**TARANIS RESOURCES INC.**
**MANAGEMENT DISCUSSION & ANALYSIS,**
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015**
**(Including subsequent events to November 20, 2015)**

This Management Discussion and Analysis ("MD&A) is provided for the purpose of reviewing the performance of Taranis Resources Inc. ("the Company") for the nine months ended September 30, 2015 and comparing results with the previous year. It should be read in conjunction with the Company's unaudited interim consolidated financial statements and corresponding notes for the nine months ending September 30, 2015 and the audited consolidated financial statements and corresponding notes for the year ended December 31, 2014, which were prepared in accordance with International Financial Reporting Standards ("IFRS") which became effective January 1, 2011 and replaced the previous Canadian generally accepted accounting principles ("GAAP").

The Company's management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders.

The reader is encouraged to review the Company's statutory filings on www.sedar.com and general information on its website www.taranisresources.com.

## FORWARD LOOKING STATEMENTS

All statements in this report that do not directly and exclusively relate to historical facts constitute forward-looking statements, These statements represent the Company's intentions, plans, expectations and beliefs and are subject to risks, uncertainties and other factors of which many are beyond its control. These factors could cause actual results to differ materially from such forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, as a result of new information, future events or otherwise.

## DESCRIPTION OF BUSINESS

The Company is principally engaged in the acquisition, exploration and, if results warrant, development of precious and base metal projects. It is currently involved in one base metal prospect in Lapland, Finland and one advanced-stage precious/base metal prospect in British Columbia, Canada.

All of the Company's exploration activities are overseen by John Gardiner (P. Geol.), a Qualified Person under the meaning of Canadian National Instrument 43-101.

## RESULTS OF OPERATIONS

The cumulative costs of Exploration and Evaluation Assets as at September 30, 2015 are as follows:

**EXPLORATION AND EVALUATION ASSETS 2015**

| | Finland | Canada | |
|---|---|---|---|
| 2015 | Riikonkoski Property | Thor Property | September 30, 2015 |
| | $ | $ | $ |
| **Acquisition costs:** | | | |
| Balance, beginning of period | 12,381 | 675,268 | 687,649 |
| Additions | 18,200 | 2,939 | 20,749 |
| Disposals | | | - |
| Balance, end of period | 30,581 | 678,207 | 708,398 |
| | | | |
| **Exploration costs:** | | | |
| Balance-beginning of period | 97,774 | 2,780,908 | 2,878,682 |
| Assaying | - | 3,102 | 3,102 |
| Geological fees | - | 21,571 | 21,571 |
| Engineering | | 14703 | 14,703 |
| Surveying and mapping | - | 18,162 | 18,162 |
| | - | | - |
| | | | |
| | - | 57,538 | 57,538 |
| Exploration costs recovered | - | - (2,679) | -(2,679) |
| Balance, end of period | 97,774 | 2,835,767 | 2,922,541 |
| | | | |
| **Total costs** | 128,355 | 3,513,974 | 3,642,329 |

## Other Projects/Evaluations

Periodically the Company evaluates other exploration opportunities that have either been directly identified by it, or have been brought to its attention. These projects fall under the heading of Property Evaluation and typically include the cost of data evaluation and site visits. These costs are capitalized if the property is acquired; otherwise they are written off.

## Kettukuusikko and Naakenavaara Properties, Lapland, Finland

In recent years the Company has devoted considerable resources to the exploration and development of its Kettukuusikko and Naakenavaara properties in northern Finland. Net aggregate expenditures in excess of $2,000,000 have been made on these properties in an attempt to identify mineable resources.

In the past two years, the Company has explored many different avenues in its attempt to secure either the necessary financing or a Joint Venture Partner(s) to continue to work on these properties. Unfortunately, the current depressed state of mining exploration capital markets, the royalty burden attached to both properties and the ever increasing costs associated with land holdings in Finland have rendered these efforts untenable. These circumstances have forced the Company to make the difficult decision to abandon both prospects and write off the acquisition and exploration costs relating thereto.

## Riikonkoski Project

In January of 2011, the Company applied for 6 Mining Claims with an area of approximately 4 square kilometres over the Riikonkoski copper deposit located in Northern Finland. These claims have now been granted to the Company by the Government of Finland.

