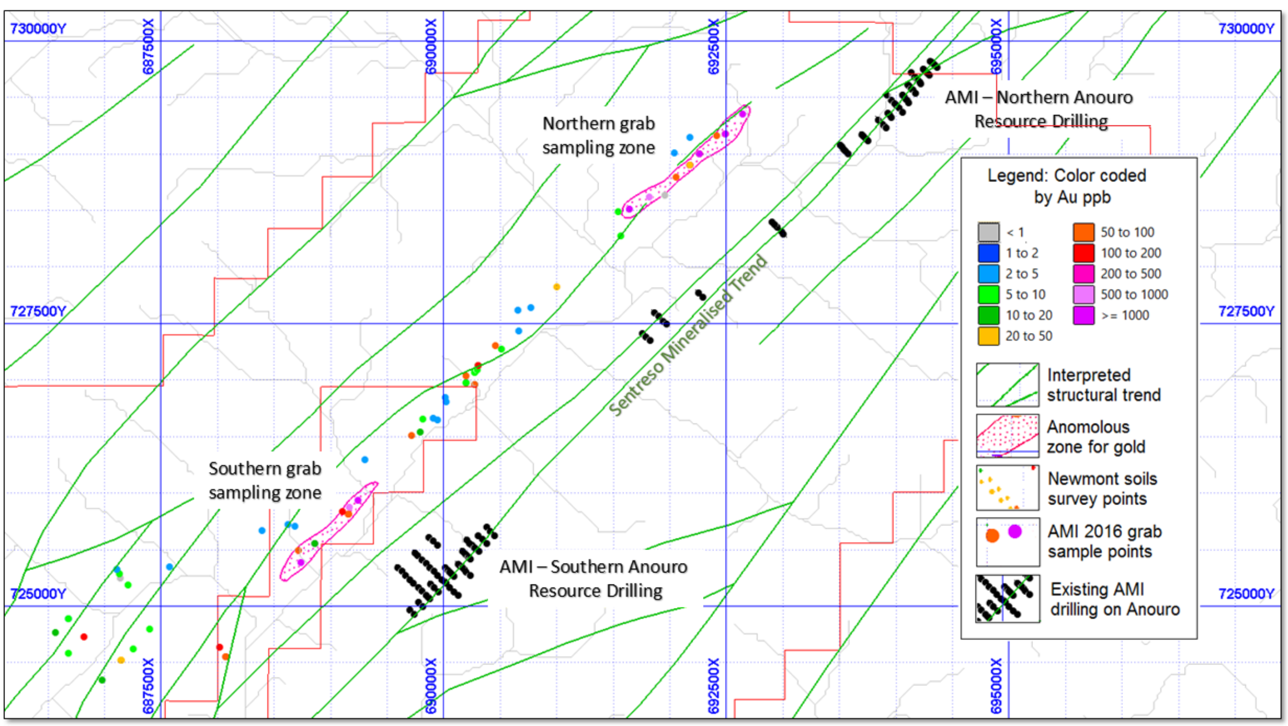

Figure 1: Grab sample location plan with adjacent existing AMI drilling on Sentreso trend.

