

**Noble Metal Group Incorporated**  
**MANAGEMENT DISCUSSIONS AND ANALYSIS**  
**("MD&A") –Second Quarter-Six Months Ended June 30, 2015**

*The following discussions of the financial position of the Company constituted management's review of the Financial Report and operating performance for the six months ended June 30, 2015. This discussion prepared as of August 28, 2015 should be read in conjunction with the unaudited interim financial statements for the period ended June 30, 2015 and the audited financial statements for the year ended December 31, 2014. All figures are expressed in Canadian dollars unless otherwise noted. These documents along with other material published by the Company are available on the Sedar Website or from the Company.*

**OVERVIEW OF PERFORMANCE:**

*The Company is involved in the exploration and development of its mineral properties for precious and base metals located in the Cariboo Mining Division of British Columbia. The property consists of or 7,714.78 hectares (19,055.50 acres) of hard rock mineral claims. The "good to dates" of the mineral claims vary from October 5, 2015, October 30, 2015 through to October 2016. Exploration and development work is carried out on an ongoing basis on its Lease of Placer Minerals at the confluence of Keithley and Snowshoe Creeks, the LPM is in good standing to October 14, 2015. The Placer property encompasses an area of 211.34 hectares (522.2 acres). The Company's two Placer Claims the Lou 1 and Lou 2 total 100 hectare (247 acres) are in good standing until May 30, 2018. Additional exploration is required to determine their potential.*

*The Company's ability to generate revenue is dependent upon the amount of placer pay materials processed from the Cariboo Placer Gold Operation and the Company's ability to secure equity and other financings.*

**TRENDS:**

*There are uncertainties regarding the trends in commodity prices such as gold, silver, copper and other minerals. The prices have continually fluctuated in recent years and it is expected fluctuations will continue. Any of these trends, commitments, events or uncertainties may have a material effect on the Company's business, financial condition or results of operations.*

**BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

*a) Statement of Compliance*

*These unaudited interim financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB").*

*The unaudited interim financial statements were authorized for issue by the Board of Directors on August 28, 2015.*

*b) Basis of Measurement and Estimates, Assumptions and Measurement Uncertainty*

*The unaudited interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss and available for sale, which are stated at their fair value. In addition, the unaudited interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.*

*The preparation of these unaudited interim financial statements in conformity with IFRS requires management to make judgments, estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.*

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the estimated value of the exploration and evaluation costs which is recorded in the statements of financial position and the assessment of indications of impairment of each mineral property and related determination of the net realizable value and write-down of those properties where applicable;
- The Company recognizes the deferred tax benefit related to deferred tax assets to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

#### *c) Going Concern of Operations*

The unaudited interim financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going-concern depends upon its ability to enter extension agreements with the gold contract holders, to raise adequate financing and to develop profitable operations. The Company may not have sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting period.

#### **RECENT ACCOUNTING PRONOUNCEMENTS:**

##### ***New and Revised IFRS Issued but Not Effective***

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below except those which the Company does not expect any impacts on the financial statements.

##### **IFRS 9 Financial Instruments**

IFRS 9, Financial Instruments, was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39, Financial Instruments – Recognition and Measurement, for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. The effective date of this new standard has recently been deferred by the IASB. The Company has not yet assessed the impact of this standard or determined whether it will adopt the standard early.

**SELECTED QUARTERLY FINANCIAL INFORMATION**

| <i>Fiscal Quarter ended</i>          | <b>June 30<br/>2015</b> | <b>March 31<br/>2015</b> | <b>Dec 31<br/>2014</b> | <b>Sept 30<br/>2014</b> | <b>June 30<br/>2014</b> | <b>Mar 31<br/>2014</b> | <b>Dec 31<br/>2013</b> | <b>Sept 30<br/>2013</b> |
|--------------------------------------|-------------------------|--------------------------|------------------------|-------------------------|-------------------------|------------------------|------------------------|-------------------------|
| <i>Revenue</i>                       | <i>Nil</i>              | <i>Nil</i>               | <i>Nil</i>             | <i>Nil</i>              | <i>Nil</i>              | <i>Nil</i>             | <i>Nil</i>             | <i>Nil</i>              |
| <i>Net Income(loss)</i>              | 27,886                  | (481,856)                | (6,796)                | 37,415                  | 9,056                   | (515,209)              | 619,485                | (419,331)               |
| <i>Basic Income (loss) per share</i> | (0.01)                  | (0.01)                   | (0.00)                 | 0.00                    | 0.00                    | (0.00)                 | 0.01                   | (0.01)                  |
| <i>Total Assets</i>                  | 10,589,371              | 10,573,498               | 10,578,275             | 10,415,004              | 10,486,153              | 10,476,151             | 10,475,797             | 10,399,617              |
| <i>Total Liabilities</i>             | 7,217,084               | 7,229,097                | 6,752,016              | 6,581,949               | 6,690,513               | 6,689,542              | 6,173,993              | 6,717,160               |

**Administrative Expenses:**

Administrative expenses for the second quarter ended June 30, 2015 were \$16,447 compared with \$18,317 for the same period in 2014. The decrease is due to decreased transfer agent, filing and exchange fees.

