

MURCHISON MINERALS LTD. MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015

This Management's Discussion and Analysis ("MD&A") is intended to supplement the consolidated financial statements and notes of Murchison Minerals Ltd. (the "Company" or "Murchison") for the year ended December 31, 2015 with comparatives for the same period a year earlier. On June 6, 2014, Flemish Gold Corp. ("Flemish") completed a reverse asset acquisition ("RTO") of the Company. As a result, the consolidated financial statements represent a continuance of Flemish. The consolidated financial statements including comparative figures have been prepared by the Company in accordance with International Financial Reporting Standards ("IFRS") applicable to preparation of 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, 2015, which are available on the Company's website (www.murchisonminerals.com). This MD&A covers the most recently completed financial year end and the subsequent period up to March 4, 2016. 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 (the "Deposit") in north-central Saskatchewan and the HPM nickel-copper-cobalt project in Québec. The Company also holds claims forming the Cloridorme property, a high alumina shale formation that is contiguous and essentially an extension of the Marin deposit of Orbite Technologies Inc. located on the Gaspé Peninsula in eastern Québec. Murchison also holds gold claims in the Pickle Lake area of northwestern Ontario and six exploration 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 "Uncertainties and Risk Factors" and "Forward Looking Statement" included in this MD&A, 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 continues to focus on maintaining its main objective of continuing its operations despite the very difficult market that is facing most junior mining exploration companies. Management is actively pursuing funding in order to continue the exploration at the Brabant project in Saskatchewan based on the positive results obtained from the geophysical program completed in December 2015. Management is aware of the low share price for its common shares and it is committed to raise additional funds to ensure the Company is a going concern while minimizing shareholders' dilution. The Company owns exploration equipment in Africa and management is actively looking to sell the equipment in order to generate sufficient cash flow to cover the budgeted expenses for 2016.

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. Since February 1, 2016, the CEO and CFO have been providing services to the Company without compensation and will continue to do so until the next financing of the Company.

The Company's 2016 budget focuses on continuing its operations and the administrative expenses have been drastically reduced. The Company will continue exploration on its 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. He holds a Bachelor's Degree in Geology from the University of Alberta and a MBA from Queen's University.

Jean-Charles Potvin is continuing 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 Deposit and six additional zinc and copper occurrences along the favourable horizon about 15 kilometres 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 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.murchisonminerals.com). The 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

On May 4, 2015, the Company provided an update on exploration and metallurgical activities on the 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 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 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 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 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.

During fall 2015, the Company undertook onsite property visits and review of the Deposit in order to design a Time Domain Electromagnetic (TDEM) and ground magnetic 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 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.

In December 2015, the Company completed a TDEM and magnetic geophysical program (the "Program") conducted on the Deposit.

The Program was designed to confirm and define known conductors with coincident magnetic anomalies situated immediately south, along strike and to depth of the Deposit. This was the first of a number of planned ground geophysical programs designed to test numerous anomalies identified along the 15 kilometre strike of the property.

Deposit Upside Potential Supported

Modeled results from the Program reveal a higher conductive plate within the northern portion of a larger conductive horizon described below. This plate continues into and is coincident with mineralization associated with the Deposit along strike and extends to depth below historically intersected mineralization. The plate measures 350 metres in strike with a depth extent of over 500 metres and a 54 degree dip to the northwest. As reported in the Technical Report, this portion of the Deposit has seen limited historic drilling with reported intersections of up to 13.3% Zn over 1.8 m in Hole 38 and 15.4% Zn over 1.5 m in Hole 40. Past drilling reveals that the Deposit has been drilled to a depth of over 700 metres down-dip, and remains open down-dip and along strike to the south. These results confirm that this area remains a priority drill target with potential to add tonnage to the Deposit.

Large Untested Horizon Defined

Modeling of the data from this survey also reveals an open ended, 1.3 kilometre long conductive and magnetic horizon extending south from the Deposit with a depth extent of over 1 kilometre and a dip of approximately 50 degrees to the northwest. The direction, length, dip and depth of the modeled data are consistent with the known airborne conductor extent and historical drill results.

Historical drilling along the 2015 TDEM conductor south of the Deposit area consisted of several short, near surface holes which do not appear to have adequately tested the horizon of the newly modeled conductor.

The Program consisted of a fixed loop TDEM and magnetic ground survey which was conducted over 200 metres of the southern portion of the Deposit and a further 600 metres along strike to the south along 100 meter spaced lines. One line of EM surveying was conducted using a SQUID sensor for

comparative purposes and confirms the higher conductive zone identified in the northern part of the survey area.