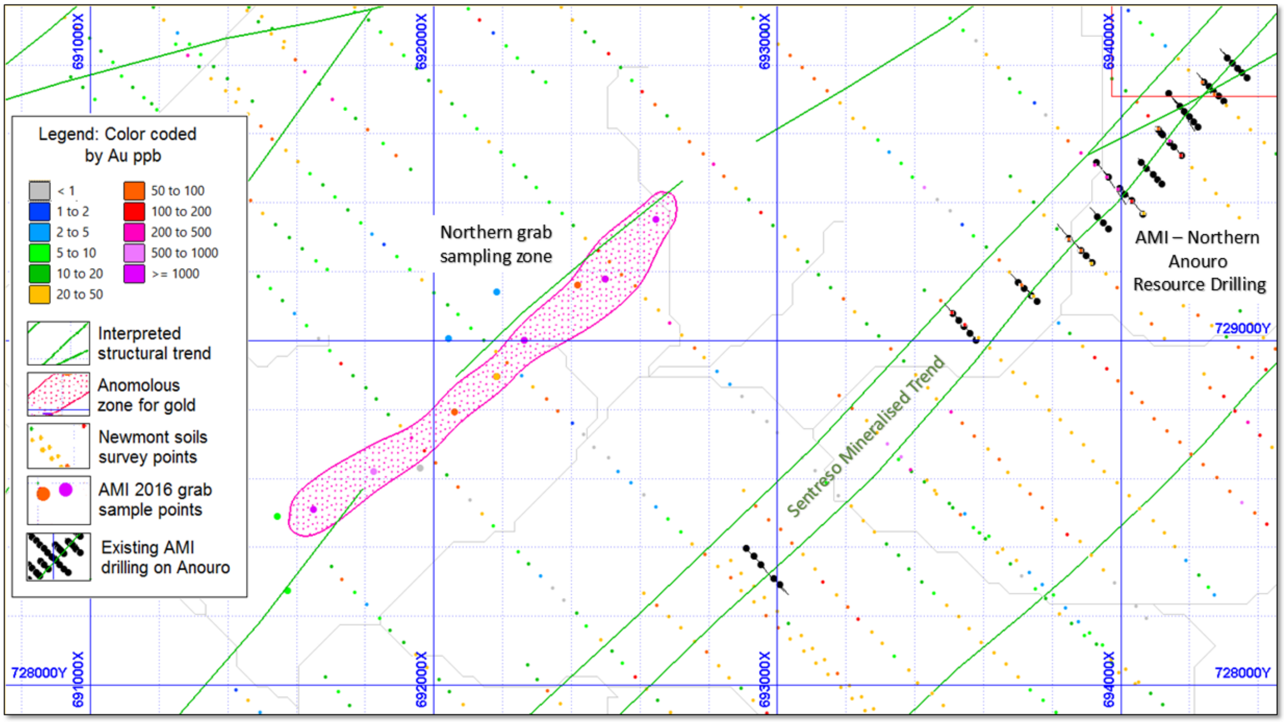

Figure 2: Northern Grab sample location plan with adjacent existing Anouro North AMI drilling on Sentreso trend.

