Big North Graphite Corp.

MANAGEMENT DISCUSSION AND ANALYSIS

For the three month period ended January 31, 2015

The following discussion and analysis of the operations, results, and financial position of Big North Graphite Corp. (the "Company") for the three month period ended January 31, 2015 should be read in conjunction with the unaudited financial statements of the Company for the three month period ended January 31, 2015 and the related notes. The effective date of this report is March 31, 2015. All dollar amounts herein are expressed in Canadian Dollars. Financial results are prepared and reported in accordance with International Financial Reporting Standards ("IFRS").

Additional information, including our Annual Financial Statements for the three month period ended January 31, 2015, is available on SEDAR at www.sedar.com.

FORWARD LOOKING STATEMENTS

The following is the management's discussion and analysis ("MD&A") of Big North Graphite Corp. ("Big North" or the "Company"), prepared as of March 31, 2015. This MD&A should be read together with the unaudited financial statements for the three month period ended January 31, 2015 and related notes. Financial amounts are expressed in Canadian dollars unless otherwise specified.

Certain statements contained in this MD&A constitute forward-looking statements within the meaning of applicable securities laws including, among others, statements made or implied relating to the Company's objectives, strategies to achieve those objectives, management's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts.

While Big North intends to re-start the Nuevo San Pedro mine, the Company has not established mineral resources and has not completed a valid mining study (as defined by NI 43-101) to support a production decision. Historically, a production decision under these circumstances results in much higher economic or technical risk. Furthermore, without a pre- feasibility or feasibility study and a graphite reserve, there can be no assurance that operations at Nuevo San Pedro will be profitable.

Forward-looking statements generally can be identified by words such as "objective", "may", "will", "expect", "likely", "intend", "estimate", "anticipate", "believe", "should", "plans" or similar expressions suggesting future outcomes or events. Such forward-looking statements are not guarantees of future performance and reflect management's current beliefs based on information currently available. Such statements involve estimates and assumptions that are subject to a number of known and unknown risks, uncertainties and other factors inherent in the business of the Company, and other materials filed with the securities regulatory authorities from time to time which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Those risks and uncertainties include, but are not limited to: the mining industry (including operational risks; risks in exploration, and development; the uncertainties involved in the discovery and delineation of mineral deposits, resources or reserves; and the uncertainty of mineral resource and mineral reserve estimates); the risk of graphite price; the ability of the Company to fund the capital and operating expenses necessary to achieve the business objective of the Company; environmental risk; the dependence on key personnel; and the ability to access capital markets.

BUSINESS OVERVIEW

The Company was incorporated under the British Columbia Business Corporations Act on October 30, 2007. On February 26, 2009 the Company filed a prospectus with the British Columbia and Alberta Securities Commissions offering 2,000,000 common shares at $0.10 per share as an initial public offering ("IPO"). The IPO was completed on August 21, 2009.

On September 1st 2011, management announced Big North had been granted an option to acquire a 70 percent interest in the Luciana prospect gold property located near Lebel-sur-Quevillon, Quebec, from Golden Valley Mines Ltd.

On December 13, 2011, the Company closed its Qualifying Transaction involving the acquisition of an option to acquire a 70% interest in the Luciana Prospect gold property located in Lebel-sur-Quevillon, Quebec from Golden Valley Mines Ltd. The Company met the requirements to be listed as a Tier 2 mining issuer on the TSX Venture Exchange ("TSXV") and began trading under the symbol "NRT" at opening on December 15, 2011.

As consideration for the acquisition of its interest in the Property, the Company agreed to make cash payments totaling $10,000 (paid), issue 396,000 common shares (issued) in the capital of the Company (the "Acquisition Shares") at $0.10 per Acquisition Share and incur expenditures on the Property totaling $2,000,000 over three years. Upon the Company exercising the option, Golden Valley will retain 30% free carried interest to commercial production.

On May 24, 2013, the Company gave notice that it intends to terminate its option to acquire a 70% interest in the Luciana project.

In April 2012, the Company changed its name from Big North Capital Corp Inc. to Big North Graphite Corp. The trading symbol "NRT" remained unchanged.