The deposit has an historical resource calculation prepared by the Geological Survey of Finland (the "GTK") in 1972 which estimated that the portion of the property that had been drill tested contained 12.44 million tonnes of 0.52% copper. A re-logging and sampling of more than 17,000 metres of core from 77 previously drilled holes has now been completed and 1,424 samples have been submitted for re-analysis for copper, gold and other pathfinder elements. Assay results have been integrated into a new data base which will enable the Company to assess the property's potential.

The Company has purchased ground geophysical data including magnetic and electromagnetic surveys that cover the prospective Mining Claims from the GTK. The Company also completed 9.08 km of SkyTEM airborne surveys over the Riikonkoski deposit in order to evaluate the response of the mineralization to the helicopter airborne EM system.

## Thor Property, British Columbia, Canada

The Company's Thor property, which is located in Revelstoke Mining District of British Columbia, includes 27 Crown Granted Mineral Claims and 19 Mineral Tenures covering approximately 3,314 hectares which forms a contiguous 100% owned property over the Thor Deposit.

The Company has now completed a NI 43-101 compliant resource estimate on Thor based on its 2007 and 2008 drilling programs that included 152 diamond drill holes, trenches and channel samples. Thor is interpreted as a highly-deformed exhalative-type deposit with a copper-rich base (Broadview) at the south end and a precious metal rich cap at the north end (SIF and Blue Bell Zones) that collectively lie on the east limb of the Thor Antiform.

The estimate was prepared by RPA Inc. ("RPA"), which examined the Resource from both an open pit and underground Resource potential. It was prepared under the supervision of Barry McDonough, P. Geo. of RPA. Mr. McDonough is an independent Qualified Person in accordance with NI 43-101. The Company has filed the Technical Report supporting the Resource estimate on SEDAR.

Mineral resources are estimated at an NSR cut-off value of US$50/t for potential open pit and US$100/t for potential underground. A preliminary Whittle Pit was applied to constrain the potential open pit resource.

**THOR MINERAL RESOURCE ESTIMATE SUMMARY***

| Zone and Category | NSR Cut-off | tonnes | Au (g/t) | Ag (g/t) | Cu (%) | Pb (%) | Zn (%) |
|---|---|---|---|---|---|---|---|
| Potentially Open Pit Indicated | $50 | 471,000 | 0.91 | 204 | 0.14 | 2.77 | 3.68 |
| Inferred | $50 | 189,000 | 1.28 | 218 | 0.16 | 2.70 | 3.83 |
| Potentially Underground Indicated | $100 | 168,000 | 0.81 | 141 | 0.13 | 1.78 | 3.03 |
| Inferred | $100 | 235,000 | 0.74 | 143 | 0.13 | 1.90 | 2.69 |
| **Total Indicated** | | **640,000** | **0.88** | **187** | **0.14** | **2.51** | **3.51** |
| **Total Inferred** | | **424,000** | **0.98** | **176** | **0.14** | **2.26** | **3.20** |

- CIM definitions were followed for the Mineral Resources classification, and Mineral Resources are estimated using an average long-term gold price of US$1,650 / Oz, a silver price of US$27/Oz, a copper price of US$3.50/lb, a lead price of US$1.15/lb and zinc price of US$1.25/lb. A 1.5 m minimum mining width was utilized. Numbers may not add due to rounding.

The Company believes that the following information should be considered in conjunction with the resource estimate in evaluating the future potential of the Thor deposit.

