ESKAY MINING CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MAY 31, 2015

(Expressed in Canadian Dollars)

Prepared by:

ESKAY MINING CORP.

36 Toronto Street, Suite 1000
Toronto, Ontario, M5C 2C5

Discussion dated July 15, 2015

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Eskay Mining Corp. ("Eskay" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three months ended May 31, 2015. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the years ended February 28, 2015 and February 28, 2014, together with the notes thereto and the unaudited condensed interim financial statements for the three months ended May 31, 2015, together with the notes thereto. The Company's financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements by IFRS. Information contained herein is presented as of July 15, 2015, unless otherwise indicated.

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

Further information about the Company and its operations is available on Eskay's website at **www.eskaymining.com** or on SEDAR at **www.sedar.com**.

Cautionary Note Regarding Forward-Looking Information

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

Forward-looking statements	Assumptions	Risk factors
For fiscal 2016, the Company's operating expenses are estimated to be $10,000 to $30,000 per month for recurring operating costs.	The Company has anticipated all material costs; the operating and exploration activities of the Company for fiscal 2016 and the costs associated therewith, will be consistent with Eskay's current expectations.	Unforeseen costs to the Company will arise; any particular operating costs increase or decrease from the date of the estimation; changes in economic conditions.
The Company's cash at May 31, 2015 is not anticipated to be sufficient to fund its operating expenses for the twelve months ending May 31, 2016. The Company expects to complete an equity financing or find a joint venture partner for the St. Andrew Goldfield (SIB) - Eskay Project. The Company anticipates it will defer amounts payable, to the extent possible, while the Company searches for financing.	Financing will be available for the Company's exploration and evaluation activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company; the price of gold and/or other applicable metals will be favourable to the Company; no title disputes exist with respect to the Company's properties.	Gold and other metals price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff; availability of permits; market competition.
Sensitivity analysis of financial instruments.	Based on management's knowledge and experience of the financial markets, the Company does not believe it was exposed to any material movements in the underlying market risk variables during the three months ended May 31, 2015.	Changes in debt and equity markets; interest rate and exchange rate fluctuations.

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

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

Description of Business

The Company was incorporated under the British Columbia Business Corporations Act and continued on November 2, 2010, under the Business Corporations Act of Ontario. Its common shares are listed on the TSX Venture Exchange ("TSXV") (symbol "ESK") and the Frankfurt Stock Exchange (symbol "WKN 878985"). The Company is a natural resource company engaged in the acquisition and exploration of mineral properties in British Columbia, Canada. To date, the Company has not generated significant revenues from operations.

The Company has no revenues, so its ability to ensure continuing operations is dependent on its completing the acquisition of its mineral property interests, the discovery of economically recoverable reserves, confirmation of its interest in the underlying mineral claims, and its ability to obtain necessary financing to complete the exploration activities, development, if they are proven successful, and future profitable production.

Eskay's goal is to deliver superior returns to shareholders by concentrating on the exploration of its existing properties and the acquisition of properties that have the potential to contain gold or silver. The Company currently plans to focus on its material properties, as set out below under "Mineral Property Interests".

The Company will continue to attempt to raise capital to meet its ongoing operating activities.

Highlights

- During the three months ended May 31, 2015, 200,000 stock options at an exercise price of $0.30 expired unexercised. In addition, a further 150,000 stock options with an exercise price of $0.20 expired unexercised.

Trends

The Company is a mineral exploration company, focused on the acquisition, exploration and evaluation of mineral properties in British Columbia, Canada.

Significant uncertainty concerning the short and medium term global economic outlook persists. Management, in conjunction with the Board of Directors, will continue to monitor economic conditions and their effects on Eskay's business and react accordingly. The future performance of Eskay is largely tied to the successful exploration and development of its mineral properties and the overall financial markets.

Currently, access to capital to fund small exploration companies is difficult.

Overall Objective

The primary business objective of Eskay is the acquisition, exploration and evaluation of mineral properties based upon Eskay's current holdings in British Columbia, Canada. In furtherance of this objective, the Company established the following business strategy:

- Develop and implement a discretionary exploration budget on acquired property interests with a view to establishing a viable mineral deposit; and

- Capitalize on management's technical expertise and ability to identify, evaluate and acquire exploration properties.

