MURCHISON MINERALS LTD. (formerly Manicouagan Minerals Inc.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED SEPTEMBER 30, 2015

This Management's Discussion and Analysis ("MD&A") is intended to supplement the condensed interim consolidated financial statements and notes of Murchison Minerals Ltd. (the "Company" or "Murchison") for the three and nine months ended September 30, 2015. As a result of the RTO (as described in the December 31, 2014 consolidated financial statements), the consolidated financial statements of the Company are presented as a continuance of Flemish Gold Corp. ("Flemish") and the comparative numbers for the three and nine months ended September 30, 2014 are those of Flemish. The unaudited condensed interim consolidated financial statements including comparative figures have been prepared by the Company in accordance with International Financial Reporting Standards ("IFRS") applicable to preparation of interim financial statements. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and accompanying notes for the year ended December 31, 2014, which have been prepared in accordance with IFRS and available on the Company's web-site (www.murchisonminerals.com). This MD&A covers the most recently completed financial year end and the subsequent period up to November 25, 2015. The information is presented in Canadian dollars unless stated otherwise.

OVERALL PERFORMANCE

Description of Business

Murchison Minerals Ltd. is a Canadian-based exploration company with a diversified portfolio of properties, including the Brabant-McKenzie zinc-copper deposit in north-central Saskatchewan, the HPM nickel-copper-cobalt project in Québec and the Cloridorme high alumina shale formation, which is contiguous and essentially an extension of the Marin deposit of Orbite Aluminae located on the Gaspe peninsula in eastern Quebec. Murchison also holds gold claims in the Pickle Lake area of northwestern Ontario and approximately 1,200 km^2 of licences prospective for nickel and gold exploration in central Uganda. The Company expects to acquire additional properties as attractive opportunities are identified. The Company does not have any projects that generate revenue at this time. The Company's ability to carry out its business plan in the future rests entirely on its ability to secure equity and other financings or realize cash from the sale of assets.

Trends

The financing, exploration and development of any properties the Company holds or may acquire in the future will be subject to a number of factors including the price of gold or other minerals, applicable laws and regulations, political conditions, currency fluctuations, the hiring of qualified people and obtaining necessary services in jurisdictions where the Company operates. The current trends relating to these factors could change at any time and negatively affect the Company's operations and business. Apart from these, the risk factors noted under the heading "Risk Factors" and "Forward Looking Information" included in the MD&A for the year ended December 31, 2014, management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

OUTLOOK

The Company is maintaining its main objective over the next twelve months which is to continue operating despite the very difficult market that is facing most mining exploration companies. The financing closed in November 2014 allowed the Company to perform limited exploration activities during the nine months ended September 30, 2015 which focused mainly on the re-assessment of the potential of the Company's Brabant-McKenzie zinc-copper deposit in north-central Saskatchewan.

The next steps planned in the exploration of Brabant Lake property will include the completion of a ground Time Domain Electromagnetic (TDEM) and magnetometer survey designed to test a modeled airborne Versatile Transient Electromagnetic (VTEM) conductor plate anomaly immediately south of the Brabant-McKenzie deposit (the "Deposit") for economic sulphide potential and to outline drill targets. The Company will also continue designing a drill program in order to further define, upgrade and potentially expand the Deposit. Subject to financing, the Company will undertake the followng programs: Initiate a Deposit drill program as described above, and continue an onsite regional program of prospecting, mapping and further definition of all prioritized known mineral occurrences and their associated VTEM anomalies and previous drilling along the known favourable geological horizon. The Company will also continue to follow-up on the positive results of the mineralogical characteristics of massive sulphide testwork completed by SGS Canada Inc. which would include the investigation of ore sorting technologies to separate pyrrhotite from sphalerite and chalcopyrite, two main economic minerals of the Brabant-McKenzie deposit.

In order to assist with the main objective, members of management have renounced a portion of salaries/fees due for the period between July and October 2014 and have significantly reduced their salaries/fees in November 2014 and once more in February 2015.

The Company's 2015 budget focuses on minimizing G&A, fulfilling its flow-through commitment and continuing exploration on the Company's properties if funds become available. The long-term goal remains to develop the Company's properties and achieve commercial production. The Company may enter into partnerships in order to fully exploit the production potential of its exploration assets.

On November 23, 2015, the Company announced the appointment of Mr. Kent Pearson as President and Chief Executive Officer of the Company. He also joined as a director of the Company. Kent is a professional geologist with more than 25 years of experience in the mining industry and in the capital markets sector. His mining experience spans from grassroots exploration through to production. In the capital markets sector, his background includes equity and debt research experience as well as executive roles in investment banking in the resources sector.

