Lancaster Capital Corp.

(formerly Long Harbour Exploration Corp.)

MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE THREE MONTH PERIOD ENDED JANUARY 31, 2016

March 31, 2016

OVERVIEW

This management's discussion and analysis ("**MD&A**"), dated as of March 31, 2016, is management's discussion and analysis and interpretation of the results and financial condition of Lancaster Capital Corp. (formerly Long Harbour Exploration Corp.) ("**Lancaster**" or the "**Company**") for the three-month period ended January 31, 2016 and includes events up to the date of this MD&A. This discussion should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three month period ended January 31, 2016 and the notes thereto (together, the "Interim **Financial Statements**") ,the condensed consolidated annual financial statements for the twelve month period ended October 31, 2015 (the "**Annual Financial Statements**") and other corporate filings, all of which is available under the Company's profile on SEDAR at www.sedar.com.

This MD&A contains forward-looking information. Please see the section, "Note Regarding Forward-Looking Information" for a discussion of the risks, uncertainties and assumptions used to develop the Company's forward-looking information.

OVERALL PERFORMANCE

The Company was incorporated on April 26, 2004 under the *Business Corporations Act* (British Columbia) as Long Harbour Capital Corp. The Company's common shares trade on the TSXV under the symbol "LHC".

The Company is a Vancouver-based company, historically focused on exploring and evaluating mineral properties. The Company has now divested itself of its mineral properties (and direct interests therein) and is currently pursuing mining and non-mining sector business opportunities in companies generating, or near to generating, positive cash flow and, or, highly prospective exploration properties in the precious metals and mineral sectors.

Pursuant to an agreement dated April 24, 2014, between the Company and NexGen Energy Ltd. ("NexGen"), the Company sold to NexGen a 75% interest in the 2Z Lake property and the Madison property (together, **the "Properties**") and granted to NexGen an option to acquire the remaining 25% interest in exchange for: (i) in respect of the 75% interest, 361,930 common shares in the capital of NexGen; and (ii) in respect of the 25% interest, $45,000 of common shares in the capital of NexGen (based on the 5 day volume weighted average price (VWAP) preceding the exercise of such option).

NexGen is a Canadian based uranium exploration company engaged in the exploration of its portfolio of early stage uranium exploration properties located in the Athabasca Basin, Saskatchewan. NexGen's common shares trade on the TSXV under the symbol "NXE".

On June 29, 2015, the Company completed the first tranche of a previously announced non-brokered private placement of 10,690,000 units by issuing 3,500,000 units at a price of $0.05 per unit for gross proceeds of $175,000. Each unit consisted of one common share and one common share purchase warrant (a "**Warrant**"). Each Warrant entitles the holder to purchase one additional common share (a "**Warrant Share**") for $0.05 per Warrant Share for a period of five years.

On October 15, 2015, the Company completed the second tranche of its previously announced non-brokered private placement by issuing 5,190,000 units at a price of $0.05 per unit for gross proceeds of $259,500. Each unit consisted of one common share and one common share purchase warrant (a "**Warrant**"). Each Warrant entitles the holder to purchase one additional common share (a "**Warrant Share**") for $0.05 per Warrant Share for a period of five years.

That same date, the Company also completed the final tranche of its previously announced non-brokered private placement by issuing 2,000,000 units at a price of $0.05 per unit for gross proceeds of $100,000. Each unit consisted of one common share in the capital of the Company and one common share purchase warrant (a "**Warrant"**). Each

Warrant entitles the holder to purchase one additional common share in the capital of the Company (a "**Warrant Share**") at a price of $0.07 per Warrant Share for a period of five years.

A finder's fee of 6% of the aggregate gross proceeds of these private placements was payable to PI Financial Corp.

Effective October 16, 2015, the Company changed its name to Lancaster Capital Corp. and made changes to its board of directors and management team. Specifically, each of Kent Ausburn and Vincent Wong resigned from the Company's Board of Directors and Leigh Curyer, Andrew Cosh and Garrett Ainsworth were appointed thereto. Mr. Curyer was also appointed as Chief Executive Officer of the Company, replacing Howard Louie.

As an exploration stage company, the Company does not have revenues and historically has recurring operating losses. As at January 31, 2016, the Company had cash of $569,943 (October 31, 2015: $505,114), an accumulated deficit of $2,600,810 (October 31, 2015: $2,600,783) and a working capital of $657,195 (October 31, 2015: $578,451).