With the current market environment, the Company will explore the possibility of entering into a joint venture with senior mineral companies to fully explore its projects.

See "Risks and Uncertainties" below.

Mineral Property Interests

St. Andrew Goldfield (SIB) - Eskay Project

Pursuant to an option agreement dated May 7, 2008 with St. Andrew Goldfields Ltd., the Company earned a 70% interest in the SIB Property at Eskay Creek, British Columbia (the "Property"). Pursuant to an amending option agreement with St. Andrew Goldfields Ltd. dated January 17, 2013, Eskay can earn a further 10% undivided interest in the Property for a total 80% working interest. Eskay had expended an aggregate of $3.98 million on exploration of the Property and pursuant to the amending agreement between the parties, issued a further 265,000 common shares (issued on January 22, 2013) to St. Andrew Goldfields Ltd. to earn its 80% interest. The Company is required to assume and thereafter satisfy the bonding requirements imposed by the B.C. Ministry of Energy and Mines in respect of the Property, estimated to be a sum of approximately $60,000. The bond repayment obligation has been satisfied with a promissory note, however the 80% earn-in is subject to the settlement of this promissory note. Upon transfer of the 80% interest in the Property to the Company, the parties will enter into a joint venture for the further exploration, evaluation and development of the Property, if the Property is proven successful.

On November 20, 2013, the Company entered into a second amending option agreement with St. Andrew Goldfields Ltd. Pursuant to the second amending option agreement, the lease payment obligation of $19,752 and the $60,000 bond repayment obligation are consolidated into a single fixed term loan due on April 1, 2015, bearing interest of 8% per annum calculated semi-annually from October 1, 2013 until payment. This fixed term loan is governed by a promissory note between Eskay and St. Andrew Goldfields Ltd.

On June 2, 2015, the Company entered into a third amending option agreement with St. Andrew Goldfields Ltd. to extend the due date of the $79,752 promissory note to April 1, 2016 on the same terms.

<u>Current and Future Plans</u>

The following table summarizes the Company's current exploration programs at the Property, total estimated cost to complete each exploration program, and total expenditures incurred during the period presented. For more information about exploration expenditures incurred by category, please see "Additional Disclosure for Venture Issuers Without Significant Revenue" below.

Summary of Completed Activities (Three Months ended May 31, 2015)	(A) Spent	Plans for the Project	(B) Planned Expenditures
Based on the Company's working capital deficit of $1,120,811 at May 31, 2015 (February 28, 2015 – working capital deficit of $1,069,423), the Company will have to raise equity capital in fiscal 2016 in amounts sufficient to fund its exploration work requirements. The major variables are expected to be the size, timing and results of the Company's exploration program and its ability to continue to access capital to fund its ongoing operations. Three months ended May 31, 2015 – care and maintenance. All the projects are in good standing until 2021.	$449	Care and maintenance. The next phase of work is subject to signing a joint venture agreement which will provide a cash injection into the Company or market conditions improving so the Company can complete a financing.	$nil
Subtotals	**$449**		**$nil**
Total (A+B)			**$449**

Corey Mineral Claims

In September 1990, the Company acquired a 100% interest in mineral tenures located in the Skeena Mining Division, Province of British Columbia for $30,000 cash and a royalty of 5% of net profits from these claims to a maximum of $250,000.

These mineral properties are located in northwestern British Columbia, 70 km northwest of Stewart. The Company holds a 100% interest in these mineral tenures subject to a 2% net smelter royalty.

Current and Future Plans

The following table summarizes the Company's current exploration programs at the Corey Mineral Claims, total estimated cost to complete each exploration program, and total expenditures incurred during the period presented. For more information about exploration expenditures incurred by category, please see "Additional Disclosure for Venture Issuers Without Significant Revenue" below.