Jean-Charles Potvin will continue with the Company in the role of Executive Chairman.

MINERAL PROPERTIES – EXPLORATION ACTIVITIES

Brabant property - Saskatchewan

The Brabant property is owned 100% by Murchison and is strategically located along Highway 102 between the town of La Ronge to the south and the Athabasca Basin to the north, near major infrastructure. The Brabant property consists of the Brabant-McKenzie deposit and six additional zinc and copper occurrences along the favourable horizon about 15 kilometre long, all of which remain under-explored. The project area shares geological characteristics, including similar age, with the Flin Flon volcanogenic massive sulphide (VMS) mining camp in Manitoba. Current (2008) mineral resource for the Brabant-McKenzie deposit consists of 1.5 Mt grading 9.2% zinc and 0.8% copper in indicated resources and 3.0 Mt grading 5.6% zinc and 0.6% copper in inferred resources (for additional details, refer to Murchison's website: www.muchisonminerals.com). The Brabant-McKenzie deposit consists of two sub-parallel massive sulphide zones, which average five metres in thickness and have been traced in drilling for 1,000 metres along strike and 700 metres down dip. Re-interpretation of VTEM and BHEM surveys has identified numerous conductors laterally and down dip from known mineralization, which confirms that the deposit remains open to expansion by drilling in all directions

During the quarter, the Company undertook an onsite property visit and review of the Deposit in order to design a Time Domain Electromagnetic (TDEM) and ground magnetometer geophysics survey targeting a previously modeled airborne VTEM conductor plate immediately south along strike from the Deposit. Additionally, a full reinterpretation and compilation was undertaken of the Brabant-McKenzie deposit in order to begin designing a drill program in order to define and upgrade and potentially expand the current Deposit resource. Regionally, a compilation and prioritization of previously defined airborne VTEM conductor plates, known minerals occurrences and drilling was completed in order to begin preparing a larger regional exploration program designed to investigate each defined target.

On May 4, 2015, the Company provided an update on exploration and metallurgical activities on the Brabant-McKenzie deposit (one of the highest grade undeveloped zinc deposit in Canada). The recent work focused on methodical compilation and re-interpretation of electromagnetic (EM) geophysical survey work completed between 1993, 2007 and 2011, modelling of two bore-hole pulse EM (BHEM) programs (1993 and 2007) and review of a helicopter-borne Versatile Transient EM (VTEM plus) program (2011) carried out by DIAS Geophysical Limited ("DIAS") of Cambridge, Ontario. The results confirm that the Brabant-McKenzie deposit is open to expansion by drilling in all directions and identified new targets for future drilling for additional resources (see Press Release May 4, 2015 for figures). The highest priority drill targets are BHEM conductor plate anomalies at depth below the deepest drill intercepts (approximately 500 metres vertically below surface). In addition, parallel trends of near-surface VTEM conductor plate anomalies approximately 200 metres into the footwall rocks from the Brabant-McKenzie deposit and 900 metres into the hanging wall rocks have been identified from this current phase of work. These anomalies are under evaluation for drill targets.

As part of its evaluation of the Brabant-McKenzie deposit as a potential selective high-grade and near-surface mining operation, Murchison commissioned SGS Canada Inc. (Ontario) to investigate the mineralogical characteristics of massive sulphide samples from the Brabant-McKenzie deposit. The purpose of the testwork was to establish whether sulphide mineral phases and silicate mineral phases could be effectively separated from each other using heavy liquids separation (HLS) techniques on coarse grind massive and semi-massive sulphide samples of drill core. The HLS technique applied did produce a sink fraction rich in sulphide and float fraction poor in sulphide (see Table on Murchison's website. Consequently, initial results indicate that HLS can produce a high-quality sulphide fraction (mainly sphalerite, chalcopyrite and pyrrhotite) from massive and semi-massive sulphide samples.

For the quarter and nine months ended September 30, 2015, the Company incurred respectively $23,193 and $80,513 (2014 - $406 and $406 respectively) in exploration expenses for the Brabant property.

HPM property - Quebec

During the quarter ended September 30, 2015, the Company continued a limited review and compilation of previous exploration results where in 2008, drilling intersected a 43 metre zone of 1.74% nickel and 0.90% copper.

For the quarter and nine months ended September 30, 2015, the Company incurred respectively $nil and $6,017 (2014 - $nil and $nil respectively) in exploration expenses for the HPM property.