In April 2012, the Company signed a Mineral Property Option Agreement with Zimtu Capital Corp. and three of Zimtu's prospecting partners (collectively, the "Optionors") to earn a 100% interest in the Grand Luc du Nord Graphite Property located in eastern Quebec. Pursuant to the terms of the Option Agreement, the Company may acquire a 100% interest in the Property by:

(i) Pay $40,000 of cash upon signing the letter of intent (paid);
(ii) Pay $40,000 of cash upon TSXV acceptance of the option agreement ("Effective Date") (paid);
(iii) Issue 1,500,000 common shares within five days of the Effective Date (issued with a fair value of $252,500);
(iv) Issue 500,000 common shares within six months after the Effective Date (issued with a fair value of $27,500);
(v) Issue 500,000 common shares within twelve months after the Effective Date (issued with a fair value of $25,000);
(vi) Issue 500,000 common shares within fourteen months after the Effective Date (issued with a fair value of $22,500);
(vii) Incur $150,000 of exploration expenditures within thirty months of the Effective Date .

In addition, if, at any time within seven years of the Effective Date, the Company files a NI 43-101 compliant resource with 200,000 tonnes or more of graphite content, the Company will pay to the Optionors additional cash consideration of $200,000 and will issue 2,000,000 Shares to the Optionors. The Optionors will retain a 2% Net Milling Royalty on the Property, 1% of which can be purchased by the Company for $1,000,000 at any time.

On October 28, 2014, the Company signed a second amending agreement with Zimtu and the Optionors, which reduced the required exploration expenditures from $500,000 to $150,000 within 30 months of the Effective Date. All parties acknowledged that the Company has fulfilled all of the terms of the option agreement and has earned the 100% interest in the property.

On April 17, 2012, the Company also signed an option agreement with Zimtu Capital and two of Zimtu's prospecting partners (collectively, the "Optionors") to earn a 100% interest in the Griffith and Brougham properties located in Ontario. Pursuant to the terms of the option agreement, the Company may acquire a 100% interest in the Griffith and Brougham properties by:

(i) Pay $40,000 of cash upon signing the letter of intent (paid);
(ii) Pay $40,000 of cash upon TSXV acceptance of the option agreement ("Effective Date ") (paid);
(iii) Issue 1,000,000 common shares within five days of the Effective Date (issued with a fair market value of $160,100);
(iv) Issue 500,000 common shares within fourteen months after the Effective Date (issued with a fair market value of $22,500); and
(v) Issue 500,000 common shares within twenty-four months after the Effective Date (issued with a fair market value of $30,000);

The Optionors will retain a 2% Net Milling Royalty on the Property, 1% of which can be purchased by Big North for $1,000,000 at any time.

In connection with the option agreement, the Company agreed to issue 217,500 common shares as finder's fees. During the year ended October 31, 2012, the Company issued 140,000 common shares with a fair market value of $28,000. The remaining 77,500 common shares with a fair market value of $12,788 are to be issued 14 months after the effective date and are recorded as shares to be issued.
During the year ended October 31, 2014, certain of the Griffith and Brougham claims were allowed to lapse; therefore impairment of $310,395 was recognized representing the portion of claims expired.

On November 15, 2012 the Company announced that further to its press release dated September 10, 2012, it had signed a definitive Agreement ("Definitive Agreement") with Can-Am Gold Corp. (the "Vendor") to acquire all of the issued and outstanding shares of Grafito La Barranca SA de CV ("Barranca"), held by the Vendor (which shares represent 99.9% of the issued and outstanding share capital of Barranca). Barranca is the owner of two mining concessions located in Sonora, Mexico.

Barranca holds a 100% interest in the Aki Wiki concession ("Aki Wiki") and has a 50/50 joint venture on the Nuevo San Pedro property ("Nuevo San Pedro"), and together with Aki Wiki, (the "Property"), a past producing amorphous graphite mine which is currently being reopened. Both concessions are located in the San Jose de Moradillas region, a region that has produced graphite for more than 145 years. San Jose de Moradillas is located approximately 45 kilometers southwest of the city of Hermosillo, Mexico.

Pursuant to the terms of the Definitive Agreement, the Company will acquire 100% of the interests held by the Vendor in the Property by acquiring all of the issued and outstanding shares held by the Vendor in Barranca by making the following payments and issuing the following common shares to the Vendor:

- US$25,000 upon signing the letter of intent as a non-refundable deposit (paid);
- US$25,000 upon signing of the Definitive Agreement (paid);
- US$150,000 and 1,200,000 shares of the Company within 5 business days of TSXV approval of the Definitive Agreement ("Effective Date") (paid and issued with a fair market value of $102,000);
- On or before the 6 month anniversary of the Effective Date, issue the vendor an additional 500,000 shares of the Company (issued with a fair market value of $25,000); and
- On or before the first anniversary of the Effective Date, issue the vendor an additional 500,000 shares of the Company (issued with a fair market value of $37,500).

