FORM 51-102F1

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED MARCH 31, 2015

The following Management Discussion and Analysis ("MD&A") has been prepared by management of International Samuel Exploration Corp. (the "Company") as of June 1, 2015, and should be read in conjunction with the unaudited interim consolidated financial statements and related notes of the Company for the nine month period ended March 31, 2015, and the audited annual consolidated financial statements of the Company together with the related notes thereto for the year ended June 30, 2014. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are stated in Canadian dollars unless otherwise indicated.

Statements in this MD&A that are forward-looking statements (see "Forward Looking Statements") are subject to various risks and uncertainties concerning the specific factors disclosed under the heading "Risk and Uncertainties". Such information contained herein represents management's best judgment as of the date hereof based on information currently available. The Company does not assume the obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking information and statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions as at the date of this MD&A. The words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "interprets", "may", "will" and similar expressions identify forward-looking statements. Information concerning the interpretation of drill results may also be considered a forward-looking statement; as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. The forward-looking statements reflect the current beliefs of the management of the Company, and are based on currently available information. Readers are cautioned not to place undue reliance on these statements as they are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, such forward-looking statements. The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

OVERVIEW

The Company was incorporated on June 14, 1985 under the laws of British Columbia, Canada. The Company is primarily engaged in the acquisition, exploration, and development of mineral properties. The common shares of the Company are listed for trading on the TSX Venture Exchange (TSX-V) under the symbol "ISS".

The significant events for the nine months ended March 31, 2015 are as follows:

- On July 17, 2014, the company returned the RASP claims back to the vendors.
- On August 9, 2014, 3,816,998 share purchase warrants expired unexercised.
- On October 9, 2014, the company returned the Frog claims back to the vendors.
- On March 19, 2015 and March 24, 2015, 226,834 stock options expired unexercised.

MINERAL EXPLORATION ACTIVITIES

Frog Property, British Columbia

The Company's Frog Property is located approximately 170 kilometres from Dease Lake, in the Liard mining district of northern British Columbia. The Frog property covers an area of 32,233 hectares and lies on the western edge of the Omineca Belt immediately south of the junction of the Pitman and Frog rivers, approximately 100 kilometres northwest of Northgate Minerals Corporation's Kemess Mine. The overall Frog Property geology, in the Stikine Mountain Range, is underlain by rocks of the Quesnel terrane that includes the mid-Triassic to lower-Jurassic Takla Group mafic volcanics and the mid-Triassic Lunar Creek ultramafic complex. The oldest lithologies in the region are Stikine terrane mixed metamorphosed greenstone and undivided sediments of the Asitka Group. Numerous copper occurrences have been reported throughout the property, with the highest reported value grading 10.81 % copper from the TK43 showing. Within a 3.5 kilometre radius of the fore mentioned showing, some 100 historic stream silt samples returned an average of 650 ppm copper, suggesting the potential for a large scale mineralized system.

The 2012 exploration program commenced in July 2012 mainly consists of regional reconnaissance, detailed prospecting of the eastern half of the claims block, talus slope sampling, detailed petrologic analysis of the outcrop and subcrop mineralization and fluid inclusion studies. The detailed petrographic analysis was conducted for 544 widely spaced grab rock samples and has identified three distinct areas of interest on the southern half of the Frog Property.

- The first and most common alteration assemblage, the property's main assemblage, is biotite-magnetite-pyrite/marcasite ±chlorite-epidote, which occurs throughout the non-pervasive silica ±clay flooding.
- The second alteration assemblage on the property includes magnetite replacement of hornblende and amphiboles in the granitoids. This alteration appears to be both property-wide and does extend outside the property boundary.
- A third alteration assemblage found is muscovite-pyrite/marcasite-magnetite ±chlorite-epidote. This alteration apparently has a very limited range, both vertically and horizontally, and is seen in only a few samples.

In addition to the identification of prospects, the company undertook a property-wide helicopter supported aerial geological reconnaissance mapping, including gossan mapping. The company has only started to investigate a few of the known gossans at the Whoa and Forex Prospects.

During the year ended June 30, 2014, the company did not conduct any specific exploration program.

The Company decided not to proceed with further exploration of the property and accordingly wrote off the capitalized costs of $693,130, effective for the year ended June 30, 2014. On October 9, 2014 the Company transferred the mineral claims back to an unrelated party for $nil consideration.

NIV Property, British Columbia

The NIV Property consists of 15 mineral claims located approximately 270 kilometres northwest of Fort St. James, British Columbia. The property is a copper-gold prospect and situated on the northern extent of the Omineca fault system just south of the Niven River. Historic soil geochemistry in the northern portion of the claim block has identified both anomalous copper and gold values. Historic grab samples in this area between intrusive bodies and the Omineca fault have yielded copper values in veins in excess of 8% copper.