The geophysical data obtained during the 2015 program will aid the Company with drill programs going forward, designed to increase the resource of the known Deposit. The data will also be utilized in regional programs as exploration vectors to rank the numerous airborne electromagnetic and magnetic anomalies that occur within similar host rock lithologies along the 15 kilometre strike length of the Brabant property.

For the year ended December 31, 2015, the Company incurred \$171,069 (2014 - \$20,427) in exploration expenses for the Brabant property.

HPM property - Québec

During 2015, the Company conducted 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 year ended December 31, 2015, the Company incurred respectively \$6,237 (2014 - \$nil) in exploration expenses for the HPM property.

Uganda

During 2015, the expenses in Uganda were only covering care and maintenance of the properties which totalled \$108,461 in comparison to \$1,506,274 in 2014 where the Company was actively exploring the properties.

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. This recovery was offset by \$5,494 in expenses for 2015. In 2014, the Burundi expenses totalled \$585,053 which were all related to camp maintenance and administrative costs.

Qualified Person

Exploration programs at the Company's project in Saskatchewan are being carried out under the supervision of Graham Gill, P.Geo., Independent Consultant, a "Qualified Person" within the meaning of NI43-101. Mr. Gill 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 its Canadian properties is dependent on climate and weather conditions. The Brabant property in Saskatchewan is accessible most of the year except during the fall spring thaw (4-5 weeks). Typically, properties in Ontario are generally accessible all year round. Access to the Kasagiminnis and Dorothy-Dobie properties is by floatplane or helicopter. All projects in Québec can be accessed from January to September as weather limits the activities during other times of the year. 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).

RESULTS OF OPERATIONS

For the year ended December 31, 2015, the Company incurred a loss of \$874,897 (2014 - \$3,532,043). The decrease of \$2,657,146 is mainly related to the following factors: 1. lower exploration in Uganda of \$1,397,813 (2015 - \$108,461 vs 2014 - \$1,506,274) due to the limited cash available for exploration in 2015; 2. lower exploration expenses in Burundi of \$770,393 (2015 – recovery of \$185,340 vs 2014 – expenses of \$585,053) 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 \$296,263 (2015 - \$nil vs 2014 - \$296,263) as no stock options were granted in 2015; and, 5. lower management fees and salaries of \$226,936 (2015 - \$136,925 vs 2014 - \$363,861) 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 year ended December 31, 2015, exploration expenses totaled \$123,399 (2014 - \$2,166,866) with Canada \$192,240 (2014 - \$75,539), Uganda \$108,461 (2014 - \$1,506,274), Burundi recovery of \$185,340 (2014 – expenses of \$585,053) and general exploration \$8,038 (2014 - \$nil).

SELECTED ANNUAL INFORMATION

The following table sets out financial performance highlights for the last three years and was prepared in accordance with IFRS.

	December 31, 2015	December 31, 2014	December 31, 2013
Interest Income	\$364	\$11,306	\$37,344
Operating Expenses	\$443,871	\$3,694,760	\$3,613,740
Loss	\$874,897	\$3,532,043	\$5,868,985
Basic and Diluted loss per share	\$0.01	\$0.03	\$0.06
Total Assets	\$480,869	\$1,442,338	\$3,348,790
Exploration Expenses ⁽¹⁾	\$123,399	\$2,166,866	\$2,523,794

⁽¹⁾ The exploration expenses are included in operating expenses

The interest income fluctuation from year to year is the direct result of the cash balance and short-term investments available in each of the years. 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 the interest rates also has an impact on the interest income but such variation has been minimal for the years 2013 to 2015. The higher loss in 2013 was mostly related to the exploration activities and expenses in Burundi. The total assets in 2013 included \$2.7 million in cash.

SUMMARY OF QUARTERLY RESULTS

	Fourth Quarter 2015	Third Quarter 2015	Second Quarter 2015	First Quarter 2015
Total Assets	\$480,869	\$1,079,417	\$1,043,784	\$1,184,225
Current Assets	\$183,494	\$295,615	\$258,292	\$397,044
Non-current Assets	\$297,375	\$783,802	\$785,492	\$787,181
Total Liabilities	\$138,666	\$140,207	\$149,153	\$150,833
Interest Income	\$43	\$59	\$86	\$176
Loss (profit)	\$610,555	(\$44,579)	\$138,761	\$170,160
Loss Per Share ⁽¹⁾	\$0.01	\$0.00	\$0.00	\$0.00