- The RPA estimate does not include all of the known mineralized zones at Thor. There are other known targets that require drilling which include:
  - **Scab Zone** – 300 m by 200 m area between the True Fissure and Blue Bell Zones that can only be drilled with a small, portable drill and includes the Water Box Zone (5 samples averaging 4.60 g/t Au, 535 g/t Ag, 0.27% Cu, 8.92% Pb and 4.38% Zn), the Back-Breaker Zone (0.41 g/t Au, 198 g/t Ag, 0.14% Cu, 5.63% Pb, 9.42% Zn, the Galena Pocket Zone (3 samples averaging 3.53 g/t Au, 182 g/t Ag, 0.22 % Cu, 12.42 % Pb and 8.25% Zn) and the Ridgeline Section (10 samples averaging 0.15 g/t Au, 69 g/t Ag, 0.01% Cu, 1.30% Pb and 0.03% Zn). (See Taranis News Release dated October 29, 2007)
  - **SIF Zone** – A separate high-grade gold zone (average 7 samples of 27.5 g/t Au, and 18 g/t Ag) in outcrop and float (See Taranis News Release dated August 30, 2012)
  - **Gold Pit to Bunker Zone** - Average of four samples in the Gold Pit Zone averaging 33.7 g/t Au, 2,516 g/t Ag extending 200 m north along a strong geophysical conductor to the Bunker Zone where sampling averaged 2.15 g/t Au and 145 g/t Ag in 31 samples. This zone may extend over 1.2 km northwest to a prevalent gossan called the Mega-Gossan.

    - **Antiform Zone** – 15 grab samples located west of the existing Resource that was sampled in 2012 (See Taranis News Release dated September 18, 2012) that averaged 2.06 g/t Au and 63 g/t Ag.
    - **Ridge Target** – A new zone (2012) extending north of an existing deposit that was exposed in DDH Thor-110 (9.14 m true thickness of 0.3 g/t Au, 50 g/t Ag, 0.2% Pb and 1.5% Zn). This same target is exposed again 2 km north where surface sampling in float uncovered up to 0.60 g/t Au in cherty, gossaneous rocks in float on the north side of the Ridge target.
- The RPA NI 43-101 study broke down the deposit into Resources potentially mined by Open pit and underground methods using NSR values. Based on this method, 62% of the Resource is potentially open pittable and would improve the economics of a combined open pit – underground mining project.
- 60% of the deposit is classified as Inferred and 40% has been upgraded to Indicated – substantially improving the value and confidence level of the Resource.
- Mineralization included in the RPA study occurs on Crown Grants and Mineral Tenures owned 100% by the Company. Crown Grants enable exploitation without being subject to lengthy Mining Lease Application process.
- The NI 43-101 study applied "zero-grade" to lost core intervals, and additionally some of the higher-grade intercepts were capped. The Company expects to be able to increase the grade in future drilling by utilizing methods that will recover more of these softer mineralized zones.
- The RPA Resource estimate does not include high-grade surface mineral stockpiles with average grades ranging from 0.89 g/t Au to 1.12 g/t Au, 97.50 g/t Ag to 411.45 g/t Ag, 0.06% Cu to 2.79% Cu, 1.44 % Pb to 10.16% Pb, and 2.51% Zn to 9.72% Zn based on systematic grab sampling. However, the Company plans to conduct measures to assess commercial processing of these samples while initiating Acid-Base Accounting and geochemical characterization this summer in order to facilitate processing of these stockpiles.
- RPA concurred with the Company's recommended exploration program estimated at C$1.9 Million to explore the other targets at Thor using trenching, drilling and soil sampling to potentially expand the existing Resource.

**Metallurgical Work Completed at Thor**

In March of 2014, the Company completed the first "bench scale" metallurgical tests at Thor. These laboratory tests were completed by ALS Metallurgical in Kamloops, British Columbia and were designed to get a rough idea of the metallurgical characteristics of the ore. Some of the parameters covered by the work included the grade, mineralogy, grinding characteristics, general flow-sheet characteristics and the recovery of metals.

Two different Zone types were examined, and included material from the Gold Zone and also the Sulphide Zones. Both types of 'ore' represent different types of mineralization at Thor, and only the Sulphide Zones have been drilled to date and include all of the NI 43-101 Resource at Thor. The Gold Zone will require considerable exploration to develop into an NI 43-101 compliant Resource, but the Company feels that target warrants considerable attention in the future.

The metallurgical testing shows that the Gold and Sulphide Zones have completely different mineralogical and metallurgical characteristics, and need to be developed in different methods. The Gold Zones are quartz-rich and sulphide-poor, and require extensive stripping, trenching and surface panel sampling. In contrast, the Sulphide Zones are highly enriched in sulphides, and are tabular in nature meaning that they can be effectively delineated using diamond drilling.