Summary of Completed Activities (Three Months ended May 31, 2015)	(A) Spent	Plans for the Project	(B) Planned Expenditures
Based on the Company's working capital deficit of $1,120,811 at May 31, 2015 (February 28, 2015 – working capital deficit of $1,069,423), the Company will have to raise equity capital in fiscal 2016 in amounts sufficient to fund its exploration work requirements. The major variables are expected to be the size, timing and results of the Company's exploration program and its ability to continue to access capital to fund its ongoing operations. Three months ended May 31, 2015 – care and maintenance. All the projects are in good standing until 2021.	$nil	Care and maintenance. The next phase of work is subject to signing a joint venture agreement which will provide a cash injection into the Company or market conditions improving so the Company can complete a financing.	$nil
Subtotals	**$nil**		**$nil**
Total (A+B)			**$nil**

Deposits and Exploration Advances

As at May 31, 2015, the Company had $151,670 (February 28, 2015 - $151,670) of deposits and exploration advances held by the provincial government of British Columbia. Such deposits were required by the B.C Ministry of Energy and Mines in order to permit the Company to conduct exploration and evaluation activities in that province.

Off-Balance-Sheet Arrangements

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

Summary of Quarterly Results

Three Months Ended	Profit and Loss Total ($)	Profit and Loss Basic and Diluted Loss Per Share [9] [10] ($)	Total Assets ($)
2015-May 31	(59,976) [1]	(0.00)	166,533
2015-February 28	(202,122) [2]	(0.00)	190,723
2014-November 30	(155,959) [3]	(0.00)	198,843
2014-August 31	(110,632) [4]	(0.00)	245,288
2014-May 31	(84,891) [5]	(0.00)	286,811
2014-February 28	(202,061) [6]	(0.00)	187,458
2013-November 30	(96,256) [7]	(0.00)	184,075
2013-August 31	(132,926) [8]	(0.00)	152,146

Notes:

(1) Net loss of $59,976 consisted primarily of: exploration and evaluation expenditures of $902; professional fees of $9,617; reporting issuer costs of $1,337; share-based payments of $8,135; and management and consulting fees of $35,574. All other expenses related to general working capital purposes.

(2) Net loss of $202,122 consisted primarily of: exploration and evaluation expenditures of $15,901; professional fees of $12,208; reporting issuer costs of $11,090; share-based payments of $115,378; and management and consulting fees of $35,539. All other expenses related to general working capital purposes.

(3) Net loss of $155,959 consisted primarily of: exploration and evaluation expenditures of $17,354; professional fees of $12,126; share-based payments of $76,376; and management and consulting fees of $35,475. These were offset by deferred income tax recovery of $1,458. All other expenses related to general working capital purposes.

(4) Net loss of $110,632 consisted primarily of: exploration and evaluation expenditures of $29,434; site restoration costs of $9,500; professional fees of $12,523; share-based payments of $16,046; and management and consulting fees of $35,475. All other expenses related to general working capital purposes.

(5) Net loss of $84,891 consisted primarily of: exploration and evaluation expenditures of $10,203; professional fees of $21,979; share-based payments of $8,895; and management and consulting fees of $35,475. All other expenses related to general working capital purposes.

(6) Net loss of $202,061 consisted primarily of: share-based payments of $142,200; professional fees of $16,088; reporting issuer costs of $7,072 and management and consulting fees of $35,475. These were offset by recovery of exploration and evaluation expenditures of $8,031. All other expenses related to general working capital purposes.

(7) Net loss of $96,256 consisted primarily of: exploration and evaluation expenditures of $26,080; professional fees of $14,068; reporting issuer costs of $10,941 and management and consulting fees of $35,475. All other expenses related to general working capital purposes.

(8) Net loss of $132,926 consisted primarily of: exploration and evaluation expenditures of $14,452; professional fees of $13,401; write-down of equipment of $60,697; and management and consulting fees of $35,475. All other expenses related to general working capital purposes.

(9) Basic and diluted.

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

Discussion of Operations

Three Months Ended May 31, 2015, Compared With Three Months Ended May 31, 2014

Eskay's net loss totaled $59,976 for the three months ended May 31, 2015, with basic and diluted loss per share of $0.00. This compares with a net loss of $84,891 with basic and diluted loss per share of $0.00 for the three months ended May 31, 2014. The difference of $24,915 was principally because:

- The Company incurred a decrease in share-based payments of $760 for the three months ended May 31, 2015, compared to the three months ended May 31, 2014, due to the recognition of a smaller option value vested.