On May 24, 2013 the company announced the commencement of a test mining /bulk sampling project on the Nuevo San Pedro amorphous graphite property. On August 15, 2013 the company announced the sale of 200 tons of amorphous graphite. The graphite sold was semi-processed product consisting of ¾ inch minimum size, yielding an overage grade of 68% Cg.

On August 15, 2013, the Company announced its first completed graphite sales. Sales of graphite come from the company's test mining project at the Nuevo San Pedro mine and additional feed mines located in Sonora, Mexico.

On December 11, 2013, the Company announces it sold 125 tons of amorphous graphite to a customer within Mexico in the month of November, with the graphite screened to a ¾ minus product at the Company's processing facility located in Sonora, Mexico. Further, the Company has now stockpiled over 500 tons of amorphous graphite in preparation for expanding its sales.

On January 9, 2014, the Company closed a non-brokered private placement of $250,000 aggregate principal amount of unsecured convertible notes. The notes mature on January 9, 2015 and are convertible into units of the Company at a price of $0.05 per unit at the holder's option. Each unit consists of one common share in the capital of the Company and one common share purchase warrant. Each warrant is exercisable to acquire an additional share at $0.05 until January 9, 2015. The notes bear interest at 10% per annum, calculated and paid semiannually.

On January 10, 2014, the Company announced that it intends to complete a non-brokered private placement of up to 10,000,000 units at a price of $0.06 per unit, for gross proceeds of up to $600,000. Each unit will consist of one common share and one common share purchase warrant. Each warrant will entitle the holder thereof to purchase one Share at an exercise price of $0.075 for a period of 24 months following the closing of the Offering.

On February 5, 2014, the Company signed a share purchase agreement (the "Agreement") with MAG Exploration Services Inc. and Cesar Javier Guajardo Villarreal (together, the "Vendors") to acquire 97.5% of the issued and outstanding share capital of Grafito de Mexico S.A. de C.V. ("Grafito de Mexico"). Pursuant to the terms of the Agreement, the Company has an option to acquire 100% of the interests held by the Vendors in the El Tejon Property by paying US$1,700,000 and issuing 12,500,000 common shares to the Vendors.

On July 25, 2014 and February 10, 2015, the payment arrangement was amended as follows:

(i) Pay US$30,000 upon signing the letter of intent as a non-refundable deposit (paid);
(ii) Pay US$30,000 within 5 business days of signing the Agreement (paid);
(iii) Pay US$30,000 upon the 6 month anniversary of signing the Agreement (paid);

(iv) Pay US$40,000 on or before February 12, 2015 (paid);
(v) Pay US$120,000 on or before March 10, 2015;
(vi) Pay US$100,000 upon the 18 month anniversary of signing the Agreement;
(vii) Pay US$125,000 upon the 24 month anniversary of signing the Agreement;
(viii) Pay US$125,000 upon the 30 month anniversary of signing the Agreement;
(ix) Pay US$150,000 upon the 36 month anniversary of signing the Agreement;
(x) Pay US$150,000 upon the 42 month anniversary of signing the Agreement;
(xi) Pay US$400,000 upon the 48 month anniversary of signing the Agreement;
(xii) Pay US$400,000 upon the 60 month anniversary of signing the Agreement;
(xiii) Issue 5,000,000 common shares within 5 business days of TSXV approval of the Agreement (the "Effective Date")(issued with a fair value of $250,000); and
(xiv) Issue 7,500,000 common shares on or before March 10, 2015.

In addition, the Vendors will retain a 3% net profits interest royalty with respect to the El Tejon Property.