Uganda

During the quarter and six months ended September 30, 2015, the expenses in Uganda were only covering care and maintenance of the properties.

For the quarter and six months ended September 30, 2015, the Company incurred respectively $26,950 and $100,189 (2014 - $238,154 and $1,150,710 respectively).

Burundi

In July 2015, the Company received a Value Added Tax ("VAT") refund of $190,834 (US$143,000) from the Government of Burundi. The amount was recorded as a recovery of exploration expenses as in the past, the recoverability of the VAT paid on goods and services in Burundi was uncertain and included as part of the exploration expenses.

Qualified Person

Exploration programs at the Company's projects in Canada are being carried out under the supervision of William E. Stone, P.Geo., Independent Consultant, a "Qualified Person" within the meaning of NI43-101and has supervised the preparation of, and confirmed all of the scientific and technical disclosure in this MD&A.

Access to properties

The Company's access to projects in Africa is available all year long. Typical weather in Africa is comprised of two dry seasons (June to August and December to January) and two wet seasons (February to May and September to November). The Company's access to its Canadian properties is dependent on climate and weather conditions. Typically, properties in Ontario are generally accessible all year round. Access to the Kasagiminnis and Dorothy-Dobie properties is by float plane or helicopter. The Brabant property in Saskatchewan is accessible most of the year except during freeze-up (3 weeks) in the fall and spring thaw (4-5 weeks). All projects in Quebec can be accessed from January to September as weather limits the activities during other times of the year.

RESULTS OF OPERATIONS

For the nine months ended September 30, 2015, the Company incurred a loss of $264,342 (2014 - $3,211,210). The decrease of $2,946,868 is mainly related to the following factors: 1. lower exploration in Uganda of $1,050,521 (2015 - $100,189 vs 2014 - $1,150,710) due to the limited cash available for exploration in 2015; 2. lower exploration expenses in Burundi of $758,785 (2015 – recovery of $189,652 vs 2014 – expenses of $569,133) due to the decision in 2014 to abandon exploration in Burundi and a VAT refund of $190,834 (US$143,000) received in July 2015; 3. lower acquisition costs of $651,518 as the Company completed the Flemish RTO in Q2-2014; 4. lower stock-based compensation expense of $210,775 (2015 - $nil vs 2014 - $210,775) as no stock options were granted in 2015; and, 5. lower management fees and salaries of $231,932 (2015 - $114,117 vs 2014 - $346,049) as management reduced their salaries/fees in order to assist with its main objective of continuing operating in this difficult market for mining exploration companies.

For the nine months ended September 30, 2015, exploration expenses totaled $18,437 (2014 - $1,814,600) with Canada $101,553 (2014 - $94,757), Uganda $100,189 (2014 - $1,150,710), Burundi recovery of $189,652 (2014 – expenses of $569,133) and general exploration $6,347 (2014 - $nil).

For the three months ended September 30, 2015, the Company made a profit of $44,579 (Q3-2014 – loss of $588,499). The difference of $633,078 is mainly related to the following factors: 1. lower exploration expenses in Burundi of $247,782 (Q3-2015 – recovery of $190,438 vs Q3-2014 – expenses of $57,344) related to a VAT refund of $190,834 (US$143,000) received in July 2015; 2. lower exploration in Uganda of $211,204 (Q3-2015 - $26,950 vs Q3-2014 - $238,154) due to the limited cash available for exploration in 2015; 3. lower exploration expenses in Canada of $71,281 (Q3-2015 - $23,437 vs Q3-2014 - $94,718) as an exploration program took place at Cloridorme in Q3-2014; and 4. lower management fees and salaries of $69,719 (Q3-2015 - $41,158 vs Q3-2014 - $110,877) as management reduced their salaries/fees in order to assist with its main objective of continuing operating in this difficult market for mining exploration companies.

For the three months ended September 30, 2015, exploration expenses totaled $50,783 (Q3-2014 - $390,216) with Canada $23,437 (Q3-2014 $94,718), Uganda $26,950 (Q3-2014 - $238,154) and Burundi $396 (Q3-2014 - $57,344), excluding an offsetting VAT recovery in Burundi of $190,834.