- The Company incurred a decrease in exploration and evaluation expenditures of $9,301 for the three months ended May 31, 2015, compared to the three months ended May 31, 2014. These expenditures were lower due to lack of exploration activities at the Company's properties.

- The Company incurred a decrease in professional fees of $12,362 for the three months ended May 31, 2015, compared to the three months ended May 31, 2014. These costs were lower due to decreased corporate activity.

- The Company incurred a decrease in reporting issuer costs of $2,842 for the three months ended May 31, 2015, compared to the three months ended May 31, 2014. These costs were lower due to decreased shareholder communication costs.

- All other expenses related to general working capital purposes.

Liquidity and Financial Position

The activities of the Company, principally the acquisition, exploration and evaluation of mineral properties, are financed through equity offerings and the exercise of warrants or options. The Company continues to seek capital through various means including the issuance of equity and/or debt.

During the three months ended May 31, 2015, the Company had not completed any equity transaction.

The Company has no operating revenues and therefore must utilize its current cash reserves and other financing transactions to maintain its capacity to meet ongoing discretionary and committed exploration and operating activities.

At May 31, 2015, the Company had a working capital deficiency of $1,120,811 (February 28, 2015 – $1,069,423).

The Company has no debt, other than the promissory note with St. Andrew Goldfields Ltd. and a loan with an officer of the Company. Its credit and interest rate risk is minimal and amounts payable and other liabilities are short term and non-interest bearing.

The Company has traditionally supplemented equity financing from time to time by obtaining loans from related parties. These are used to provide interim, short-term financing to meet day-to-day cash flow needs on occasion, and are not intended to be a long-term source of capital.

The Company's use of cash at present occurs, and in the future will occur, principally in two areas, namely, funding of its general and administrative expenditures and funding of its investment activities. Those investing activities include the cash components of the cost of acquiring and exploring its mineral claims. For fiscal 2016, the Company's expected operating expenses are estimated to be $10,000 to $30,000 per month for recurring operating costs. The Company will also continue to evaluate its projects.

The Company does not have sufficient funds to continue with its projects as of the date of this MD&A. In order to rectify this problem, the Company is in the process of searching for a joint venture partner which will allow the Company to continue with its projects, depending on how the agreement between Eskay and the joint venture partner is structured. The Company has not assigned an expenditure amount to the Property until a joint venture partner is found. In addition, the Company has not assigned an expenditure amount for the Corey Mineral Claims until the Company completes an equity financing.

The Company's cash at May 31, 2015 is not anticipated to be sufficient to fund its operating expenses for the twelve months ended May 31, 2016. The Company will have to raise equity capital in the remainder of fiscal 2016 in amounts sufficient to fund both exploration work and working capital requirements. The major variables are expected to be the size, timing and results of the Company's exploration program and its ability to continue to access capital to fund its ongoing operations. Any further exploration programs on its properties are subject to the Company raising capital or finding a joint venture partner. It is anticipated that payments on select amounts payable will be deferred until a financing is completed.

Additional measures have been undertaken or are under consideration to further reduce corporate overhead and field office costs.

Related Party Transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Eskay was a party to the following transactions with related parties:

Management and Consulting Fees	Three Months Ended May 31, 2015 $	Three Months Ended May 31, 2014 $
Hugh M. Balkam (1)	9,000	9,000
Balkam Partners Ltd. (2)	21,000	21,000
Marrelli Support Services Inc. (3)	5,574	5,475
Total	**35,574**	**35,475**

Professional Fees	Three Months Ended May 31, 2015 $	Three Months Ended May 31, 2014 $
Marrelli Support Services Inc. (4)	6,016	6,173
Total	**6,016**	**6,173**

(1) Fees for performing the function of Chief Executive Officer.

(2) Management fees charged by Balkam Partners Ltd., a company controlled by Hugh M. Balkam, an officer of the Company. As at May 31, 2015, Balkam Partners Ltd. and Hugh M. Balkam were owed $579,902, (February 28, 2015 - $556,606) and these amounts were included in amounts due to related parties.

(3) Fees for performing the function of Chief Financial Officer ("CFO") charged by Marrelli Support Services Inc., a company controlled by Carmelo Marrelli, CFO of the Company.