	Fourth Quarter 2014	Third Quarter 2014	Second Quarter 2014	First Quarter 2014
Total Assets	\$1,442,338	\$1,103,661	\$1,819,791	\$2,682,025
Current Assets	\$653,468	\$279,189	\$994,778	\$2,060,668
Non-current Assets	\$788,870	\$824,472	\$825,013	\$621,357
Total Liabilities	\$238,786	\$452,258	\$502,351	\$276,773
Interest Income	\$232	\$782	\$2,726	\$7,566
Loss	\$320,833	\$588,499	\$1,617,789	\$1,004,922
Loss Per Share ⁽¹⁾	\$0.01	\$0.00	\$0.01	\$0.01

⁽¹⁾ 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 Q4-2015, the Company wrote-off the carrying value of the Cloridorme property of \$480,000 and conducted an exploration program at Brabant of \$90,556. 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.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2015, the Company had no debt, cash of \$124,168 and working capital of \$44,828 (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 December 31, 2015, the Company had amounts receivable and prepaid expenses totaling \$59,326 which included sales tax receivable of \$32,633, prepaid expenses of \$20,622 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 Québec.

The December 31, 2015, 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

On December 14, 2015, the Company completed a non-brokered flow-through private placement and issued 3,000,000 flow-through common shares priced at \$0.01 for gross proceeds of \$30,000. Five directors of the Company subscribed for the entire \$30,000.

The funds were used to complete the geophysical surveys and other exploration activities at Brabant during December 2015. In the event that the next financing is completed in conjunction with a consolidation of the Company's common shares, the subscribers will receive compensation common shares (the "Compensation Shares") if the number of common shares received from the funds invested under the December 14, 2015 flow-through private placement is less than what the subscribers would receive from a similar amount of funds invested in the next round financing (on a post consolidated basis). The number of Compensation Shares to be issued is limited to 66,667. The Company incurred \$1,452 in issue costs related to this 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.

Commitments and Obligations

In 2011, the Company entered into a 66 month lease for office equipment. As at December 31, 2015, the aggregate commitment balance under this lease is \$3,462 for 2016.

As at December 31, 2015, the Company had met all its flow-through commitment related to the non-brokered flow-through private placements completed on November 28, 2014 and December 14, 2015.

In August 2014, Flemish Investment Burundi S.A. 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. In 2015, the Court of Appeal of Bujumbura found in favour of the former employees for an aggregate amount of approximately \$117,000 plus 6% interest. The Company is reviewing options to appeal these judgements as it no longer operates or owns assets in Burundi; however, should the Company be unsuccessful in its appeal to reverse the judgements, the liability will be limited to:

- the value of the assets of the subsidiary in Burundi (\$nil at December 31, 2015) and;
- the share capital originally invested of US\$10,000.

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. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Company is party to a management contract. This contract requires that an additional payment of up to \$500,000 be made upon the occurrence of certain events such as a change of control. As a triggering event has not taken place, the contingent payment has not been reflected in these consolidated financial statements. Minimum commitment upon termination of this contract is \$128,700. Minimum commitment due within one year under the terms of this contract is \$85,800. The Company committed to issue 6,000,000 stock options as part of this management contract. As at December 31, 2015, no stock options have been issued.

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:

	Years Ended December 31,	
	2015	2014
Salaries and benefits	\$109,295	\$ 294,926
Share-based compensation	-	228,488
	<u>\$109,295</u>	<u>\$ 523,488</u>

The amounts in the above table include \$38,000 for the year ended December 31, 2015 (2014 - \$110,250) for fees invoiced by a corporation controlled by the CFO of the Company for his services. Also included in the above table include \$6,000 for the year ended December 31, 2015 (2014 - \$nil) for fees invoiced by a corporation controlled by the CEO of the Company for his services as CEO. Included in accounts payable and accrued liabilities at December 31, 2015 is \$1,120 (2014 - \$nil) owed to the corporation controlled by the CFO and \$nil (2014 - \$15,527) owed to an officer 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. At January 1, 2015, the Company adopted this amendment and there was no material impact on the Company’s consolidated financial statements.

IAS 12 – Income Taxes (“IAS 12”) was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument’s holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2017. At January 1, 2015, the Company adopted this amendment and there was no material impact on the Company’s 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. At January 1, 2015, the Company adopted this amendment and there was no material impact on the Company’s 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 5 – Non-current Assets Held for Sale and Discontinued Operations (“IFRS 5”) was amended in September 2014 to add specific guidance for cases in which an entity reclassifies an asset from “held for sale” to “held for distribution” or vice versa and cases in which “held-for-distribution” accounting is discontinued. The amendments are effective for annual periods beginning on or after January 1, 2016.