SUMMARY OF QUARTERLY RESULTS

	Third Quarter 2015	Second Quarter 2015	First Quarter 2015	Fourth Quarter 2014
Total Assets	$1,079,417	$1,043,784	$1,184,225	$1,442,338
Current Assets	$295,615	$258,292	$397,044	$653,468
Non-current Assets	$783,802	$785,492	$787,181	$788,870
Total Liabilities	$140,207	$149,153	$150,833	$238,786
Interest Income	$59	$86	$176	$232
Loss (profit)	($44,579)	$138,761	$170,160	$320,833
Loss Per Share (1)	$0.00	$0.00	$0.00	$0.01

	Third Quarter 2014	Second Quarter 2014	First Quarter 2014	Fourth Quarter 2013
Total Assets	$1,103,661	$1,819,791	$2,682,025	$3,348,790
Current Assets	$279,189	$994,778	$2,060,668	$2,804,482
Non-current Assets	$824,472	$825,013	$621,357	$544,308
Total Liabilities	$452,258	$502,351	$276,773	$149,391
Interest Income	$782	$2,726	$7,566	$11,404
Loss	$588,499	$1,617,789	$1,004,922	$3,474,099
Loss Per Share (i)	$0.00	$0.01	$0.01	$0.03
(i) Loss per share remains the same on a diluted basis				

Due to the nature of the business, the cash balance and short-term investments generating interest income are subject to fluctuations from quarter to quarter. The timing of equity financing and ensuing exploration and operating expenses are the main factors affecting the level of funds invested from time to time. The variation in interest rates also has an impact on the interest income.

In Q3-2015, the profit of $44,579 relates mainly to a VAT refund of $190,834 (US$143,000) from the Government of Burundi. In Q1-2015 and Q2-2015, the exploration expenses were limited to Canada as the Company benefited from flow-through funds raised in Q4-2014. In Q4-2014, exploration expenses in Uganda were $355,564. In Q3-2014, there was a significant reduction in expenses incurred in Burundi of $503,600 in comparison to the same period a year earlier. In Q2-2014, the Company completed the RTO of Manicouagan by Flemish for which acquisition costs amounted to $617,955 (including a non-cash amount of $405,958). The Company was also active exploring its Uganda property during Q2-2014 where expenses totaled $570,366. The main expenses in Q1-2014 (loss of $1,004,922) are exploration expenses in Uganda of $342,190, exploration expenses in Burundi of $258,892 and non-cash stock-based compensation of $210,775. The loss in Q4 2013 includes the write-off of the Burundi exploration and evaluation properties of $2,599,423.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2015, the Company had no debt, cash of $234,916 and working capital of $171,150 (December 31, 2014 – $567,792 of cash and $414,682, respectively). The Company's excess cash, when available, is deposited into interest-bearing accounts or invested in redeemable GICs with major Canadian chartered banks.

As at September 30, 2015, the Company had amounts receivable and prepaid expenses totaling $60,699 which included sales tax receivable of $20,041, prepaid rent of $17,752, prepaid insurance of $10,960 and refundable tax credits of $6,071.

In July 2015, the Company received a VAT refund of $190,834 (US$143,000) from the Government of Burundi. Also in July 2015, the Company received $26,305 in refundable tax credits from the Government of Quebec.

The September 30, 2015, unaudited condensed interim consolidated financial statements were prepared in accordance accounting principles to a going concern, which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent on its ability to raise new funds to meet its obligations and continue its exploration activities.

Equity Financing
The Company's exploration projects are at an early stage and it has not yet been determined whether any of its properties contain economically recoverable ore. As a result, the Company has no current sources of revenue and has relied on the issuance of shares to generate the funds required to further its projects.

The Company's ability to successfully acquire mineral projects or recover amounts expended on mineral properties is conditional on its ability to secure financing when required. The Company expects to meet additional financing requirements through equity financing. The Company may seek other alternatives for financing in the future depending on market conditions and exploration results; however, there can be no assurance that such financing attempts will be successful. The impact on our business and the cost and availability of financing remain uncertain and could affect our overall liquidity.

Other
The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations.

Commitments and Obligations
In 2011, the Company entered into a 66 month lease for office equipment. As at September 30, 2015, the aggregate commitment balance under this lease is $4,328, payable as follows: $866 for 2015 and $3,462 for 2016.

As at September 30, 2015, the Company has to incur $48,295 in qualifying exploration expenditures by December 31, 2015 to meet its flow-through commitment arising from the November 18, 2014 private placement.

In August 2014, Flemish Investment Burundi was informed that three Burundian ex-employees have filed claims against Flemish Burundi S.A. pertaining to severance payments totaling approximately US$10,500 and damages of approximately US$188,000. The Company believes that the claims are without merit.