Recent Developments

On February 19, 2016, NexGen exercised its option to acquire the remaining 25% interest in the Properties and on February 26, 2016, the Company was issued 49,861 common shares of NexGen as consideration therefor.

As a result, as of the date hereof, the Company has no assets other than cash, amounts receivable and 229,930 common shares in the capital of NexGen (after giving effect to the disposition of 132,000 NexGen common shares, (the "**NexGen Shares**").

Industry and Economic Factors that may affect the Business

Economic and industry risk factors that may affect Lancaster's business, including those that could affect liquidity and capital resources, are described under the heading "*Risk Factors*" below. In particular, the Company does not have any assets other than cash, amounts receivable and the NexGen Shares and does not anticipate generating revenue

in the near future. As a result, the Company continues to be dependent on third party financing to maintain capacity and continue to pursue business opportunities. Accordingly, the Company's future performance will be most affected by its access to financing, whether debt, equity or other means and the identification and acquisition of non-cash assets. Access to such financing, in turn, is affected by general economic conditions, the price of uranium, and the other factors set forth below under "Risk Factors".

SELECTED FINANCIAL INFORMATION

The Interim Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and the interpretations of the IFRS Interpretations Committee ("**IFRIC**") as issued by the International Accounting Standards Board ("**IASB**"). The Company's significant accounting policies are presented in Note 3 of the Financial Statements and were consistently followed throughout the quarter.

Management is responsible for the Interim Financial Statements. Although the Company's Audit Committee reviews the Financial Statements and MD&A and makes recommendations to the Company's Board of Directors, (the "**Board**") it is the Board who has final approval of the Financial Statements and MD&A.

Summary

The following financial data is derived from the unaudited condensed interim financial statements for the three months ended January 31, 2016 and 2015

	For the Three Months Ended	
	January 31, 2016	January 31, 2015
Operating Expenses		
Consulting	-	$3,000
Office	27	2,957
Professional fees	-	4,219
	27	10,176
Net income (loss)	$13,744	$(5,887)
Net income (loss) per common share	0.00	0.00
Weighted average number of common shares outstanding	4,312,876	3,086,443

	January 31, 2016	October 31, 2015
Total assets	$754,190	$675,590
Total current liabilities	$96,993	$97,137
Total non-current liabilities	-	-
Distributions or cash dividends declared per share	-	-

RESULTS OF OPERATIONS

January 31, 2016 vs October 31, 2015

Lancaster had cash totaling $569,943 at January 31, 2016 compared to $505,114 at October 31, 2015. This increase was due to $65,000 cash received on exercise of 1,300,000 warrants.

Three Months Ended January 31, 2016 vs Three Months Ended January 31, 2015

The Company had earnings of $13,744 for the period ended January 31, 2016, compared to a loss of $(5,887) for the same period of the previous year. The higher earnings in the period ended January 31, 2016 were attributable to the reduction of office expenses and professional fees.

Office expenses were reduced to $27 (2015: $3,000). Similarly, professional fees of $nil changed as compared to the previous period (2015: $4,219), due to minimal activity.

SUMMARY OF QUARTERLY RESULTS

The following financial information is derived from the Company's financial statements, prepared in accordance with IFRS and presented in Canadian dollars. It should be read in conjunction with Lancaster's unaudited condensed interim financial statements for each of the past eight quarters, as well as the Annual Financial Statements.

(Expressed in Canadian dollars)	**2016 Jan 31**	**2015 Oct 31**	**2015 Jul 31**	**2015 Apr 30**	**2015 Jan 31**	**2014 Oct 31**	**2014 Jul 31**	**2014 Apr 30**
Net Income (loss) for the period	13,881	(5,405)	16,268	31,240	(5,887)	(33,547)	100,560	(14,680)
Loss per share - Basic and fully diluted	(0.00)	(0.00)	0.01	0.01	(0.00)	(0.02)	0.04	(0.01)

LIQUIDITY AND CAPITAL RESOURCES

As of January 31, 2016, the Company had working capital of $657,195 (October 31, 2015: $578,451), primarily representing the exercise of 1,300,000 warrants in the period ended January 31, 2016. In addition, as previously stated, in April 2014, the Company sold a 75% interest in, and an option to acquire the remaining 25% interest in the Properties. The Company received 361,930 common shares in NexGen in respect of that 75% interest. On February 19, 2016, NexGen exercised its option to purchase the remaining 25% interest and issued to the Company 49,861 common shares in its capital. On February 26, 2016, the Company was issued such 49,861 NexGen common shares

The NexGen Shares are reflected as available for sale securities in the financial statement's of the Company, and provide the Company with near team working capital liquidity. The closing price of NexGen's common shares on the TSXV on the date hereof was $ 1.75.