IFRS 7 – Financial Instruments: Disclosures (“IFRS 7”) was amended in September 2014 to clarify whether a servicing contract is continuing involvement in a transferred asset for purposes of determining the disclosures required. IFRS 7 was also amended to clarify that the additional disclosures relating to offsetting are not specifically required for interim periods unless required by IAS 34. The amendments are effective for annual periods beginning on or after January 1, 2016.

IFRS 9 – Financial Instruments (“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.

IAS 1 – Presentation of Financial Statements (“IAS 1”) 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.

FINANCIAL INSTRUMENTS

As at,	December 31, 2015	December 31, 2014
Financial assets:		
Loans and receivables		
Cash and cash equivalents	\$ 124,168	\$ 567,792
Amounts receivable	38,704	67,921
Financial liabilities:		
Other financial liabilities		
Accounts payable and accrued liabilities	\$ 138,666	\$ 194,940

As of December 31, 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 December 31, 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 that require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to the following:

- *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 years ended December 31, 2015 and 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 March 4, 2016, the following are outstanding:

• Common Shares	158,536,884
• Stock Options	14,061,000
• Warrants	23,481,196

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.

In addition to the risks outlined below, Murchison has identified the extreme volatility occurring in the financial markets as a significant risk for the Company. As a result of the market turmoil, investors are moving away from assets they perceive as risky to those they perceive as less so. Companies like Murchison are considered risk assets and as mentioned above are highly speculative. The volatility in the markets and investor sentiment may make it difficult for the Company to access the capital markets to raise the funds required for its future expenditures.

Exploration, Development and Operating Risks

Mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold, precious metals and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a mineral-bearing structure may result in substantial rewards, few properties which are explored are ultimately developed into producing mines.

Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by The Company will result in a profitable commercial mining operation. Whether a gold or other mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of mineralization and proximity to infrastructure; mineral prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in The Company not receiving an adequate return on invested capital.

There is no certainty that the expenditures made by the Company towards the search and evaluation of gold or other minerals will result in discoveries of commercial quantities of gold or other minerals.

Country Risk

The Company currently conducts business in jurisdictions and some countries in which the title to its properties may be uncertain or where access to infrastructure, or political stability, or security, among other things, may be unknown, or known, and prevent, or severely compromise, the Company from carrying out business. It may be that the Company accepts some or all of these risks, to the extent that they can be determined at all, in favour of acquiring properties with exceptional exploration and development potential, and may ultimately be prevented from exploring and developing those properties for any number of reasons which may, or may not, be predictable, foreseeable, or manageable.

Some of the Company's mineral property interests of the Company are located in Uganda, each of which may be subject to the effects of political changes, war and civil conflict, changes in government policy, lack of law enforcement, labour unrest and the creation of new laws. The Company's mineral property interests are subject to the discretion of the applicable governments or governmental officials. No assurance can be given that the Company will be successful in maintaining any or all of its mineral property interests. Operations in African countries are also subject to various risks relating to limited infrastructure, including lack of water supply and poor to absent power grids. Any or all of these risks could have a material adverse effect on the Company, and any changes in any of these conditions (which may include new or modified taxes or other governmental levies as well as other legislation) may impact the profitability and viability of the Company's properties. Uganda is an impoverished country with physical and institutional infrastructures that are in a debilitated condition. It is in transition from a largely state-controlled economy to one based on free market principles and from a non-democratic political system with a centralized power base to a political system based on more democratic principles. There can be no assurance that these changes will be effected or that the achievement of these objectives will not have material adverse consequences for the Company and its operations. In addition, the use of external and foreign employees may result in social disruption in the local communities, which

could have a material adverse effect on the Company's business, operating results and financial condition. The effect of unrest and instability on political, social or economic conditions in these regions could result in the impairment of the exploration and development of the Company's properties. Any such changes are beyond the control of the Company and may adversely affect its business.

Health Risks

HIV/AIDS, malaria and other diseases represent a serious threat to maintaining a skilled workforce in the mining industry throughout Africa. HIV/AIDS, malaria and other diseases are a major healthcare challenge faced by the Company's operations in Africa. There can be no assurance that the Company will not lose members of its workforce or workforce man-hours or incur increased medical costs, which may have a material adverse effect on the Company's operations.

Currency Risk

The Company's operations incur the majority of expenditures in Canadian and United States dollars but also incur expenditures in the local currencies of Burundi and Uganda. As a result of the use of these different currencies, the Company is subject to foreign currency fluctuations, which may materially affect its financial position and operating results.

