TRANSATLANTIC MINING CORP.
(FORMERLY ARCHEAN STAR RESOURCES INC.)
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MANAGEMENT DISCUSSION AND ANALYSIS

Accompanying the December 31, 2015 Consolidated Audited Financial Statements

This Management Discussion and Analysis ("MD&A"), prepared as of April 29, 2016, should be read in conjunction with the Company's consolidated financial statements and the accompanying notes for the year ended December 31, 2015, and related notes thereto, which have been reported in Canadian dollars, and prepared in accordance with International Financial Reporting Standards ("IFRS").

This discussion relates to the operations of Transatlantic Mining Corp. (formerly Archean Star Resources Inc. (the "Company"), its wholly owned Australian based subsidiary, Archean Star Resources Australia Pty Ltd. ("ASA"), and its wholly owned Idaho based subsidiary, Transatlantic Idaho Corp. ("TIC") during the period up to the date of this report, being April 29, 2016.

Additional information, including press releases, has been filed electronically through the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and is available under the Company's profile at www.sedar.com

FORWARD LOOKING INFORMATION

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of management as well as assumptions made by and information currently available to the Company. When used in this document, the words "*anticipate*", "*believe*", "*estimate*", "*expect*" and similar expressions, as they relate to the Company or management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of exploration properties. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect Management's analysis only as of the date hereof. Readers should be aware that the Company is under no obligation to publicly release the results of any revision to these forward-looking statements, which may not reflect circumstances, or occurrences of unanticipated events after the date of this document.

CORPORATE OVERVIEW

The Company was amalgamated under the *Business Corporations Act* (British Columbia) by Certificate of Amalgamation dated January 28, 2011.

On January 28, 2011, the Company was amalgamated under a Plan of Arrangement whereby the Gnaweeda Gold Project ("**Gnaweeda Project**") was spun off from Kent Exploration Inc. ("**Kent**") (now Bayhorse Silver Inc.), a TSX.V company, as a non-taxable dividend to its shareholders of record on January 25, 2011.

The Company is engaged in the acquisition and exploration of mineral property interests. The Company's registered and head office is located at Suite 800 - 1199 West Hastings Street, Vancouver, British Columbia, V6E 3T5.

By the Arrangement Agreement (the "Arrangement") dated March 12, 2010, effectively closing on January 28, 2011, the Company acquired a 100% interest of ASA, an Australian subsidiary of Kent Exploration Inc. ("Kent") (now Bayhorse Silver Inc.), for the issuance of 15,313,295 common shares at fair value of $0.15 to Kent's shareholders on a basis of 4:1. As part of the Arrangement, Kent also agreed to receive 1,000,000 common shares of the Company to settle ASA's shareholder loan in the amount of $164,833.

The transaction has been accounted for using the purchase method of accounting as an acquisition of assets by the Company. The allocation of the purchase price is based on the assets acquired and liabilities assumed measured at the carrying values, which approximated their fair values, at the date of the acquisition.

On July 4, 2014, the Company entered into an agreement with an arm's-length party to dispose of its Gnaweeda property, comprising interests in five tenements in Western Australia. As consideration for the property, the Company received a deposit of AUD $5,000 and received a further AUD $495,000 in the nine months ended September 30, 2015. The Company will receive a further AUD $500,000 upon establishment of a Joint Ore Reserves Committee-compliant mineral resource of at least 150,000 ounces of gold, and AUD $250,000 for every consecutive 50,000 ounces of poured gold sourced from the property, capped at 200,000 ounces of poured gold for a total of AUD$1 million. At December 31, 2014, the Company recognized a receivable of $516,818 (AUD $495,000 plus GST of AUD $50,000) for the payment received after December 31, 2014. The Company realized a loss on sale of the property of $3,191,290, which includes write off of related receivables of $23,480 and prepaid expenses of $8,565.