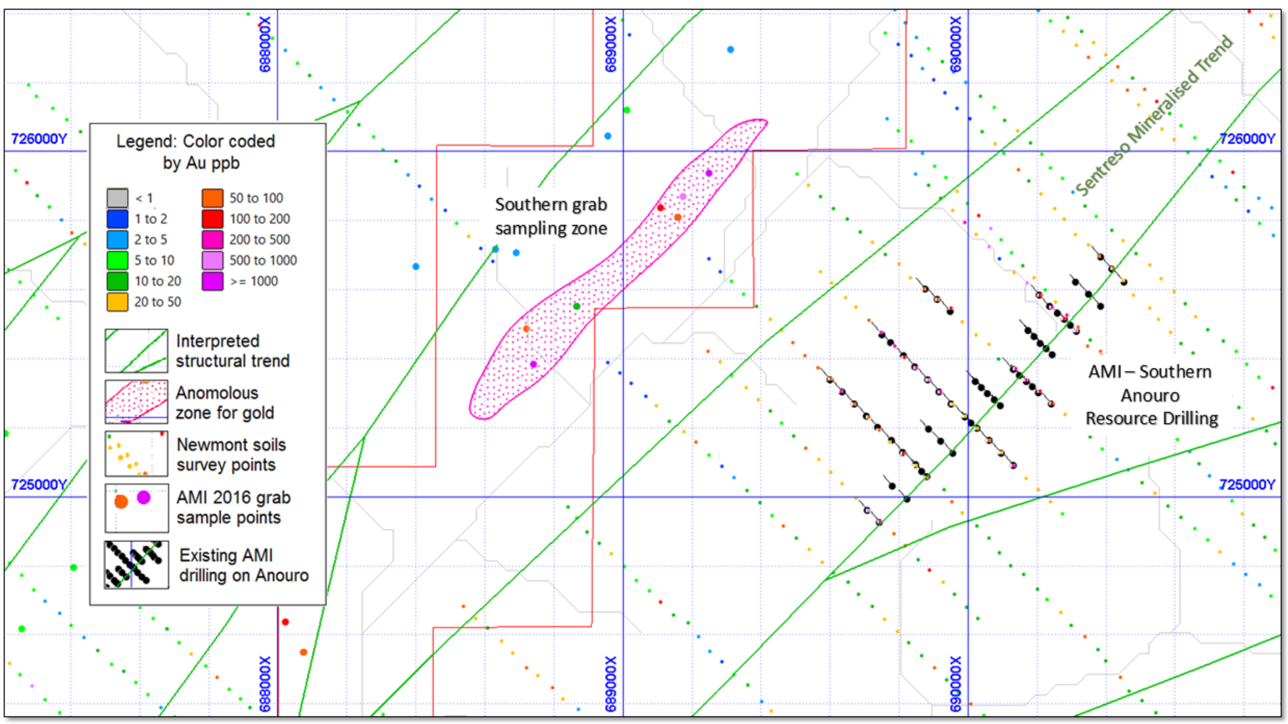

Figure 3: Southern Grab sample location plan with adjacent existing Anouro South AMI drilling on Sentreso trend.

Resource Estimation NI43-101 May 2008, prepared by SEMS Exploration Services.
Estimation of resources at Beposo Main Zone, Beposo South East Zone and Anuoro North Zone relies entirely on sampling by AMI Africa. Since commencement of drilling on all three prospects AMI Africa has maintained a quality control protocol that allows routine monitoring of sampling precision and assay accuracy. An examination of QAQC sample data indicates satisfactory performance of field sampling protocols and of assay laboratories.

The current North Ashanti Gold Project resource estimate is based on a combined total of 22,141 metres of reverse circulation percussion drilling ("RC") and diamond core drilling. This breaks down to 196 RC holes for 17,606 metres, 16 RD holes (Reverse Circulation with a Diamond core tail) for 2,600 metres and 9 diamond core holes for 1,935 metres.

Resources for the Beposo Main Zone and Beposo South East Zone have been calculated using an Ordinary Kriging method and the Anuoro North Zone using a polygonal estimation. Geological and weathering domains as well as assay values were used to define ore block outlines.

Defined resources fall within the Measured and Indicated categories.

	Oxide				**Sulphide**				**Total**			
	Tonnes	Grade	Ounces	%	Tonnes	Grade	Ounces	%	Tonnes	Grade	Ounces	%
Measured	1,848,564	1.31	85,457		1,626,890	1.81	103,953		3,475,454	1.55	189,410	58%
Indicated	754,296	1.50	39,921		2,629,668	1.06	98,297		3,383,964	1.16	138,218	42%
Total	2,602,860	1.37	125,378	38%	4,256,558	1.35	202,250	62%	6,859,418	1.35	327,628	

Fig. 1: Summary of North Ashanti Gold Project resource

Beposo Main Zone gold mineralisation remains open at depth. Northern extensions to the Beposo Main Zone resource area are possible but have yet to be fully tested. The Beposo South East Zone displays very high grade intersections close to surface (less than 50 metres) but depth extensions to this mineralisation have not been identified in the latest round of diamond drilling.

Niger Gold Project

Deba & Tialkam

MDI and AMI Option Earn-In Agreement Restructuring Deed and Deed of Amendment

In June 2013 and September 2013, MDI and the Company entered into an agreement to restructure the October 2012 Option Earn-In Agreement between MDI and AMI. In consideration for AMI agreeing to enter into this Option Earn-In Restructuring Deed MDI was to make two cash payments totaling US150,000. The first cash payment was due within 14 days of the new tenement being granted on the Deba and Tialkam licenses and the second cash payment was due within 90 days of the new tenement grant date. The Niger government has denied the renewal of the Deba & Tialkam tenements and therefore no funds have been received from MDI. MDI appealed the decision by the Niger government but did not receive a response and has since abandoned its efforts. On January 11, 2016 Middle Island and AMI executed a Deed of Termination of the Earn-In Agreement.

Impairment of Niger Gold Project

As the Deba and Tialkam tenements could not be renewed and capitalized costs recovered, the Company impaired the remaining carry cost of the project to $Nil at February 28, 2015.