(4) Professional fees charged by Marrelli Support Services Inc., a company controlled by Carmelo Marrelli, CFO of the Company. As at May 31, 2015, the Company owed Marrelli Support Services Inc. $56,142 (February 28, 2015 - $49,045).

(5) On May 15, 2014, a total of 170,000 warrants were exercised by a director (J. Gordon McMehen) of the Company for common shares of the Company at $0.10 per share.

(6) As at May 31, 2015, Hugh M. Balkam, an officer of the Company, was owed $105,750 (February 28, 2015 - $103,500). This balance bears interest at 12% per annum and is due on demand.

(7) As at May 31, 2015, the Company owed certain officers, directors and parties related to officers and directors $741,794 (February 28, 2015 - $709,151) in relation to the transactions described above. These balances are unsecured, non-interest bearing (except for (6)) and due on demand.

To the knowledge of the directors and senior officers of the Company, as at May 31, 2015, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company. As at May 31, 2015, directors and officers of the Company control an aggregate of 13,755,717 common shares of the Company or approximately 14.16% of the shares outstanding.

The Company is not aware of any arrangements that may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

Financial Instruments

The Company's financial instruments consist of:

Description	May 31, 2015 $	February 28, 2015 $
Cash	2,554	29,797
Deposits and exploration advances	151,670	151,670
Amounts receivable	7,477	4,424
Amounts payable and other liabilities	314,128	319,573
Amounts due to related parties	741,794	709,151
Promissory note	79,752	79,752

The primary goals of the Company's financial risk management policies are to ensure that the outcome of activities involving elements of risk is consistent with the Company's objectives and risk tolerance, while maintaining an appropriate risk/reward balance and protecting the Company's statement of financial position from events that have the potential to materially impair its financial strength. Balancing risk and reward is achieved through: identifying risk appropriately, aligning risk with overall business strategy, diversifying risk, pricing appropriately for risk, mitigation through preventive controls, and transferring risk to third parties.

The long-term corporate objective and strategic plan remain unchanged. However, the short-term objective and plan continue to be modified to reflect global economic, financial and general market conditions, which will inevitably have an impact on the overall risk assessment of the Company. Such modifications include streamlining operational costs and preserving cash to the extent possible.

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

Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest risk rate, foreign currency risk and commodity and equity price risk). Risk management is carried out by the Company's management team with guidance from the Audit Committee and Board of Directors. There have been no changes in the risks, objectives, policies and procedures of the Company during the three months ended May 31, 2015 and 2014.

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Cash is held with select major Canadian chartered banks, from which management believes the risk of loss to be minimal. Amounts receivable consist of sales taxes receivable from government authorities in Canada and other receivables. Management believes that the credit risk concentration with respect to amounts receivable is minimal.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at May 31, 2015, the Company had cash of $2,554 (February 28, 2015 - $29,797) to settle current liabilities of $1,135,674 (February 28, 2015 - $1,108,476). All of the Company's current financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms, except for the promissory note with St. Andrew Goldfields Ltd. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

The Company's ability to continually meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

(a) Interest rate risk

The Company has cash balances, a promissory note with St. Andrew Goldfields Ltd. and a loan with an officer of the Company. All debt has fixed interest rates. The Company periodically monitors its cash balances and is satisfied with the creditworthiness of its Canadian chartered bank.

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

(c) Commodity and equity price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices as they relate to valuable minerals to determine the appropriate course of action to be taken by the Company.

Based on management's knowledge and experience of the financial markets, the Company does not believe it was exposed to any material movements in the underlying market risk variables during the three months ended May 31, 2015.

Sensitivity analysis

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

(i) Cash is subject to floating interest rates. The Company has no variable interest bearing debt and receives low interest rates on its cash balances. As such, the Company does not have significant interest rate risk.

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

Capital Management

The Company manages its capital with the following objectives:

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

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook for the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company's ability to continue to carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

The Company considers its capital to be equity, which comprises share capital, reserves and accumulated deficit, which at May 31, 2015, totaled a deficiency of $1,021,898 (February 28, 2015 - deficiency of $970,057).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral exploration properties. Selected information is provided to the Board of Directors of the Company.