The Company will pay a finder's fee of 3,089,970 common shares to MJI Management Corp. in connection with the transaction. The finder's fee is to be paid as follows:

(i) 765,210 common shares within 10 business days of TSXV approval of the Grafito de Mexico transaction (issued with a fair value of $38,260);
(ii) 722,640 common shares within 10 business days of the 12 month anniversary of TSXV approval;
(iii) 160,140 common shares within 10 business days of the 18 month anniversary of TSXV approval;
(iv) 134,170 common shares within 10 business days of the 24 month anniversary of TSXV approval;
(v) 133,450 common shares within 10 business days of the 30 month anniversary of TSXV approval;
(vi) 160,140 common shares within 10 business days of the 36 month anniversary of TSXV approval;
(vii) 160,140 common shares within 10 business days of the 42 month anniversary of TSXV approval;
(viii) 427,040 common shares within 10 business days of the 48 month anniversary of TSXV approval; and
(ix) 427,040 common shares within 10 business days of the 60 month anniversary of TSXV approval.

On November 6, 2014, the Company issued 1,025,205 shares upon conversion of $50,000 of convertible debt principal and $1,260 accrued interest. This portion of the convertible notes of $51,260 was converted effective October 31, 2014; however the shares were not issued until subsequent to year end.

On November 17, 2014, the Company exercised its option to acquire a 100% interest in the Grand Lac du Nord Graphite Property located in eastern Quebec pursuant to the terms of an option agreement.

On January 29, 2015, the Company announced that it intends to raise up to $250,000 by a non-brokered private placement of up to 12,500,000 common shares at a price of $0.02 per share pursuant to a discretionary waiver of the $0.05 minimum pricing requirement granted by the TSXV.

SELECTED ANNUAL INFORMATION

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and are expressed in Canadian dollars. A summary of selected financial information for the years ended October 31, 2014, 2013 and 2012 are as follows:

	Year ended October 31, 2014 (Audited)	Year ended October 31, 2013 (Audited)	Year ended October 31, 2012 (Audited)
Total revenues	$ 90,605	$ 75,243	$ Nil
Net loss	$ 1,684,033	$ 1,382,417	$ 1,552,055
Net loss per share	$ 0.02	$ 0.03	$ 0.08
Comprehensive loss	$ 1,662,670	$ 1,357,177	$ 1,552,055
Total assets	$ 1,542,785	$ 1,388,319	$ 899,420
Total liabilities	$ 399,320	$ 159,182	$ 324,702

SELECTED QUARTERLY FINANCIAL INFORMATION

		IFRS							
Period Ended	2015 31-Jan Q1	2014 31-Oct Q4	2014 31-Jul Q3	2014 30-Apr Q2	2014 31-Jan Q1	2013 31-Oct Q4	2013 31-Jul Q3	2013 30-Apr Q2	2013 31-Jan Q1
Net sales or total revenue	19,554	19,541	4,904	58,246	7,914	75,243	-	-	-
Net Loss	(126,519)	(744,669)	(148,115)	(476,104)	(279,145)	(478,702)	(364,137)	(171,412)	(368,166)
Earnings (Loss) per share	(0.002)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)
Comprehensive loss	(126,519)	(696,203)	(148,115)	(494,658)	(283,694)	(453,462)	(364,137)	(171,412)	(368,166)

RESULTS OF OPERATIONS

Three month period ended January 31, 2015 and 2014

The Company reports a net loss of $126,519 for the three month period ended January 31, 2015 as compared to a loss of $283,694 for the three month period ended January 31, 2014.

During the three month period ended January 31, 2015, the company incurred amortization of $4,258 ($3,117 – 2014); office expense of $3,167 ($10,548 – 2014); consulting fees of $77,093 ($113,430 – 2014); exploration and evaluation expenses of $2,839 ($82,875 - 2014); filing, listing and transfer agent fees of $4,083 ($4,941 - 2014); insurance of $1,764 ($178 - 2014); management fees of $4,500 ($4,500 - 2014); salaries of $48,754 ($27,403 – 2014); shareholder communication and promotion of $1,727 ($3,568 – 2014), travel of $2,553 ($7,178 – 2014); gain on disposal of asset of $20,578 ($Nil - 2014) foreign exchange gain/(loss) of $5,843 ($11 – 2014) and professional fees of $7,299 ($22,946 – 2014).

LIQUIDITY AND CAPITAL RESOURCES

At January 31, 2015, the Company had a working capital deficiency of $363,328 ($290,941 – October 31, 2014), an accumulated deficit of $5,044,806 ($4,918,287 - October 31, 2014) and cash equivalents of $72,309 ($34,790 – October 31, 2014).

During the three month period ended January 31, 2015, operating activities used cash of ($8,221), investing activities used cash of ($55,894) and $Nil cash was raised from financing activities.