Boksay Permit

Under application by the Company, the Government of Niger granted the 340 sq km Boksay permit to the Company on October 24, 2011 for an initial period of three years. The Boksay permit can be renewed for a further 3 years period on submission of a renewal application. The Boksay permit forms part of the Option Earn-in Agreement with MDI. In August 2014 MDI notified the Company that they have forfeited their right to earn-in to the Boksay permit. The Company has allowed the Boksay permit to expire.

The Company no longer has any properties or operations in Niger.

Kutcho Creek Royalty

On April 3 2014 the Company entered into a Settlement, Assignment and Assumption Agreement with RG Exchangeco Inc. (formerly RGLD Gold Canada Inc.), whereby the Company assigned all it's 20% interest in a 2% Net Smelter Royalty on the Kutcho Creek property in Northern British Columbia in exchange for US$200,000, which was received in April, 2014. The Company used $50,000 to reduce the balance on the loan outstanding to Lexus Gold Corp. and the balance for general working capital.

Exploration and Expenditure Detailed Breakdown

	North Ashanti	Niger – Deba/Tialkam	Niger - Boksay	Total
	$	$		$
Balance at February 28, 2013	**4,315,027**	**1,041,948**	**12,128**	**5,369,103**
Exploration costs incurred:				
License fees	-	-	-	-
Drilling	-	-	-	-
Field and camp costs	48,495	1,543	-	41,151
Geologist fees	-	3,495	-	3,495
Legal and administration	-	-	-	-
Travel	12,213	-	-	12,213
Subtotal	60,708	5,038	-	56,860
Impairment	(4,125,735)	(945,985)	(12,127)	(5,083,847)
Option payments and recoveries	-	(100,000)	-	(100,000)
Balance at February 28, 2014	**250,000**	**1**	**1**	**250,002**
Impairment	-	(1)	(1)	(2)
Field and camp costs	27,238	-	-	27,238
Balance at February 28, 2015	**277,238**	**-**	**-**	**277,238**
Field and camp costs	28,993	-	-	28,993
Legal	3,700	-	-	3,700
Balance at February 29, 2016	**309,931**	**-**	**-**	**309,931**
Balance at May 31, 2016	**309,931**	**-**	**-**	**309,931**

LIQUIDITY AND CAPITAL RESOURCES

At May 31, 2016, the Company had negative working capital of $53,031, including cash of $228,334.

In June 2013, the Company entered into a loan transaction to borrow $100,000 from Lexus Gold Corp. which is a British Columbia company controlled by two directors of the Company. The loan is for one year; with interest payable calculated using the Bank of Montreal prime rate plus 4% annually. A bonus of 400,000 common shares has been issued to Lexus Gold Corp. The loan will also be secured by the Company's future property payment receivables and its ownership in AMI Africa Ghana Exploration Ltd. During the year ended February 28, 2015, $50,000 of the loan was repaid and as at February 29, 2016 the remaining balance of the loan was repaid along with accrued interest.

On April 3, 2014 the Company entered into a Settlement, Assignment and Assumption Agreement with RG Exchangeco Inc. (formerly RGLD Gold Canada Inc.), whereby the Company assigned all its 20% interest in a 2% Net Smelter Royalty on the Kutcho Creek property in Northern British Columbia in exchange for US$200,000. The Company used $50,000 to reduce the balance on the loan outstanding to Lexus Gold Corp. and the balance for general working capital.

The Company closed a private placement for gross proceeds of $160,000 by issuing 8,000,000 units through two tranches comprising 5,000,000 units on March 31, 2015 and 3,000,000 units on May 11, 2015. Each unit comprises one common share and one share purchase warrant exercisable at $0.05 per share which expires twenty-four months from the date of closing.

On June 10, 2016, the Company closed a non-brokered private placement of 7,000,000 units at a price of $0.05 per unit for gross proceeds of $350,000. Each unit comprises one common share and one share purchase warrant exercisable at $0.05 per share for a period of twenty-four months from the date of closing.