On December 29, 2014, the Company filed a draft valuation of its Gnaweeda property with the TSX.V with respect to the disposition of the property, and obtained TSX.V approval on March 31, 2015.

During the year ended December 31, 2014 and pursuant to a resolution passed by shareholders, the Company changed its name from Archean Star Resources Inc. to Transatlantic Mining Corp.

The Company's shares trade on the TSX Venture Exchange ("**TSX.V**") under the symbol "TCO".

OVERALL PERFORMANCE / DISCUSSION OF OPERATIONS

The Company's business is the acquisition, financing, and exploration of prospective mineral properties in areas of low political risk, close to support facilities and with ready, all weather access.

The Company has earned 100% of Teck Australia Pty Ltd. ("**Teck**") 87.07% interest in Chalice Gold's Gnaweeda gold property and an Option Agreement to acquire an 80% interest in a Mining Lease on the Monitor Copper Gold Project in the Coeur D'Alene Mining District, Idaho.

Monitor Property

On February 5, 2013, as amended on March 12, 2015, the Company entered into an option and joint venture agreement with American Cordillera Mining Corporation ("AMCOR"), and Northern Adventures LLC ("NALLC") whereby it has the right to earn 80% of AMCOR's 100% leasehold interest in a Purchase Option Mining Lease Agreement between AMCOR and NALLC on the Monitor Property, located in Idaho, USA. In order for the Company to earn the 80% interest in the Monitor Property, subject to certain underlying royalties, the Company must:

(i) pay US$25,000 in cash (paid);

(ii) incur property expenditures of US$2.1 million over three years, of which US$700,000 has been incurred, an additional US$700,000 is to be incurred by February 6, 2016 (subsequently incurred) and a further US$700,000 is to be incurred by February 5, 2017; and

(iii) issue 3,000,000 common shares of the Company in stages, of which 1,000,000 common shares were issued upon TSXV acceptance (issued with a fair value of $130,000), a further 1,000,000 common shares on the first anniversary (issued with a fair value of $125,000) and the final 1,000,000 common shares on the second anniversary (issued with a fair value of $10,000).

In exchange for the amendment, the Company paid additional consideration of 1,500,000 common shares (issued at a fair value of $30,000) and US$25,000 cash (paid).

The Company shall have the right to exercise a buyout clause and thereby purchase a 100% interest in the Property from NALLC, and thereby terminate the Purchase Option Mining Lease Agreement. Upon exercise of this buy-out option, AMCOR shall be obligated to contribute 20% of the cost of the acquisition of the property.

If the Company exercises the option, AMCOR shall receive a 20% carried interest until such time as the earlier of:

(i) a NI 43-101 compliant Feasibility Study is done; and
(ii) the Company has notified AMCOR in writing of its decision to proceed with mining of the property.

At this time, a joint venture shall automatically be deemed to be formed between the Company and AMCOR, where AMCOR will hold a 20% joint venture interest and the Company will hold an 80% joint venture interest in the Monitor claims.

During the year ended December 31, 2014, the Company paid a fine of $50,641 to the US Department of Agriculture (“USDA”) to resolve a resource damage claim, which was recognized in comprehensive loss.

At December 31, 2015, the Company has a refundable performance bond of $43,491 (2014 - $Nil) for security of drilling activity requirements for the Monitor Property.

St. Lawrence Property

On June 25, 2015, the Company entered into a Lease Agreement for a parcel of land (the “St. Lawrence Property”) on the Montana/Idaho border. The term of the lease is for 25 years, with an option to renew for a further 25 years.

As consideration, the Company must issue 1,300,000 common shares of the Company (issued with a fair value $19,500) and a 1% net smelter returns (“NSR”) royalty from any production from the Monitor Property and St. Lawrence Property.

The Company is obligated to pay an annual maintenance fee of US$10,000 upon the execution of the Lease Agreement (paid) and upon each anniversary date of the Lease Agreement. The landowner may terminate the Lease Agreement after seven years if the Company has not paid during that period NSR or equivalent cash payments totaling at least US$150,000.