**Exploration Expenses:**

The second quarter of 2015 exploration and project evaluation expenses net of recovery were \$17,079 compared with \$12,343 for the same period in 2014. The milder winter enabled the Company to access the property earlier in the season thereby causing exploration expenses to increase.

**SELECTED ANNUAL FINANCIAL INFORMATION**

|                                       | <b>2014</b> | <b>2013</b> | <b>2012</b> |
|---------------------------------------|-------------|-------------|-------------|
| <i>Revenue</i>                        | -           | -           | -           |
| <i>Net Income (Loss) for the Year</i> | (475,534)   | 1,317,633   | (417,703)   |
| <i>Basic Income (Loss) per share</i>  | (0.01)      | 0.02        | (0.01)      |
| <i>Total Assets</i>                   | 10,578,275  | 10,475,797  | 10,460,517  |
| <i>Total Liabilities</i>              | 6,752,016   | 6,173,993   | 7,475,722   |
| <i>Total Long-term Liabilities</i>    | 4,755,440   | 3,484,098   | 3,168,750   |

**LIQUIDITY AND CAPITAL RESOURCES:**

|                                                        | <b>June 30, 2015</b> | <b>June 30, 2014</b> |
|--------------------------------------------------------|----------------------|----------------------|
| <i>Cash used in operating activities</i>               | \$ (30,876)          | \$ (14,354)          |
| <i>Cash (used in) provided by investing activities</i> | \$ (15,174)          | \$ 4,944             |
| <i>Cash provided by financing activities</i>           | \$ 41,597            | \$ 20,721            |

Total cash used in operating activities during the six months ended June 30, 2015 was \$30,876 compared with \$14,534 during the six months ended June 30, 2014. Cash was mostly spent on general office expenses, professional fees, transfer agent and filing fees and adjusted for items not involving cash.

Total cash used in investing activities during the second quarter ended June 30, 2015 was \$15,174 compared to recovery of \$4,944 during the second quarter ended June 30, 2014. Cash was mostly spent on exploration and evaluation costs.

Total cash provided by financing activities during the second quarter ended June 30, 2015 was \$41,597 compared with \$20,721 during the second quarter ended June 30, 2014. Cash was mainly provided from funds received from directors and shareholders.

The Company's working capital deficiency at June 30, 2015 was \$6,347,468 compared to working capital deficiency of \$2,733,536 at June 30, 2014. The increase in working capital deficiency was mainly due to reclassification of current gold contracts payable.

Total assets were \$10,589,371 as at June 30, 2015, an increase of \$11,096 from \$10,578,275 at December 31, 2014. Exploration and evaluation assets increased by \$19,333 as a result of exploration and evaluation activities during second quarter of 2015.

**Results of Operation:**

|                                                            | Second Quarter<br>2015 | Second Quarter<br>2014 |
|------------------------------------------------------------|------------------------|------------------------|
| <b>Administrative Expenses</b>                             |                        |                        |
| Professional fees                                          | \$7,209                | \$(1,840)              |
| Total administrative expenses                              | \$16,447               | \$18,317               |
| <b>Other Item</b>                                          |                        |                        |
| Unrealized gain on gold contracts payable and gold advance | \$43,377               | \$16,903               |

**Net Income:**

The Company's net income was \$27,886 for the second quarter ended June 30, 2015 compared to \$9,056 for the period ended June 30, 2014. The change is mainly due to the decrease of unrealized loss on gold contracts payable.

**Off Balance Sheet Items:**

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

**Related Party Transactions:**

Related party transactions and balances are as follows:

|                                                                                            | June 30,<br>2015 | December 31,<br>2014 |
|--------------------------------------------------------------------------------------------|------------------|----------------------|
| a) Amounts due to directors and former directors include the following:                    |                  |                      |
| i) Directors and former directors loans, bearing no interest                               | \$998,653        | \$973,642            |
| ii) Payables to a former director, bearing no interest                                     | \$ -             | \$ -                 |
| -                                                                                          |                  |                      |
| All amounts due to related parties are unsecured and have no specified terms of repayment. |                  |                      |
| b) Gold contract payable to directors                                                      | \$2,962,344      | \$2,962,344          |

The above transactions are in the normal course of business and are measured at the exchange rate, which is the amount of consideration established and agreed to by the related parties.