During the year ended October 31, 2014

- On February 24, 2014, the Company completed a non-brokered private placement by issuing 5,058,332 units at a price of $0.06 per unit, for gross proceeds of $303,500. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.075 for a period of 24 months. The Company paid $8,201 as finder's fees and issued 70,000 finders' warrants with a fair value of $2,696. Each finder's warrant is exercisable into one common share at $0.075 for two years.

- On March 14, 2014, the Company completed a further non-brokered private placement by issuing 8,275,001 units at a price of $0.06 per unit, for gross proceeds of $496,500. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.075 for a period of 24 months. The Company paid $840 as finder's fees and issued 14,000 finder's warrants with a fair value of $709. Each finder's warrant is exercisable into one common share at $0.075 for two years.

- On May 21, 2014, the Company issued 1,500,000 shares to Cesar Javier Guajardo Villareal and 3,500,000 shares to MAG Exploration Services Inc. with a total fair value of $250,000 related to the acquisition of the El Tejon property. The Company also issued 765,210 finder's shares with a fair value of $38,260 related to this acquisition.

- The Company issued 500,000 common shares with a fair value of $30,000 in connection with the Griffith and Brougham option agreement. ,

- The Company issued 4,000,000 units upon conversion of $200,000 convertible note principle and issued 309,588 common shares upon conversion of $15,480 of convertible note accrued interest. Each unit consists of one common share and one share purchase warrant exercisable at a price of $0.05 until January 9, 2015. On October 31, 2014, the remaining $51,260 of convertible note principle and interest was effectively converted; however the 1,025,205 shares were not issued until after year end; therefore $51,260 is included in shares to be issued. The 1,000,000 warrants were effectively issued upon conversion on October 31, 2014.

- The Company issued 2,000,000 common shares upon exercise of 2,000,000 warrants at a price at $0.05 per share.

During the year ended October 31, 2013

- The Company completed a non-brokered private placement of 14,168,712 units at a price of $0.07 per unit for gross proceeds of $991,810. Each unit consists of one common share and one-half of one common share purchase warrant, with each whole warrant entitling the holder to acquire, for a period of two years, one common share at a price of $0.12 per common share. The Company paid a total of $50,981 as finder's fees and issued 738,320 finder's warrants with a fair value of $28,867. Each finder's warrant is exercisable into one common share at $0.12 for one year.

- The Company completed a further non-brokered private placement by issuing 12,600,000 units at $0.05 per unit for gross proceeds of $630,000. Each unit consists of one common share and one common share purchase warrant, exercisable for a period of two years at $0.10 per common share. In connection with the private placement, the Company paid $5,950 in cash commissions and issued 119,000 finder's warrants with a fair value of $2,858. Each finder's warrant is exercisable into one common share at $0.10 for two years.

- The Company issued 2,200,000 common shares with a fair value of $164,500 in connection with the purchase of Barranca.

- The Company issued 1,000,000 common shares with a fair value of $47,500 in connection with the Grand Lac du Nord option agreement.

- The Company issued 500,000 common shares with a fair value of $22,500 in connection with the Griffith and Brougham option agreement.

- The Company issued 1,092,307 shares with a fair value of $71,000 to settle a debt of $71,000.

- The Company issued 500,000 common shares upon exercise of 500,000 warrants at $0.10 per share.

To date, the Company's primary source of funding has been the issuance of equity securities for cash. The Company has issued common shares pursuant to private placement financings with management, the public and through an IPO. The Company's access to financing is uncertain. There can be no assurance of continued access to significant equity financing, or that such access will be timely and in the amounts necessary to fund the Company's activities. There are many conditions beyond the Company's control, which have a direct bearing on the level of investor interest in the purchase of Company securities.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. The continuing operations of the Company are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses and raise adequate financing to sustain such operations in future. Management is also aware that material uncertainties exist, related to current economic conditions, which could cast significant doubt upon the entity's ability to finance current and future activities.

The Company does not have "standby" credit facilities, or off-balance sheet arrangements and it does not use hedges or other financial derivatives. Further, the Company has no lines of credit or other sources of financing which have been arranged but as yet unused.

Additional capital will be required to meet current operations and short term plans. The ability to raise additional finance may be impaired, or such financing may not be available on favorable terms, due to conditions beyond the control of the Company, such as continued uncertainty in the capital markets and depressed commodity prices.