A detailed airborne magnetic survey conducted in spring of 2011 has identified a number of large structural features of potential interest. The 2011 summer exploration program consisted of regional prospecting, rock sampling, and geological mapping, focusing primary on an area where historic soil geochemical survey identified anomalous copper/gold values and on one of the fore mentioned structural intercepts. A total of 69 rock samples were collected during prospecting and seven samples returned copper value ranging from 1.01 % to 6.21%. Sample 32965 assayed 2220 g/t silver, 5.74 g/t gold, and 6.21 % copper, and sample 32581 assayed 61.2 g/t gold. 2011 airborne magnetometer survey over top of the NIV claim group identified large structures that are coincident with historical soil geochemistry copper-gold anomalies. Historic grab sample (DD1-20) returned 7.03 g/t gold, 2,853 g/t silver and 8.31 % copper (GSC memoir 251) from within this soil geochemistry anomaly.

Management plans do not currently include a program for 2015.

Omega Property, British Columbia

The Omega Property is located approximately 258 kilometres northwest of Fort St. James, British Columbia. The property is a copper-molybdenum prospect and situated in the Johanson Lake area, 60 kilometres southeast of Northgate Minerals Corporation's Kemess Mine. Recorded historic work on the property has included soil geochemistry, geological mapping, geophysical surveying and three diamond drill holes. Historic assays from Hole LC82-2, situated within a 1,100 meter long copper soil anomaly associated with a sizeable chargeability anomaly, returned 0.24 % copper over 46 meters.

The 2011 exploration program consisted of a property wide airborne magnetic survey, IP survey and regional prospecting. A 21 line kilometres induced polarization survey was centered over an area where one of the fore mentioned historic drill hole reportedly averaged 0.13 % Copper over 145 meters. Subsequent 3D inversion of the data defined a large chargeability anomaly of some 0.75 km x 1.0 km in dimension, cross cut by a large structure which is readily apparent within the resistivity data. The southern portion of the chargeability anomaly is also coincident with a large historic copper soil geochemistry anomaly. This resistivity anomaly was the subject of two drill holes in 1982 which intersected 0.24 % copper over 46 metres. The Omega property is at the drill ready stage. To that effect the company has applied for and has been granted a drill permit.

Management plans do not currently include a program for 2015.

Rasp Property, Manitoba

The Rasp property consists of one mineral claim and one exploration license located approximately 100 kilometres north of Thompson, Manitoba. The property contains a strong electromagnetic conductor and a flanking magnetic anomaly. The strong electromagnetic conductor has a strike length of 600 metres. Only one previous drill hole was drilled at this conductor: diamond drill hole RA202-01 by Cominco Ltd. in 2001. This drill hole may not have intersected the conductor itself; instead the drill hole probably encountered stringer mineralization near the main conductor. Significant mineralization encountered in diamond drill hole RA202-01.

In late September 2011, the Company undertook a 312.3 line kilometer Helicopter-Borne versatile time domain electromagnetic (VTEM) survey on the property. The interpretation of the VTEM data identified a central circular to box-like feature in the centre of the property with a prominent NE-SW trending lineament intersected by double, WNW-ESE trending structures to the north and south of the circular feature. The strong magnetic bounding units form a 'u' shape in the northern part of the circular feature could potentially be a signature of sulphide mineralization within a breccia pipe. There are several small, strongly magnetic zones in the eastern and southern part of the circular feature near the assumed margin of the structure. On the outer margin of the structure and in the east-southeast lineaments are larger strongly magnetic units, which represent sulphide rich zone in the contact host rocks. As a result of the VTEM survey the company has identified seven priority drill targets within the interpreted structure. The company has applied and been granted drill permit to initially test the seven targets.

The Company decided not to proceed with further exploration of the property and accordingly wrote down capitalized costs of $527,333 effective for the year ending June 30, 2014. On September 30, 2014, one of the claims remained in good standing, and the Company reports the investment in the property at the nominal value of $1.

Qualified Person

The technical contents in this document have been reviewed by Derrick Strickland, P.Geo., a qualified person as defined by National Instrument (NI) 43-101.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected unaudited financial information for the Company's eight most recent quarters ending with the last quarter for the nine months ending on March 31, 2015.