Current Economic Conditions

There are significant uncertainties regarding the price of gold and other minerals and the availability of equity financing for the purposes of mineral exploration and development. The prices of gold and other minerals have fluctuated substantially over the past several years. The Company's future performance is largely tied to the development of its current mineral properties and the overall financial markets. Current financial markets are likely to be volatile for the remainder of the calendar year, reflecting ongoing concerns about the stability of the global economy and global growth prospects. As well, concern about global growth has led to sustained drops in the commodity markets for commodities other than gold. As a result, the Company may have difficulties raising equity financing for the purposes of mineral exploration and development, particularly without excessively diluting present shareholders of the Company. These economic trends may limit the Company's ability to develop and/or further explore its mineral property interests.

Limited Operating History

The Company has a very limited history of operations, is in the early stage of exploration and must be considered a start-up company. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. It is common in new mining operations to experience unexpected problems and delays. In addition, delays in the commencement of mineral production often occur. There is no assurance that the Company will be successful in achieving a return on shareholders' investment or successfully establish mining operations and the likelihood of success must be considered in light of its early stage of operations.

Reliability of Resource Estimates

There is no certainty that any mineral resources identified in the future on any of the Company's properties will be realized. Until a deposit is actually mined and processed the quantity of mineral resources and grades must be considered as estimates only. In addition, the quantity of mineral resources may vary depending on, among other things, metal prices. Any material change in quantity of mineral resources, grade or stripping ratio may affect the economic viability of any project undertaken by the Company. In addition, there can be no assurance that gold recoveries or other metal recoveries in small-scale laboratory tests will be duplicated in a larger scale test under on-site conditions or during production.

Fluctuations in gold and other base or precious metals prices, results of drilling, metallurgical testing and production and the evaluation of studies, reports and plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of mineral resources could have a material adverse effect on the Company's results of operations and financial condition from time to time.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to The Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although the Company may in the future maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

Government approvals and permits are currently, and may in the future be required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing its exploration or mining operations or from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Land Title

No assurances can be given that there are no title defects affecting property or any other property interests of the Company. Title insurance generally is not available, and the Company's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. Furthermore, the Company has not conducted surveys of the claims in which it holds an interest and, therefore, the precise area and location of such claims may be in doubt. Accordingly, the Company's mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Competition

The mining industry is competitive in all of its phases. The Company faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to maintain or acquire additional attractive mining properties on terms it considers acceptable or at all. Consequently, the Company's revenues, operations and financial condition could be materially adversely affected.

Additional Capital

The development and exploration of the Company's properties will require substantial additional financing.

Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production on any or all of the Company's properties or even a loss of property interest. The primary source of funding available to the Company consists of equity financing. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

Commodity Prices

The price of the Company's common shares, the Company's financial results and exploration, development and mineral development activities may in the future be significantly adversely affected by declines in the price of gold or other minerals. The price of gold and other minerals fluctuates widely and is affected by numerous factors beyond the Company's control such as the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, the political and economic conditions of major mineral-producing countries throughout the world, and the cost of substitutes, inventory levels and carrying charges. Future serious price declines in the market value of gold or other minerals could cause continued development of and commercial production from the Company's properties to be impracticable. Depending on the price of gold and other minerals, cash flow from mining operations may not be sufficient and the Company could be forced to discontinue production and may lose its interest in, or may be forced to sell, some of its properties. Future production from the Company's mineral exploration properties is dependent upon the prices of gold and other minerals being adequate to make these properties economic.

In addition to adversely affecting the Company's future resource or reserve estimates, if any, and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Government Regulation

The development and mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. In addition, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not otherwise be applied in a manner which could limit or curtail production or development in any of the jurisdictions in which the Company operates. Amendments to other current laws and regulations governing mineral exploration and development or more stringent implementation thereof could also have a substantial adverse impact on the Company.

Dividend Policy

No dividends on the common shares have been paid by the Company to date. Payment of any future dividends will be at the discretion of the Company's board of directors after taking into account many factors, including the Company's operating results, financial condition and current and anticipated cash needs.

Dilution to the Company Common Shares

As of March 4, 2014, the Company had 158,536,884 common shares and 37,542,196 convertible securities issued and outstanding. The increase in the number of securities issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of the common shares. In addition, as a result of such additional securities, the voting power of the existing shareholders in the Company will be diluted.

Key Executives

The Company is dependent on the services of key executives, including the directors of Murchison and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of these persons or the Company's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations.

Conflicts of Interest

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving Murchison should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of Murchison and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the *Canada Business Corporations Act* and other applicable laws.

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.