Details of warrants outstanding as at January 31, 2015 are as follows:

Exercise price	Expiry date	Weighted average contractual life	Number of warrants outstanding
$0.150	June 13, 2015	0.05 years	4,412,500
$0.100	July 3, 2015	0.04 years	3,219,000
$0.100	August 9, 2015	0.14 years	9,000,000
$0.150	August 15, 2015	0.05 years	3,216,500
$0.075	February 25, 2016	0.17 years	5,128,332
$0.075	March 14, 2016	0.28 years	8,289,001
		0.73 years	33,265,333

Details of options outstanding as at January 31, 2015 are as follows:

Exercise price	Expiry date	Weighted average contractual life	Number of options outstanding
$0.10	December 13, 2016	0.36 years	880,000
$0.22	March 20, 2017	0.16 years	350,000
$0.10	June 18, 2017	0.21 years	405,000
$0.10	January 9, 2018	0.21 years	325,000
$0.10	October 8, 2018	0.86 years	1,050,000
$0.10	March 31, 2019	1.44 years	1,600,000
		3.24 years	4,610,000

<u>During the three month period ended January 31, 2015</u>

On January 3, 2015, the 1,025,205 shares used to convert $51,206 of convertible note on November 6, 2014 have been issued by the Company. The portion of the convertible notes of $51,260 was converted effective October 31, 2014; however the shares were not issued until January 3, 2015.

<u>During the year ended October 31, 2014:</u>

The Company granted 1,600,000 stock options to directors, officers, employees and consultants of the Company pursuant to the Company's approved stock option plan. The option exercisable at a price of $0.10 per share and have a term of five years from the date of grant. The options vested immediately. Share-based payment expense recognized during the year ended October 31, 2014 was $90,169.

<u>During the year ended October 31, 2013:</u>

The Company granted 50,000 stock options to an investor relations consultant, exercisable at $0.10 per share until November 28, 2013. The fair value of the 50,000 options was estimated to be $1,376. The options vest 25% every three months over a 12 month period. Share-based payment expense recognized during the year ended October 31, 2013 was $1,400.

The Company granted 375,000 stock options to directors, officers, and consultants, exercisable at $0.10 per share until January 9, 2018. The options vested immediately. Share-based payment expense recognized during the year ended October 31, 2013 was $25,586.

The Company granted 150,000 stock options to an investor relations consultant, exercisable at $0.10 per share until March 1, 2014. The fair value of the 150,000 options was estimated to be $5,475. The options vest 25% every three months over a 12 month period. Share-based payment expense recognized during the year ended October 31, 2013 was $5,475.

The Company granted 1,050,000 stock options to directors, officers, and consultants, exercisable at $0.10 per share until October 8, 2018. The options vested immediately. Share-based payment expense recognized during the year ended October 31, 2013 was $58,756.

Total share-based payment expense for the year ended October 31, 2013 was $91,217.

The fair values were determined using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	Year ended October 31, 2014 (Audited)	Year ended October 31, 2013 (Audited)
Expected life of options	1 - 5 years	1 - 5 years
Annualized volatility	123%	118 - 138%
Risk-free interest rate	1.71%	0.95% - 1.91%
Dividend rate	0%	0%

RISK FACTORS RELATING TO MINERAL EXPLORATION INDUSTRY

There are many risk factors facing companies involved in the mineral exploration industry. Risk Management is an ongoing exercise upon which the Company spends a substantial amount of time. While it is not possible to eliminate all the risks inherent to the industry, the Company strives to manage these risks, to the greatest extent possible. The following risks are most applicable to the Company.

Industry and Mineral Exploration Risk

Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that the Company's exploration efforts will be successful. At present, the Company's projects do not contain any proven or probable reserves. Success in establishing reserves is a result of a number of factors, including the quality of the project itself. Substantial expenditures are required to establish reserves or resources through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Because of these uncertainties, no assurance can be given that planned exploration programs will result in the establishment of mineral resources or reserves.

The Company may be subject to risks, which could not reasonably be predicted in advance. Events such as labour disputes, environmental issues, natural disasters or estimation errors are prime examples of industry related risks. The Company attempts to balance this risk through insurance programs where required and ongoing risk assessments conducted by its technical team.