	For the Three Months Ending							
	Fiscal 2015			Fiscal 2014				Fiscal 2013
	Mar. 31, 2015	**Dec. 31, 2014**	**Sept. 30, 2014**	**Jun. 30, 2014**	**Mar.31, 2014**	**Dec. 31, 2013**	**Sept. 30, 2013**	**Jun. 30, 2013**
	($)	**($)**	**($)**	**($)**	**($)**	**($)**	**($)**	**($)**
Accounting framework	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Total revenues	-	-	-	-	-	-	-	-
Income (loss) from continuing operations	(37,735)	(60,047)	(49,047)	(1,295,438)	(55,943)	(68,264)	(54,687)	(212,399)
Net income (loss)	(37,735)	(60,047)	(49,047)	(1,295,438)	(55,943)	(68,264)	(54,687)	(212,399)
Income (loss) from continuing operations per share - basic and diluted	(0.00)	(0.00)	(0.00)	(0.03)	(0.00)	(0.00)	(0.00)	(0.01)
Net income (loss) per share - basic and diluted	(0.00)	(0.00)	(0.00)	(0.03)	(0.00)	(0.00)	(0.00)	(0.01)

LIQUIDITY AND CAPITAL RESOURCES

During the nine months ended March 31, 2015, the cash balance decreased by $20,779 (2014 - $61,944). The Company spent $19,339 (2014 – $12,544) in operating activities and $1,440 (2014 - $49,400) on mineral properties. The Company received net proceeds of $Nil (2014 - $Nil) from financing activities during the third quarter of fiscal 2015.

As at March 31, 2015, the Company had cash of $19,205 compared to $39,984 as at June 30, 2014. The Company had working capital deficiency of $405,732 as at March 31, 2015 compared to a working capital deficiency of $328,671 as at June 30, 2014.

Management estimates that the general operating costs, excluding share-based payment expense, for the next 12 months will be approximately $120,000. The Company has no commitments remaining under the mineral property option agreements. The Company is also committed to spend approximately $620,000 in exploration expenditures by December 31, 2013 under the flow-through share renunciation. At present, the current working capital is not sufficient to pay for continued mineral exploration and overhead expenses for the next 12 months. The Company intends to obtain additional equity financings some time in 2015. Management is also evaluating other options, including seeking joint venture partners on its mineral property projects. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

<u>Going Concern</u>

The Company is an exploration stage company. At present, the Company's operations do not generate cash flow and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. In order to continue as a going concern and to meet its corporate objectives, which primarily consist of exploration work on its mineral properties, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control. The annual and interim financial statements do not include any adjustments to the recoverability and classification of reduced asset amounts and classification of liabilities that might be necessary should the Company be unable to continue operations. These adjustments could be material. The Company is not subject to material externally-imposed capital constraints.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Included in trade and other payables is $266,940 (June 30, 2014 - $143,325) owed to related parties for services rendered to the Company and is unsecured, non-interest bearing, and has no specific terms of repayment.

Included in trade and other payables is $53,495 (June 30, 2014 - $53,495) owed to companies with common directors for accounting and administration fees rendered to the Company and is unsecured, non-interest bearing, and has no specific terms of repayment.

Key management includes directors (executive and non-executive) and senior officers of the Company. The compensation paid or payable to key management personnel during the nine months ended March 31 is as follows:

		2015		2014
Management fees	$	81,000	$	81,000
Share-based payments		-		-
Total	$	81,000	$	81,000

The Company entered into the following transactions relating to key management personnel and entities over which they have control or significant influence during the nine months ended March 31, 2015:

a) Paid or accrued management fees of $72,000 (2014 - $72,000) to a company controlled by the President of the Company.

b) Paid or accrued management fees of $9,000 (2014 - $9,000) to the CFO of the Company.

c) Paid or accrued administration fees of $24,300 (2014 - $24,300) to a company controlled by an officer of the Company.

d) Paid or accrued accounting and administration fees of $Nil (2014 - $15,480) and rent of $Nil (2014 - $13,314) to a company with directors in common with the Company.

SUMMARY OF OUTSTANDING SHARE DATA

The Company's issued and outstanding share capital as at the date of this report is as follows:

(1) Authorized: Unlimited common shares without par value.
(2) As at June 1, 2015, the Company has 33,023,100 common shares, 2,079,093 options and nil warrants issued and outstanding.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these consolidated financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Significant estimates:

(i) Recorded costs of exploration and evaluation assets are not intended to reflect present or future values of these properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount;

(ii) The determination of the fair value of stock options and warrants using stock pricing models, require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate; therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and warrants; and

(iii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical judgment in applying accounting policies:

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

(i) the determination that the Company will continue as a going concern for the next year. This involves judgment regarding the nature, timing and extent of future funding available for exploration projects and working capital requirements; and

(ii) the determination of the effects of events or changes in circumstances on the recoverable amounts of exploration and evaluation assets.

FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows: cash as loans and receivables and measured at amortized cost; and trade and other payables as other financial liabilities and measured at amortized cost. The carrying amount of financial assets and liabilities carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments.

Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 – inputs for the asset or liability that are not based on observable market data.