As of September 30, 2015 and up to November 22, 2015, date as which it was terminated, the Company was party to a management contract requiring that an additional payment of up to $500,000 be made upon the occurrence of certain events such as change of control. Effective November 22, 2015, the Company was party to a consulting agreement requiring that an additional payment of up to $500,000 be made upon the occurrence of certain events such as change of control. As a triggering event has not taken place, the contingent payment has not been reflected in the consolidated financial statements. Minimum commitments remaining under this contract are approximately $500,000.

The Company has no long-term contractual obligations.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Remuneration of directors and the officers was as follows:

	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Salaries and benefits	$ 34,786	$ 98,750	$ 92,286	$ 291,000
Share-based compensation	-	-	-	161,216
	$ 34,786	$ 98,750	$ 92,286	$ 452,216

The amounts under salaries and benefit in the above table include $9,000 for the three months ended September 30, 2015 (three months ended September 30, 2014 - $36,250) and $29,000 for the nine months ended September 30, 2015 (nine months ended September 30, 2014 - $103,500) for fees invoiced by Bractea Enterprises Ltd., a corporation controlled by Erik H Martin, the CFO of the Company for his services as CFO. Included in accounts payable and accrued liabilities at September 30, 2015 is $nil (December 31, 2014 - $15,527) owed to Jean-Charles Potvin, the President and CEO of the Company.

PROPOSED TRANSACTIONS

The Company continues to evaluate quality exploration projects and financing opportunities. There are no transactions currently pending.

CHANGES IN ACCOUNTING POLICIES

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. As at January 1, 2015, the Company adopted this amendment and there was no material impact on the Company's condensed interim consolidated financial statements.

IAS 24 – Related Party Disclosures ("IAS 24") was amended to clarify that an entity providing key management services to the reporting entity or the parent of the reporting entity 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. As at January 1, 2015, the Company adopted this amendment and there was no material impact on the Company's condensed interim consolidated financial statements.

New accounting standards not yet adopted

The IASB issued the following standards which are relevant but have not yet been adopted by the Company. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its consolidated financial statements or whether to early adopt any of the new requirements.

IFRS 9 – Financial Instruments - classification and measurement ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 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.

FINANCIAL INSTRUMENTS

As at,	**September 30, 2015**	**December 31, 2014**
Financial assets:		
Loans and receivables		
Cash and cash equivalents	$ 234,916	$ 567,792
Amounts receivable	26,112	67,921
Financial liabilities:		
Other financial liabilities		
Accounts payable and accrued liabilities	$ 124,465	$ 194,940

As of September 30, 2015 and December 31, 2014, the fair value of all the Company's financial instruments approximates the carrying value, due to their short-term nature.

Loans and receivables:
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Other financial liabilities:
Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition.

Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

Impairment of financial assets:
Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been negatively impacted. Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- the likelihood that the borrower will enter bankruptcy or financial re-organization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial instruments recorded at fair value:
Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at September 30, 2015 and December 31, 2014, none of the Company's financial instruments are recorded at fair value on the consolidated statements of financial position.

Significant accounting judgments and estimates:
The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- *Assets' carrying values and impairment charges*
  In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment.

These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

- *Estimation of decommissioning and restoration costs and the timing of expenditure*
  The cost estimates are updated annually during the life of a mine to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

- *Impairment of exploration and evaluation properties*
  While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company's exploration and evaluation properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

- *Income and other taxes*
  In assessing the probability of realizing income and other tax assets, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers relevant tax planning opportunities that are within the Company's control, are feasible and within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income and other tax assets and liabilities recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets or could result in taxes owing,

- *Share-based payments*
  Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgments used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates. The Company currently estimates the expected

volatility of its common shares based on historical volatility taking into consideration the expected life of the options and warrants.

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 through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of 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 considers its capital to consist of equity, comprising share capital, reserves and deficit. 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 regularly updated based on its exploration and development activities. Selected information is regularly provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the period ended September 30, 2015 and for the year ended December 31, 2014. The Company is not subject to any capital requirements imposed by a regulator or lending institution.

ADDITIONAL INFORMATION

Outstanding Shareholders' Equity Data

As of November 25, 2015, the following are outstanding:

- Common Shares 155,536,884
- Stock Options 14,061,000
- Warrants 23,486,196

Uncertainties and Risk Factors

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.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements based on the Company's current expectations. Forward-looking information can often be identified by forward looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance.

These forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those presented in this document. Accordingly, the Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change, unless required by law. Readers are cautioned not to place undue reliance on forward-looking information.