The Gold Zone contains relatively little sulphur (0.04%) and high gold content (15.5 g/tonne Au). Knelson gravity concentration yielded 83% gold recovery, and flotation recovered 97% of the gold. Cyanide leaching showed gold recoveries of 98% after leaching for 24 hours. All tests were conducted on feed that was ground to nominal 67μm $K_{80}$.

The Sulphide Zones can only be processed using flotation methods since the ore is a complex mixture of various sulphide minerals that for the most part includes tetrahedrite, pyrite, galena, sphalerite and chalcopyrite. Rougher and cleaner tests were performed on the Sulphide Zones and utilized a conventional bulk lead and bulk zinc flotation circuit ('ore' ground to a nominal 97μm $K_{80}$.).

The lead bulk concentrate had the following composition and recoveries:

**Recoveries in Bulk Lead Concentrate**

| **Metal** | **Grade** | **Recovery** |
|---|---|---|
| Lead | 51% | 86% |
| Silver | 2,620 g/tonne | 65% |
| Gold | 13 g/tonne | 56% |
| Zinc | 8% | 10% |
| Copper | 1.4% | 45% |

The zinc bulk concentrate had the following grades and recoveries:

**Recoveries in Bulk Zinc Concentrate**

| **Metal** | **Grade** | **Recovery** |
|---|---|---|
| Lead | 1.6% | 3% |
| Silver | 205 g/tonne | 5% |
| Gold | 0.9 g/tonne | 4% |
| Zinc | 58% | 65% |

| | | |
|---|---|---|
| Copper | 0.4% | 11% |

The silver and gold reporting to the bulk concentrate is an ideal situation to maximize the pay-back of the precious metals in the Sulphide Zones. It is important to note that the results are based on batch test results. There is considerable potential to increase the metal recovery of zinc to the zinc concentrate by further reagent optimization and conducting closed circuit locked cycle tests.

Based on the results of the ALS Metallurgical work, it appears that the Thor Ag-Pb-Zn-Au-Cu deposit is amenable to conventional metallurgical flowsheet processes, and does not require any special consideration. The considerable difference in metallurgical characteristics between the Gold and Sulphide Zones means that these two targets are best developed independently of each other in anticipation that they would be processed using very different metallurgical processes.

In addition to the normal metallurgical conducted on the Gold and Sulphide Zones, some environmental characteristics were also assessed that included the Acid-Base content of the feed and associated tailing products. These tests are useful to characterize the tails from any potential mining operation.

**Option to acquire 65% of FortyTwo Metals Inc**.

The Company and Roca Mines Inc. ("Roca") entered into a letter agreement dated May 15, 2015 (the "Agreement") pursuant to which the Company was granted an exclusive option (the “Option”) entitling it to acquire 65% of the issued and outstanding common shares of FortyTwo Metals Inc. (“FortyTwo”), a subsidiary of Roca, by November 30, 2015.

FortyTwo held the MAX Mine facility which included an underground molybdenum mine, crushing, milling and concentrating facilities, tailings storage facilities, mineral claims, mining leases, licenses and other holdings located near Trout Lake in the Revelstoke Mining Division of the Province of British Columbia. The MAX Mine facility was located 16 km by road from the Company’s Thor Ag-Au-Pb-Zn-Cu Project and is a molybdenum mine that operated from 2007 until November 2011 when depressed metal prices led to suspension of operations and the mine was placed under care and maintenance.

Under the terms of the agreement the Company paid a C$150,000 non-refundable deposit to allow it time to undertake appropriate due diligence and arrange financing to complete the purchase and upgrade of the mill.

In order to exercise the Option, the Company was required to make an additional cash payment of C$1,200,000 and issue 3,000,000 warrants to Roca, each of which would have entitled Roca to purchase one common share of its capital stock at a price of C$0.10 for a period of 2 years from the date of issuance.

After conducting due diligence and investigating numerous financing possibilities the Company elected not to exercise its option and has written off the $150,000 deposit.