Commodity Prices

The Company is in the business of mineral exploration and as such, its prospects are largely dependent on movements in the price of various minerals. Prices fluctuate on a daily basis and are affected by a number of factors well beyond the control of the Company. The mineral exploration industry in general is a competitive market and there is no assurance that, even if commercial quantities of proven and probable reserves are discovered, a profitable market may exist. Due to the current grassroots nature of its operations, the Company has not entered into any price hedging programs.

Environmental

Exploration projects or operations are subject to the environmental laws and applicable regulations of the jurisdiction in which the Company operates. Environmental standards continue to evolve and the trend is to a longer, more complete and rigid process. The Company reviews environmental matters on an ongoing basis. If and when appropriate, the Company will make appropriate provisions in its financial statements for any potential environmental liability.

Title of Assets

Although the Company conducts title reviews in accordance with industry practice prior to any purchase of resource assets, such reviews do not guarantee that an unforeseen defect in the chain on title will not arise and defeat our title to the purchased assets. If such a defect were to occur, our entitlement to the production from such purchased assets could be jeopardized.

Competition

The Company engages in the highly competitive resource exploration industry. The Company competes directly and indirectly with major and independent resource companies in its exploration for and development of desirable resource properties. Many companies and individuals are engaged in this business, and the industry is not dominated by any single competitor or a small number of competitors. Many of such competitors have substantially greater financial, technical, sales, marketing and other resources, as well as greater historical market acceptance than does the Company. The Company will compete with numerous industry participants for the acquisition of land and rights to prospects, and for the equipment and labor required to operate and develop such prospects. Competition could materially and adversely affect the Company's business, operating results and financial condition. Such competitive disadvantages could adversely affect the Company's ability to participate in projects with favorable rates of return.

Financing

Historically, the Company has raised funds through equity financing to fund its operations. The market price of natural resources is highly speculative and volatile. Instability in prices may affect the interest in resource properties and the development of and production from such properties. This may adversely affect the Company's ability to raise capital to acquire and explore resource properties.

OUTSTANDING SHARE DATA

Total issued common shares at March 31, 2015	81,972,757
Outstanding warrants at March 31, 2015	33,265,333
Outstanding share options at March 31, 2015	4,610,000
Totally fully diluted common shares at March 31, 2015	119,848,090

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Transactions with related parties are incurred in the normal course of business and are measured at the carrying amount.

a) Related party balances

		Three months ended January 31, 2015 (Unaudited)		Year ended October 31, 2014 (Audited)
Payable to a company controlled by an officer of the Company	$	21,124	$	56,686
Payable to directors and officers of the Company		190,176		97,298
	$	211,300	$	153,984

b) Summary of related party transactions

		Three months ended January 31, 2015 (Unaudited)		Year ended October 31, 2014 (Audited)
Professional fees to a company controlled by an officer of the Company		4,000		17,925
Salaries to directors of the Company		34,134		137,764
Management fees to a company controlled by an officer of the Company		4,500		18,000
Consulting fees to a director of the Company		74,457		156,623
Total included in comprehensive loss	$	117,091	$	330,312
Deferred acquisition costs paid to a director of the Company		-		108,538
Equipment purchases from a company controlled by a director of the Company		-		108,101
	$	117,091	$	546,951

c) Key management compensation

		Three months ended January 31, 2015 (Unaudited)		Year ended October 31, 2014 (Audited)
Consulting	$	74,134	$	10,000
Salaries		34,134		137,764
Management fees		4,500		18,000
Share-based payments		-		33,813
	$	112,768	$	199,577

d) Prepayments

Included in amounts receivable and prepayments as at January 31, 2015 is $Nil ($4,017 – 2014) paid to a director of the Company.

PRIOR TRANSACTIONS

During June, 2010, the Company entered into an option agreement with Eagle Plains Resources Ltd. (the "Vendor") to acquire up to 70% undivided right, title and interest in and to a group of mineral claim tenures located 20 kilometres north of Creston, British Columbia for consideration of cash payments of $500,000 and issuance of 1,000,000 common shares of the Company to the Vendor over four years from the effective date of the agreement, and incurring $3,000,000 in expenditures on the property by December 31, 2014. As at October 31, 2010 the first payment of $10,000 was made upon signing the option agreement and the Company determined not to exercise the option. Accordingly, the Company expensed the option payment and associated professional fees, totaling $20,000.