The Company’s expected cash resources are sufficient to meet its working capital and mineral property requirements for the next year, however the Company has no source of revenue therefore Management will continue to seek new sources of capital to maintain its operations and to further the development of its mineral properties.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

OUTSTANDING SHARE DATA

The following share capital data is current as of date of this document is:

	Balance
Shares issued and outstanding	27,734,197
Warrants issued and outstanding	15,000,000
Options issued and outstanding	2,700,000
Fully Diluted	45,434,197

RESULTS OF OPERATION

May 31, 2016 – Three Months Ended

The Company incurred a net loss of $71,541 for the current period as compared to a net loss of $39,921 in the comparable previous period. The increase is primarily due to stock-based compensation expense recognized for the period which did not occur in the prior period. In additional management fees increased with the addition of a new executive officer.

SELECTED QUARTERLY INFORMATION FOR MOST RECENT COMPLETED QUARTERS

	May 31, 2016	February 29, 2016	November 30, 2015	August 31, 2015
	$	$	$	$
Net profit (loss)	**(71,541)**	(33,327)	(97,108)	(42,378)
Basic profit (loss) per share	**0.00**	0.00	0.00	0.00
Diluted profit (loss) per share	**N/A**	N/A	N/A	N/A

	May 31, 2015	February 28, 2015	November 30, 2014	August 31, 2014
	$	$	$	$
Net profit (loss)	(39,921)	(26,410)	(39,351)	(51,920)
Basic loss per share	0.00	0.00	0.00	0.00
Diluted profit (loss) per share	N/A	N/A	N/A	N/A

SELECTED ANNUAL INFORMATION FOR MOST RECENT COMPLETED YEARS

	February 29, 2016	**February 28, 2015**	**February 28, 2014**
	$	**$**	**$**
Income Statement			
Net profit (loss)	**(212,731)**	**39,408**	**(5,403,982)**
Loss per share (basic and diluted)	**(0.00)**	**(0.00)**	**(0.42)**
Balance Sheet			
Total resource properties	**309,931**	**277,238**	**250,002**
Total assets	**330,812**	**286,064**	**283,730**
Total long-term liabilities	**-**	**-**	**-**

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

	Ref.	**May 31, 2016**	February 29, 2016
		$	$
Other financial assets	a	**230,796**	20,881
Other financial liabilities	b	**177,765**	171,138

a. Comprises cash and sales tax receivables.
b. Comprises accounts payable, related party loans, and due to related parties (Note 7).

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. The fair values of the Company's financial instruments are not materially different from their carrying values.

Management of Industry and Financial Risk

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

The Company's financial instruments are exposed to certain financial risks, which include the following:

Credit risk
Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash and other receivables. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Other receivables comprise sales tax refunds from the Canadian federal government.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company ensures that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash. The Company's cash are held in corporate bank accounts available on demand. Liquidity risk has been assessed as being high.

Market Risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

Currency Risk
The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rate. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk relating to its related party balances (Note 7).

Price Risk
The Company is exposed to price risk with respect to equity prices. Price risk as it relates to the Company is defined as the potential adverse impact on the Company's ability to raise financing 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.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of components of shareholders' equity. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

RELATED PARTY TRANSACTIONS

The value of transactions and outstanding balances relating to key officers and directors and entities over which they have control or significant influence were as follows:

The Company incurred $9,000 USD (May 31, 2015 - $NIL) of management fees to the Chief Executive Officer (Robert Spiers) and director of the Company for services performed. As at May 31, 2016, $21,000 (May 31, 2015 - $NIL) of fees remains unpaid; this balance was paid in full subsequent to the period end. The Company has an agreement with this party for fees of US$3,000 per month for a three year period commencing November 1, 2015.

The Company incurred $7,500 (May 31, 2015 - $5,000) of management fees to a company controlled by the Chief Financial Officer (William Pettigrew) and director and officer for services performed. As at May 31, 2016, $32,879 (May 31, 2015 - $4,504) of management fees remains unpaid; this balance was settled in full subsequent to the period end.

The Company incurred $4,500 (May 31, 2015 - $7,500) of professional fees to a company controlled by a director (Ryan Cheung) for accounting services performed. As at May 31, 2016, $7,388 (May 31, 2015 - $3,750) of professional fees remains unpaid; this balance was paid in full subsequent to the period end.