The Company does not currently have an active business and has reduced its operational costs to an absolute minimum. Accordingly, it is of the view that its cash, amounts receivable and securities are sufficient to maintain current capacity for the ensuing 24 months.

However, in the longer term, the Company's ability to maintain capacity and continue as a going concern is dependent upon its ability to raise additional capital. In addition, any business or asset acquisition opportunities identified by the Company, will require additional financing to complete. This represents a material uncertainty that may cast doubt about the Company's ability to continue as a going concern. The Company has historically relied on equity financings to raise capital. There can be no assurance that equity financings will be available to the Company in the future that will be obtained on terms satisfactory to the Company.

The Company's investment policy is to hold excess cash in highly liquid, short-term, interest-bearing instruments, such as Government of Canada Treasury bills or debt instruments issued by major Canadian chartered banks, with initial maturity terms of less than one year from the original date of acquisition, selected with regard to the Company's anticipated liquidity requirements.

The Company has no contractual obligations or commitments for capital expenditures as of October 31, 2015 or the date hereof.

As stated above, the Company does not currently have any assets other than cash, amounts receivable and the NexGen Shares. As a result, the Company's financial condition (and access to cash) are affected by the value of the NexGen Shares from time to time which is subject to fluctuations due to factors beyond the control of the Company. See "Risk Factors – Value of NexGen Shares".

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements as at January 31, 2016 or as at the date hereof.

PROPOSED TRANSACTIONS

The Company does not have proposed asset or business acquisitions or dispositions as at January 31, 2016 or as at the date hereof.

OUTSTANDING SHARE DATA

Common Shares

The authorized capital of Lancaster consists of an unlimited number of common shares, without par value. As at the date thereof, there were 15,076,443 common shares issued and outstanding.

Stock Options

As at the date hereof, there were 22,500 stock options outstanding. These stock options are exercisable into the same number of common shares at a weighted average exercise price of $2.00 per share. There were no options granted during the period ended January 31, 2016.

	Options outstanding	Weighted average exercise price
Balance, October 31, 2014	**65,000**	**1.88**
Expired	(42,500)	-
Balance, October 31, 2015	**22,500**	**2.00**
Balance, January 31, 2016	**22,500**	**2.00**

Share Purchase Warrants

As at the date hereof, there were 10,690,000 common share purchase warrants outstanding.

	Share Purchase Warrants	Weighted average exercise price
		$
Balance, October 31, 2014	**1,300,000**	**0.05**
Issued	10,690,000	0.05
Balance, October 31, 2015	**11,990,000**	**0.05**
Exercised	(1,300,000)	0.05
Balance, January 31, 2016	**10,690,000**	**0.05**

CHANGES IN ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 3 to the Financial Statements for the period ended January 31, 2016 and have been consistently followed in the preparation of these financial statements.

IFRS 9 has not been adopted by the Company and is being evaluated to determine its impact. IFRS 9 is a new standard that will partially replace IAS 39. IFRS measures financial assets, after initial recognition, at either amortized cost or fair value. Existing IAS 39 classifies financial assets into four measurement categories. The standard is effective for annual periods beginning on or after January 1, 2015. The Company may, but is not required to, apply the standard retroactively. In and after the year of adoption, certain disclosures relating to financial assets will change to conform to the new categories.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, amounts receivable, available for sale securities and accounts payable and accrued liabilities. Pursuant to IFRS 7, the fair value of assets and liabilities measured on a recurring basis includes cash and investments determined based on Level 1 inputs, which consist of quoted prices in active markets for identical assets. The Company believes that the recorded values of all receivables and payables approximate their current fair values because of their nature and respective maturity dates or durations.

Financial risk management

The Company's activities potentially expose it to a variety of financial risks, including credit risk, liquidity risk and interest rate risk.

Credit risk

Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations. The credit risk associated with cash is believed to be minimal as cash is on deposit with Canadian banks that are believed to be creditworthy. The Company does not believe it is exposed to significant credit risk.

Liquidity risk

Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities. The Company manages its liquidity by continuously monitoring and forecasting cash flows and by maintaining adequate cash to meet anticipated cash needs. As of January 31, 2016, the Company had working capital of $657,195 (2015: $578,451).