The Company entered into a definitive purchase agreement effective November 4, 2010 with Nexxtep Resources Ltd. (the "Vendor") to acquire on closing of the Company's qualifying transaction, all rights, title and interests held by the Vendor in certain oil & gas properties located in the McTaggart area of Saskatchewan (the "Assets"). The Acquisition, if completed, would constitute the Company's qualifying transaction. Pursuant to the Agreement, as consideration for the acquisition of the Assets, the Company had agreed to pay $2,750,000 and grant to the Vendor an 8% non-convertible gross-over-riding royalty (with no deductions).
At October 31, 2010 the Company had paid $25,000 related to the purchase agreement and legal costs of $11,533 applicable towards the purchase price of the Assets.

In connection with and conditional upon the closing of the Acquisition, in January, 2011 the Company entered into an engagement agreement with MGI Securities Inc. (the "Agent") to act as agent on a best efforts basis, in connection with the offering of sale by way of a brokered private placement. The engagement agreement with the Agent was cancelled on February 17, 2011.

On March 3, 2011, the Company announced that it terminated the proposed qualifying transaction.

Concurrently with this Letter of Intent between the Company and Nexxtep Resources (the "Vendor"), a director of the Company entered into a guarantee agreement with the Vendor dated October 22, 2010. The director paid the Vendor $25,000 and, pledged as a performance guarantee, issued 1.5 million shares he held in Wellstar Energy Corp., valued at $0.10 each totaling $150,000, as a guarantee for the purchase agreement. Since the qualifying transaction was terminated, the guarantee by the director was retained by the Vendor. As this was a personal guarantee by a director, it was not a commitment at year-end. On January 31, 2012, the Company made the decision to repay this director for the amounts guaranteed.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Estimates

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the useful lives of equipment, the recoverability of the carrying value of deferred acquisition costs, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, provisions for restoration and environmental obligations and contingent liabilities.

Judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- The determination of whether an acquisition constitutes a business combination or an acquisition of assets;
- the classification / allocation of expenditures as deferred acquisition costs or operating expenses; and
- the determination of the functional currency of the parent company and its subsidiaries.

CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING DEVELOPMENTS

Future Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning after November 1, 2014 or later periods. The following new standards, amendments and interpretations, that have not been early adopted, will or may have an effect on the Company's future results and financial position:

- IFRS 9 Financial Instruments. This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 introduces new requirements for the classification and measurement of financial assets, additional changes relating to financial liabilities, a new general hedge accounting standard which will align hedge accounting more closely with risk management. 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 with early adoption permitted.

- IFRIC 21 Levies. This is an interpretation of IAS 37 "Provisions, contingent liabilities and contingent assets". The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014.
- Amendments to IAS 32 Financial Instruments: Presentation. These amendments address inconsistencies when applying the offsetting requirements, and is effective for annual periods beginning on or after January 1, 2014.

THE ACQUISITION PROPOSAL FROM FLINDERS RESOURCES

On November 3, 2014, Flinders and the Company agreed to extend the due diligence period to November 30, 2014. As a result, the entering into a definitive agreement to incorporate the terms of the Letter Agreement dated August 29, 2014, has been extended to November 30, 2014.

On January 22, 2015, Flinders notified the Company that it has terminated the binding letter agreement dated August 29, 2014 between the companies.

SUBSEQUENT EVENT

On March 20, 2015, the Company announced a non-brokered private placement of 12,500,000 Shares for gross proceeds of $250,000. The Offering is not subject to any minimum aggregate subscription. The Company expects to close the offering by April 3, 2015. A finder's fee of cash, Big North common shares or finder's warrants, or a combination thereof, may be paid to eligible finders with respect to any portion of the Offering that is not subscribed for by existing shareholders. Assuming the Offering is fully subscribed, the Company intends to allocate the net proceeds as follows: (1) $160,000 to the vendors of the Company's El Tejon Project; and (2) the balance for general working capital purposes. Although the Company intends to use the proceeds of the Offering as described above, the actual allocation of net proceeds may vary from the uses set forth above, depending on future operations or unforeseen events or opportunities. If the Offering is not fully subscribed, the Company will apply the proceeds of the Offering to the above uses in priority and in such proportions as the Board of Directors and management of Big North determine is in the best interests of the Company. All securities issued in connection with the Offering will be subject to a four month hold period in accordance with applicable securities laws.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's general and administrative expenses and resource property expenditures is provided in the Company's audited annual financial statements for the year ended October 31, 2014, which are available on SEDAR at www.sedar.com