During the period ended May 31, 2016, the Company received cash advances of $45,000 from a significant shareholder (Waratah Capital Inc.). The amounts are unsecured, bear no interest and have no specified terms of repayment. The amount was repaid subsequent to the period end.

In June 2013, the Company entered into a loan transaction to borrow $100,000 from Lexus Gold Corp. which is a British Columbia company controlled by one director (William Pettigrew) and one former director (Dustin Elford) of the Company. The loan was due in one year, with annual interest payable calculated using the Bank of Montreal prime rate plus 4%. A bonus of 400,000 common shares was issued to Lexus Gold Corp. The loan was also secured by the Company's future property recoveries and its ownership in Ashanti. At February 28, 2015, $50,000 of the loan remained outstanding as well as interest of $8,553. During the year ended February 29, 2016, the loan was fully repaid including accrued interest of $8,553.

Unless otherwise noted, all related party balances are unsecured, non-interest bearing with no fixed terms of repayment.

Off-Balance Sheet Transactions

The Company has not entered into any significant off-balance sheet arrangements or commitments.

CRITICAL ACCOUNTING ESTIMATES

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses.

The use of estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. Accounts which require management to make material estimates and significant assumptions in determining amounts recorded include: impairment of exploration and evaluation assets, share-based payments, and determination of functional currency.

i) Impairment
The Company assesses its exploration and evaluation assets annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, an estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments may require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, and exploration potential.

ii) Share based payments
The Company follows accounting guidelines in determining the fair value of stock-based compensation. The computed amount is not based on historical cost, but is derived based on subjective assumptions input into an option pricing model. The model requires that management make forecasts as to future events, including estimates of: the expected life of options; future volatility of the Company’s share price in the expected hold period (using historical volatility as a reference); and the appropriate risk-free rate of interest. Stock-based compensation incorporates an expected forfeiture rate. The resulting value calculated is not necessarily the value that the holder of the option could receive in an arm’s length transaction, given that there is no market for the options and they are not transferable. It is management’s view that the value derived is highly subjective and dependent entirely upon the input assumptions made.

iii) Functional and presentational currency
These consolidated financial statements are presented in Canadian dollars, which is AMI Resource Inc.’s functional currency. The Company’s wholly-owned subsidiary AMI Africa Exploration Ltd.’s functional currency is also Canadian dollars with foreign transactions including those exploration and evaluation related converted to Canadian dollars using the spot rate on the day of occurrence. The Company’s wholly-owned subsidiary AMI Africa Ghana Exploration Ltd’s functional currency is the Ghanaian Cedi.

iv) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis and except for cash flow information, using the accrual basis of accounting.

PROPOSED TRANSACTIONS

None.

RISK AND UNCERTAINTIES

The Company is in the mineral exploration and development business and as such is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business.

Some of the possible risks include the following:

a) The industry is capital intensive and subject to fluctuations in precious metal prices, market sentiment, foreign exchange and interest rates.

b) The only source of future funds for further exploration programs, or if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production thereon, which are presently available to the Company are the sale of equity capital or the offering by the Company of an interest in its properties to be earned by another party carrying out further exploration or development. Management has been successful in accessing the equity markets during the year, but there is no assurance that such sources will be available on acceptable terms in the future.

c) Any future equity financings by the Company for the purpose of raising additional capital may result in substantial dilution to the holdings of existing shareholders.

d) The operations of the Company will require various licenses and permits from various governmental authorities. Although the Company has demonstrated that it has the ability to obtain the necessary environmental and trial mining permits, there is no assurance that the Company will be successful in obtaining the necessary licenses and permits in the future.

e) With the Company’s exploration activities occurring in Ghana, the Company may be affected by possible political or economic instability in Ghana and Niger. Risks include, but are not limited to, civil war, war, terrorism, military repression, expropriation, extreme fluctuations in currency exchange rates and high levels of inflation. Changes in mining or investment policies and/or shifts in political attitude may adversely affect the Company’s business.

f) There is no certainty that the properties which the Company has deferred as assets on its balance sheet will be realized at the amounts recorded. These amounts should not be taken to reflect realizable value.

MANAGEMENT’S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The information provided in this report is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.