#### **FORWARD LOOKING STATEMENTS:**

This report contains forward looking statements that are based on beliefs of management, assumptions made by and information currently available to the management of the Company. When used in this report the words “estimate”, “believe”, “anticipate”, “intend”, “expect”, “plan”, “planning”, “may”, “should”, “will”, and the negative thereof or other variations thereon or comparable terminology are intended to identify forward-looking statements. Such statements reflect the current views of the Company with respect to future events based on currently available information and are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in the statements. The statements contained in this report speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these statements to reflect events or circumstances after the date hereof or reflect the occurrence of unanticipated events.

#### **CARIBOO PLACER PROPERTY:**

##### **Lou 1 and Lou 2 Placer Claims**

Past exploratory test pits exposed rim-rock formation similar to the eastern rim rock on Placer Lease #365488 near Keithley Creek. The sequence of the formation found at the surface and subsurface of the Tertiary and Paleogulch placer channels are similar. The rock formations appear to be dipping to the southwest indicating the Placer Channels may continue northward from Keithley Creek onto the Placer Claims. The placer claims encompass an area of 100 hectares (247 acres).

July of 2014 Assessment work completed consisted of VLF-EM and Magnetometer Surveys to identify and outline Buried Placer Channels occurring on the claims. The expiry date of the Placer claims is May 30, 2018. The Surveys indicated two potential gold bearing buried river channels with correlative localized magnetometer high anomalies interpreted as accumulations of potential placer gold with magnetite within the river channels.

##### **Cariboo Placer Lease #365488:**

The nature of the gold deposition in the placer channels tend to be concentrated in pockets of enrichment. The pockets exposed by drilling varied in depths and widths with lesser grade material occurring between them.

In the summer of 2013- 2014 the company continued with the excavating and construction of the new placer processing site. An area of 0.825 hectares (2.04 acres) was cleared of vegetation consisting of balsam, willows and shrubs. In July of 2014 a further .1 hectare (.247 acres) was cleared for a total area of .925 hectares (2.28 acres). The new location is larger and more accessible, it allows for the construction of larger settling ponds, a clear water pond and a greater area in which to stockpile and process the pay gravels. In 2014 a landing site and parking area was constructed. The water supply is from mountain springs and can be gravity fed into the clear water pond.

In 2014 a drainage system for the release of the channel waters from the pay gravels was completed. Reclamation of the placer site during the spring and early summer of 2015 has consisted of back filling of the settling ponds and clear water pond with overburden materials, rocks and excess debris. A second access road was constructed over the reclaimed settling pond area as well as a large parking area for equipment and vehicles. With two newly constructed access roads hauling of pay gravels to the new processing site will be more efficient. Original access roads into the camp site area and mining site are being maintained on an ongoing basis. The “Placer Work Permit” is good to December 31, 2016.

##### **Cariboo Mineral Claims:**

Geological work carried out to date revealed the main structure in the area is the Keithley Creek Thrust Fault which runs from Shoal’s Bay on Quesnel Lake northwest up Keithley Creek along the lower portion of Rabbit Creek carrying onto the northwest. Significant iron oxide outcrop exposure, quartz veins and quartz stringers are evident. Graphitic schist containing pyritic sulphides were found in proximity to anomalous gold values discovered by the geochemical surveys.

### **Analysis of The Geophysical Survey Results:**

Several VLF – EM, Magnetometer and Geochemical Soil Surveys have been carried out on the property over the past few years. The correlation of the geochemical, geophysical, survey results completed to date have identified several mineralized gold zones.

The VLF-EM and Magnetometer Survey indicates several major northerly trending anomalies. An interesting feature of the eastern anomaly is the correlation between the anomalous low and a prominent local knoll, which appears as a potential altered intrusive body of rock, this could be a source of the placer gold in the area. The magnetometer high anomalies, which are most prevalent adjacent and south of the weaver creek grid indicate placer related magnetic mineralization which is also indicative of placer gold.

In 2014 two additional VLF-EM and Magnetometer Surveys were carried out. The first survey covered an area of 28 line kilometers (17.4 miles), the second survey covered an area of 20 line kilometers (12.4 miles) extending the Weaver Creek grids.