Interest rate risk

Interest rate risk arises when the fair value of a financial instrument is subject to change due to changes in market rates of interest. The Company is not exposed to significant interest rate risk.

RISK FACTORS

The operations of the Corporation are speculative due to the high-risk nature of its business. These are not the only risks and uncertainties that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair its business operations. These risk factors could materially affect the Company's future operating results.

Value of NexGen Shares

As stated above, the Company does not currently have any assets other than cash, amounts receivable and the NexGen Shares. As a result, the Company's financial condition (and access to cash) are affected by the value of the NexGen Shares from time to time. In recent years, the securities markets in the United States and Canada, and the TSXV in particular, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in the price of NexGen common shares will not occur. The financial condition of the Company will be materially negatively affected by any decline in the price of NexGen common shares. In addition, for various reasons

it may be necessary for the Company to dispose of some or all of the NexGen Shares at a time when the price thereof is depressed.

Identification Of Potential Transaction

Again, the Company does not currently have any assets other than cash, amounts receivable and the NexGen Shares. Accordingly, the Company is currently focused on the identification and evaluation of potential business and asset acquisition opportunities (each, a "**Potential Transaction**") and there can be no assurance that the Corporation will be able to identify a suitable Potential Transaction. Moreover, even if a Potential Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction. In addition, completion of a Potential Transaction is subject to a number of conditions including acceptance by regulatory approval and possibly shareholder approval.

No Operating Cash Flow

Although the Company has reduced operating expenses to an absolute minimum, the Company has no source of operating cash and has only limited funds with which to maintain such capacity and identify and evaluate Potential Transactions. The Company's ability to maintain capacity and continue as a going concern is dependent upon its ability to raise additional capital. In addition, any business or asset acquisition opportunities identified by the Company, will require additional financing to complete.

Dependence on Third Party Financing

As previously stated, the Company has no source of operating cash flow. As a result, the Company is dependent on third party financing to maintain capacity and identify and evaluate Potential Transactions. Failure to obtain such additional financing could negatively affect the Company's ability to continue as a going concern.

Uncertainty of Additional Funding

As stated above, the Company is dependent on third party financing, whether through debt, equity, or other means. Although the Company has been successful in raising funds to date, there is no assurance that the Company will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to the Company. Volatile uranium markets, a claim against the Company, a significant event disrupting the Company's business, or other factors may make it difficult or impossible to obtain financing through debt, equity, or other means on favorable terms, or at all. In addition, any future financing may also be dilutive to existing shareholders of the Company.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning Lancaster's general and administrative expenses and exploration and evaluation expenses is provided in the Company's statement of loss and comprehensive loss contained in its interim financial statements for the three month period ended January 31, 2016, which are all available on Lancaster's website or on its profile at www.sedar.com.

NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains *"forward-looking information" and "forward looking statements" within the meaning of applicable Canadian securities laws. Forward-looking information and statements include, but are not limited to, statements with respect to, the acquisition of future business opportunities, the value of the NexGen Shares, future financings, and requirements for additional capital. Generally, but not always, forward looking information and statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negative connotation thereof or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connation thereof.*

Forward-looking information and statements are based on the then current expectations, beliefs, assumptions, estimates and forecasts about the Company's business and the industry and markets in which it operates. Such forward information and statements are based on numerous assumptions, including among others, the future value of NexGen Shares and that general business and economic conditions will not change in a material adverse manner. Although the assumptions made by the Company in providing forward looking information or making forward-looking statements are considered reasonable by management at the time, there can be no assurance that such assumptions will prove to be accurate.

Forward-looking information and statements also involve known and unknown risks and uncertainties and other factors, which may cause actual results, performances and achievements of NexGen to differ materially from any projections of results, performances and achievements of NexGen expressed or implied by such forward-looking information or statements, including, among others: fluctuations in the value of NexGen common shares, the identification of a suitable business or asset acquisition opportunity, negative operating cash flow and dependence on third party financing and the uncertainty of additional financing.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those contained in the forward-looking information or implied by forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information. The Company undertakes no obligation to update or reissue forward-looking information as a result of new information or events except as required by applicable securities laws.

APPROVAL

The Board of Directors of Lancaster have approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it and can be located, along with additional information, on the Company's profile SEDAR website at www.sedar.com or by contacting the head office located at Suite 3150, 1021 West Hastings Street, Vancouver, BC V6E 0C3 or at (604) 428-4112.