## SUMMARY OF QUARTERLY RESULTS

| | Sept 30, 2015 | June 30, 2015 | Mar 31, 2015 | Dec 31, 2014 | Sept 30, 2014 | June 30, 2014 | Mar 31, 2014 | Dec 31, 2013 |
|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ |
| Net Income (Loss) | (177,929) | (53,177) | (75,922) | (2,086,615) | (27,778) | (67,852) | (74,766) | (59,863) |
| Earnings (loss) per share | | | | | | | | |
| Basic | (0.00) | (0.00) | (0.00) | (0.05) | (0.00) | (0.00) | (0.00) | (0.00) |
| Diluted | (0.00) | (0.00) | (0.00) | (0.05) | (0.00) | (0.00) | (0.00) | (0.00) |

The Company has experienced quarterly losses over the last two years. This is a result of the fact that as a mineral exploration company it does not have a regular revenue stream. The majority of its expenditures are for capitalized exploration costs which are not accounted for as operation expenses. Differences in quarterly losses can generally be attributed to the variations in share-based payments and the periodic write-off of Exploration and Evaluation Assets, most notably the fourth quarter of 2014 when the Company made the decision to abandon two of its properties in Finland and wrote off Exploration and Evaluation Assets in the amount of $2,087,968. The larger than usual loss for the quarter ended September 30, 2015 is due mainly to the write off of the $150,000 deposit related to the contemplated purchase of 65% of the common shares of Forty Two Metals Inc. as outlined above.

## NEW ACCOUNTING PRONOUNCEMENTS

Financial Instruments IFRS 9, “Financial Instruments” (“IFRS 9”) was issued by the IASB on November 12, 2009 and will replace 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 classification options in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial impairment methods in IAS 39. IFRS 9 has been postponed and has an unknown effective date. The Company is currently evaluating the impact of IFRS 9 on its financial instruments.

Recently adopted accounting policies

IFRS 12, Disclosure of Interests in Other Entities, establishes disclosure requirements for interests in other entities, such as subsidiaries, joint arrangements, associates, and unconsolidated structured entities. The standard carries forward existing disclosure and also introduces significant additional disclosure that address the nature of, and risks associated with, an entity’s interests in other entities.

IFRS 13, Fair Value Measurement, is a comprehensive standard for fair value measurement and disclosure for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosure.

Management anticipates that these policies will have no significant impact on the Company's consolidated financial statements.

## OUTSTANDING SHARE DATA

Authorized

Unlimited common shares without par value
Unlimited class A preferred shares with a par value of $1

Issued and outstanding as at November 20, 2015

45,800,316 shares

As at the date of this MD&A the following incentive stock options and share purchase warrants were outstanding:

| | Number of Shares | Exercise Price | Expiry Date |
|---|---|---|---|
| Options | 500,000 | $0.30 | December 31, 2015 |
| | 750,000 | $0.13 | April 27, 2017 |
| | 625,000 | $0.10 | December 24, 2017 |
| | 900,000 | $0.05 | February 12, 2019 |
| Warrants | | | |
| | 250,000 | $0.10 | December 30, 2015 |
| Flow-through | 625,000 | $0.10 | December 31, 2015 |
| | 1,350,000 | $0.10 | July 4, 2016 |

## TRANSACTIONS WITH RELATED PARTIES

During the period ended September 30, 2015 the Company entered into the following transactions with related parties:

a) paid or accrued $11,590 (2014 - $75,660) to a Corporation owned by John J. Gardiner, a director and the Company's President and Chief Executive Officer – services provided include geological, engineering and claim staking costs, equipment rental, and administrative services;

b) paid or accrued $10,500 (2014 - $10,500) to Gary McDonald, a director and the Chief Financial Officer of the Company for accounting services;

c) paid or accrued $33,000 (2014 - $32,000) for legal services to a corporation controlled by Glenn R. Yeadon, a director and the Secretary of the Company;

d) Paid or accrued consulting and other costs of $3,150 (2014 - $nil) and loan interest of $3,750 (2014 $3,750) to a Corporation controlled by George R. Kent, a former director and former Chief Financial Officer of the Company.

## CAPITAL RESOURCES AND LIQUIDITY

As at September 30, 2015 the Company had a working capital deficiency of $393,392 and cash of $96,809. Additional financing is required in the immediate future to enable the Company to sustain its historic level of exploration activity. Management is currently exploring a number of financing options.