It was determined that the source of the Placer Gold in the area is most likely the gold vein deposits hosted in quartzites. Accordingly, the interpretation of the geophysical surveys is that the correlative magnetometer low and VLF-EM anomalies indicate structures that may host potentially economic mineral veins or extensive zones of “porphyritic” mineralization indicated in the 200 meter wide magnetometer lows related to the main structure.

Results obtained from the geological, geophysical and geochemical surveys indicate the potential for the discovery of a lode gold deposit. Further exploration programs are planned for the upcoming season.

In 2014 the Company dropped four mineral claims for a total of 1,900 acres. These claims were situated in swampy terrain and samples taken from the area showed no evidence of mineralization or sulphides.

Winter condition restricted access to the property until late May as such no exploration work was carried out in the first quarter of 2015.

### **Investor Relations**

Investor Relations activities include mailing Company Information packages, emailing and or faxing company data and news releases to those shareholders and non-shareholders requesting information.

### **FINANCIAL INSTRUMENTS:**

#### **Fair Value of Financial Instruments**

The Company's financial instruments consist of the following and have the following classifications:

- Cash is classified as financial assets at fair value through profit or loss and is measured at fair value.
- Accounts payable and accrued liabilities, directors' and shareholders' loans, short-term liabilities and due to a related party are classified as other financial liabilities and are initially measured at fair value and subsequent measurement are recorded at amortized cost using the effective interest rate method.
- Investments –i) publically traded shares are classified as available for sale and are initially measured at fair value. The fair value of these shares is market value. The market value of publicly traded shares is based on quoted market prices; ii) gold is classified as financial assets at fair market value through profit or loss and are measured at fair value.
- Gold contract payable is classified as other financial liabilities and is initially measured at fair value and subsequent measurement is recorded at amortized cost using the effective interest rate method.

The fair values of these financial instruments approximate their carrying value, unless otherwise noted.

### **Credit risk**

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

### **Liquidity risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2015 the Company has cash and cash equivalent balances of \$855 (December 31, 2014 - \$5,308) to settle accounts payable and accrued liabilities of \$308,781 (December 31, 2014 - \$308,259). The Company currently does not have sufficient funds to sustain operations. The Company will need additional funding to meet working capital and mineral property requirements.

### **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 prices.

#### **- Interest rate risk**

The Company's credit facilities are comprised of gold contracts payable, short-term debts and as such, the Company may be exposed to interest rate risk. The Company mitigates the risk by fixing the interest rates of the gold contracts payable and the interest rates on the short-term debts upon the inception of the debt. The Company believed it has no significant interest rate risk.

#### **- Foreign currency risk**

As of June 30, 2015, the Company's expenditures are primarily in Canadian dollars any future equity raised is expected to be predominantly in Canadian dollars. The Company believes it has no significant foreign exchange rate risk.

#### **- Commodity price risk**

The fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. Profitability of the Company depends on metal prices for gold. Gold price is affected by numerous factors such as the sale or purchase of gold by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuations in the value of the United States dollar and other foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold-producing countries throughout the world.

As part of the Company's gold contract payable financing, the Company has commitments for future delivery of 5,005 troy ounces (December 31, 2014 – 5,005 troy ounces) of raw gold in consideration for unsecured advances.

The carrying values of the Company's gold contracts payable and gold advance are subject to increase or decrease depending on the price of gold and the exchange rate between the Canadian and US dollar and could have a significant impact on earnings. A \$100 US change per ounce in the price of gold as at June 30, 2015, would have resulted in an approximate \$477,000 decrease or increase in the Company's pre-tax earnings for the period. This impact would have no effect on cash flows until the requirement of the Company to deliver the underlying commodity (gold) falls due.

### **Fair value hierarchy**

Financial instruments recorded at fair value are measured using a three-level fair value hierarchy:

|         |                                                                                                                                                  |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| Level 1 | Fair value is determined by reference to quoted prices in active markets for identical assets and liabilities                                    |
| Level 2 | Fair value is determined based on inputs other than quoted prices for which all significant inputs are observable, either directly or indirectly |

*Level 3*

*Fair value is determined based on inputs that are unobservable and significant to the overall fair value measurement*

*Cash and investments are classified as Level 1 financial instruments.*

**DISCLOSURE CONTROLS AND PROCEDURES:**

*Due to the size of the Company there was a lack resources available which may have resulted in the possibility that not all disclosure controls were effective during the period.*

**OTHER MD&A REQUIREMENTS:**

*As at June 30 ,2015 and August 28, 2015 there were 74,342,631 common shares outstanding. All stock options have expired.*