The carrying amount of financial assets and liabilities carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, and interest rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The Company's cash is exposed to credit risk. The Company's credit risk with respect to its cash is minimal as balances are held with high-credit quality financial institutions and amounts are generally within the institutions' deposit insurance limits.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's trade and other payable have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

At present, the Company's operations do not generate cash flow. The Company's primary source of funding has been the issuance of equity securities through private placements and the exercise of stock options and warrants. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Interest rate risk

The Company is exposed to interest rate risk in relation to cash and cash equivalents held at financial institutions. The interest rate risks on cash are not considered significant due to their short-term nature and maturity.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Recent accounting pronouncements

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2013, including IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interest in Other Entities, and IFRS 13 Fair Value Measurement. The Company has adopted these policies and they do not have a significant effect on the consolidated financial statements.

Future accounting changes

IFRS 9 Financial Instruments

The International Accounting Standards Board ("IASB") has completed the final phase of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting.

The version of IFRS 9 issued in 2014 supersedes all previous versions and is expected to be mandatorily effective for periods beginning on or after 1 January 2018, subject to endorsement by Canadian standard setters.

The Company has not adopted previous versions of IFRS 9 and is currently assessing the impact of the final IFRS 9 on its financial statements.

IAS 36 Recoverable Amount Disclosures for Non-Financial Assets (Amendment to IAS 36)

In May 2013, the IASB published a revised version of this standard to reverse the unintended requirement in IFRS 13 'Fair Value Measurements' to disclose the recoverable amount of every cash-generating unit to which significant goodwill or indefinite-lived intangible assets have been allocated. Under the amendments, recoverable amount is required to be disclosed only when an impairment loss has been recognized or reversed. The amendments apply retrospectively for annual periods beginning on or after January 1, 2014. The Company has early adopted the amendments to this standard. There was no impact on these consolidated financial statements as a result of the adoption of this standard.

RISK AND UNCERTAINTIES

Operating Hazards and Risks

Mineral exploration involves many risks. The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, any of which could result in work stoppages and damage to persons or property or the environment and possible legal liability for any and all damage. Fires, power outages, labour disruptions, flooding, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are some of the risks involved in the conduct of exploration programs.

Environmental Factors

The Company currently conducts exploration activities in the Canadian Provinces of British Columbia and Manitoba. Such activities are subject to various laws, rules and regulations governing the protection of the environment. In Canada, extensive environmental legislation has been enacted by federal and provincial governments. Such legislation imposes rigorous standards on the mining industry to reduce or eliminate the effects of wastes generated by extraction and processing operations and subsequently deposited on the ground or emitted into the air or water.

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed properties and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. The cost of compliance with changes in governmental regulations has the potential to preclude entirely the economic development of a property.

The Company is able to conduct its exploration within the provisions of the applicable environmental legislation without undue constraint on its ability to carry on efficient operations. The estimated annual cost of environmental compliance for all properties held by the Company in the exploration stage is minimal and pertains primarily to carrying out diamond drilling, trenching or stripping. Environmental hazards may exist on the Companies properties, which hazards are unknown to the Company at present, which have been caused by previous or existing owners or operators of the properties.

Governmental Regulation

Exploration activities on the Company's properties are affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labour; (ii) mining law reform; (iii) restrictions on production, price controls, and tax increases; (iv) maintenance of claims; (v) tenure; and (vi) expropriation of property. There is no assurance that future changes in such regulation, if any, will not adversely affect the Company's operations. Changes in such regulation could result in additional expenses and capital expenditures, availability of capital, competition, reserve uncertainty, potential conflicts of interest, title risks, dilution, and restrictions and delays in operations, the extent of which cannot be predicted.

The Company is at the exploration stage on all of its properties. Exploration on the Company's properties requires responsible best exploration practices to comply with company policy, government regulations, maintenance of claims and tenure. The Company is required to be registered to do business and have a valid prospecting license (required to prospect or explore for minerals on Crown Mineral Land or to stake a claim) in any Canadian province in which it is carrying out work.

Mineral exploration primarily falls under provincial jurisdiction. However, the Company is also required to follow the regulations pertaining to the mineral exploration industry that fall under federal jurisdiction, such as the Fish and Wildlife Act.

If any of the Company's projects are advanced to the development stage, those operations will also be subject to various laws and regulations concerning development, production, taxes, labour standards, environmental protection, mine safety and other matters.

DISCLOSURE CONTROLS

In connection with Exemption Orders issued by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificates under National Instrument ("NI") 52-109 (Certification of disclosure in an Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting as defined in NI 52-109.

ADDITIONAL INFORMATION

Additional information concerning the Company and its operations is available on SEDAR at www.sedar.com and on the Company web site at www.internationalsamuel.com.

APPROVAL

The Board of Directors of International Samuel Exploration Corp. has approved the contents of this management discussion and analysis on June 1, 2015. A copy of this MD&A together with the Company's unaudited interim financial report for the nine month period ended March 31, 2015 and the Company's audited consolidated financial statements for the year ended June 30, 2014 will be provided to anyone who requests it.