The Company's capital management objectives, policies and processes have remained unchanged during the three months ended May 31, 2015. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of May 31, 2015, the Company is not compliant with Policy 2.5. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

Outlook

For fiscal 2016, the Company plans to continue to search for financing, and once funds are raised, develop an exploration program for the Property and the Corey Mineral Claims. The Company is continually evaluating direct or indirect acquisitions of additional properties. The Company continues to monitor its spending and will amend its plans and budgets based on exploration results and expectations of being able to raise financing as and when required.

Environmental Contingency

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

Commitments

The Company is party to a management contract that requires an additional payment of up to $108,000 to be made upon the occurrence of certain events such as a change of control. As the triggering event has not occurred, the contingent payments have not been reflected in the Company's unaudited condensed interim financial statements.

Share Capital

As of the date of this MD&A, the Company had 97,159,555 issued and outstanding common shares and 9,150,000 stock options outstanding. Therefore, the Company had 106,309,555 common shares on a fully diluted basis.

Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risks and Uncertainties" in the Company's MD&A for the year ended February 28, 2015, available on SEDAR at www.sedar.com.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the unaudited condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim financial statements, and (ii) the unaudited condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the unaudited condensed interim financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Proposed Transactions

There are no proposed transactions of a material nature being considered by the Company at the date of this MD&A. However, the Company continues to evaluate properties and corporate opportunities to advance its exploration, development and objectives.

Change in Accounting Polices

(i) The amendments to IAS 24 – Related Party Disclosures, issued in December 2013, clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014. At March 1, 2015, the Company adopted this pronouncement and there was no material effect on its unaudited condensed interim financial statements.

(ii) IFRS 13 – Fair Value Measurement ("IFRS 13") was amended to clarify that the exception which allows fair value measurements of a group of financial assets and liabilities on a net basis applies to all contracts within the scope of IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or liabilities as defined in IAS 32. The amendment is effective for annual periods beginning on or after July 1, 2014. At March 1, 2015, the Company adopted this pronouncement and there was no material effect on its unaudited condensed interim financial statements.

Recent Accounting Pronouncements

(i) IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company is still in the process of assessing the impact of this pronouncement.

(ii) IFRS 11 - Joint Arrangements was amended in May 2014 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted. The Company is still in the process of assessing the impact of this pronouncement.

(iii) IAS 1 – Presentation of Financial Statements was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted. The Company is still in the process of assessing the impact of this pronouncement.

Additional Disclosure for Venture Issuers without Significant Revenue

A summary of general and administrative expenses for the periods set forth below is as follows:

Detail	Three Months Ended May 31, 2015 $	Three Months Ended May 31, 2014 $
Professional fees	9,617	21,979
Reporting issuer costs	1,337	4,179
Office and general	790	458
Advertising and promotion	165	nil
Management and consulting fees	35,574	35,475
Interest and bank charges	3,881	3,864
Share-based payments	8,135	8,895
Total	**59,499**	**74,850**

Project Expenditures

The following table sets forth a breakdown of material components of exploration expenditures incurred at the St. Andrew Goldfield (SIB) – Eskay Project.

Exploration and evaluation expenditures	Three Months Ended May 31, 2015 $	Three Months Ended May 31, 2014 $
Surveying, sampling and analysis	449	391
Geological and consulting	nil	4,256
Accretion	453	408
Exploration and evaluation expenditures	**902**	**5,055**

The following table sets forth a breakdown of material components of exploration expenditures incurred at the Corey Mineral Claims.

Exploration and evaluation expenditures	Three Months Ended May 31, 2015 $	Three Months Ended May 31, 2014 $
Geological and consulting	nil	4,099
Transportation	nil	1,049
Exploration and evaluation expenditures	**nil**	**5,148**

Subsequent Events

(i) On June 2, 2015, the Company entered into a third amending option agreement with St. Andrew Goldfields Ltd. to extend the due date of the $79,752 promissory note to April 1, 2016 on the same terms.

(ii) Subsequent to May 31, 2015, 142,856 stock options with an exercise price of $0.14 were exercised for a total proceed of $20,000.