On July 4, 2014 the Company completed a private placement issuing 1,350,000 units at a price of $0.10 per unit for gross proceeds of $135,000. Each unit consisted of one flow-through common share and one common flow-through share purchase warrant, each warrant entitling the holder to purchase one additional flow-through common share at a price of $0.10 until July 4, 2016.

On October 24, 2014 375,000 flow-through share purchase warrants were exercised at a price of $0.10 for gross proceeds of $37,500.

On May 19, 2015 the Company borrowed $150,000 from third party to fund the deposit required under the terms of the option agreement to purchase 65% of the issued and outstanding shares of Forty Two Metals Inc. (see page 7). The loan bears interest at 8% per annum to be calculated and paid annually from the date that the principal portion was advanced (May 19, 2015). The Company is required to repay to the lender the principal together with all accrued and unpaid interest thereon no later than May 19, 2017.

At the lender's election and sole discretion, it may direct the Company to pay the interest owing in either cash or in shares of the Company.

The loan is unsecured except that the lender shall be entitled to receive a 2% Net Smelter Return Royalty covering the Company's Thor Property if either of the following situations occurs:

a) a person not currently related to the Company acquires more than 40% of the then issued and outstanding common shares of the Company; or

b) the Company becomes bankrupt, makes a proposal under any legislation relating to bankruptcy or insolvency or becomes subject to any proceeding, arrangement or compromise with its creditors, or has a receiver, receiver-manager or trustee appointed to hold its assets.

## FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly;

Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivables, loan payable, due to related parties and accounts payable and accrued liabilities approximate their carrying value, due to the short-term nature of these instruments. The Company's cash under the fair value hierarchy is based on level 1 quoted prices in active markets for identical assets or liabilities.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Management believes that the credit risk with respect to financial instruments included in receivables is remote, because these instruments are due primarily from government agencies and cash is held with reputable financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at September 30, 2015, the Company had a cash balance of $96,809 (2014 –$277,538) to settle current liabilities of $497,204 (2014 – $460,750). All of the Company's financial liabilities are subject to normal trade terms.

Management is actively pursuing options to enable it to meet its current obligations as they become due.

Market risk

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

a) Interest rate risk

   The Company has cash balances and loans payable bearing interest at 5 and 8% per annum. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions when deemed appropriate. Management periodically monitors such investments and debts and makes adjustments as necessary but does not believe interest rate risk to be significant.

b) Foreign currency risk

   The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in United States Dollars or Euros. Management believes the risk is not currently significant as only a small portion of these assets and liabilities as at September 30, 2015 are denominated in United States Dollars or Euros.

c) Price risk

The Company is not a producing entity so is not directly exposed to fluctuations in commodity prices. The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken. Fluctuations in pricing may be significant.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition and exploration of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue debt, or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period ended September 30, 2015.

## MANAGEMENT AND BOARD OF DIRECTORS

On May 6, 2015, George R. Kent resigned as the Chief Financial Officer, as a Vice-President and as a Director of the Company, and Director Gary R. McDonald was appointed the Company's new Chief Financial Officer.

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CORPORATE INFORMATION

| | |
|---|---|
| John J. Gardiner, Lakewood, Colorado, U.S.A. | President, Chief Executive Officer and Director |
| Glenn R. Yeadon, Vancouver, B.C., Canada | Secretary and Director |
| James M. Helgeson, Reno, Nevada, U.S.A. | Vice-President and Director |
| Gary R. McDonald, New Westminster, B.C., Canada | Chief Financial Officer and Director |
| Richard D. McCloskey, Toronto, Ontario, Canada | Director |

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Auditors
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Share Capitalization

| | |
|---|---|
| Authorized | Unlimited common shares without par value<br>Unlimited Class A preferred shares with a par value of $1.00 each |
| Issued and Outstanding at September 30, 2015 | 45,800,316 common shares |
| Issued and Outstanding at November 20, 2015 | 45,800,316 common shares |
| Incentive Stock Options outstanding at November 20, 2015 | 2,775,000 |
| Share purchase warrants outstanding at November 20, 2015 | 2,225,000 |