The landowner may also terminate the lease after three years if the Company has not incurred by that time at least US$100,000 in expenditures on the St. Lawrence Property.

Up to the date of this MD&A, all tenements are in good standing with the Western Australia Department of Mines and Petroleum ("DMP").

	December 31, 2015 ($)
Monitor Project	
Acquisition Costs	341,802
St. Lawrence Project	
Acquisition Costs	33,340

Mineral property expenses for the year ended December 31, 2015 are as follows:

	Monitor Property ($)
Assays and analysis	17,991
Drilling	419,287
Field costs	21,318
Geologists, geophysical contractors, geotechnical	645,253
Other rentals	38,383
Recoveries	(15,262)
Supplies	83,594
Travel, accommodation and fuel	4,987
Total	**1,212,821**

Gnaweeda Gold Project

The Gnaweeda Project is located 35 kilometers NE of the town of Meekatharra in the Murchison Province of Western Australia. Twenty kilometers to the west, the Meekatharra-Wydgee Greenstone Belt hosts several >1 million ounce gold deposits, including the Big Bell, Meekatharra, and Reedy deposits.

Gnaweeda hosts several gold prospects on two contiguous tenements over a 28 kilometer strike length of highly prospective rocks in the Archean-age Gnaweeda Greenstone Belt, including small historic gold workings at Bunarra and several gold prospects discovered by Newcrest Mining in the 1990s. Numerous other targets have been identified from geophysics.

Two new tenements, a 6 square kilometer addition in the north-west of Tenement E51/927 to cover an extension of a geophysical/structural anomaly, and a 6 square kilometer addition on the east side of Tenement E51/926 to cover a geophysical anomaly that extends off that tenement have been added to Gnaweeda.

On November 4, 2009, the Company's subsidiary ASA and Teck Australia Pty Ltd. ("Teck") entered into an option agreement whereby the Company can earn 100% of Teck's 87.07% interest in Chalice Gold Mines Ltd.'s ("Chalice") tenements ("Gnaweeda Gold Project") located in Western Australia.

During the year ended December 31, 2014, the Company completed the property expenditure requirements in order to earn Teck's interest in the Gnaweeda Gold Project.

On July 4, 2014, the Company entered into an agreement with an arm's-length party to dispose of its Gnaweeda property, comprising interests in five tenements in Western Australia. As consideration for the property, the Company received a deposit of AUD $5,000 and received a further AUD $495,000 upon closing subsequent to the year end. The Company will receive a further AUD $500,000 upon establishment of a Joint Ore Reserves Committee-compliant mineral resource of at least 150,000 ounces of gold, and AUD $250,000 for every consecutive 50,000 ounces of poured gold sourced from the property, capped at 200,000 ounces of poured gold for a total of AUD$1 million. At December 31, 2014, the Company recognized a receivable of $516,818 (AUD $495,000 plus GST of AUD $50,000) for the payment received after year end. The Company realized a loss on sale of the property of $3,191,290, which includes write off of related receivables of $23,480 and prepaid expenses of $8,565.

On December 29, 2014 the Company filed a draft valuation of its Gnaweeda property with the TSXV with respect to the disposition of the property, and obtained TSXV approval on March 31, 2015.

Ansongo Manganese Project

On December 10, 2013, the Company signed a non-binding term sheet with Tassiga Ltd. ("Tassiga") pursuant to which the Company proposes to initially acquire a 30% ownership in the Ansongo manganese project ("Ansongo Manganese Project"), with a three-year option to acquire up to 70% of the project.

The vendor of the Ansongo Project is a private company in which Gregor Theiser, a previous director of the company, is interested. Accordingly, the transaction was not an arm's-length transaction under TSXV policy.

On December 29, 2014, the Company received a notice of termination with respect to its agreement to acquire an interest in the Ansongo Manganese Project. Under the terms of the agreement, amounts paid of $582,670 and expenses incurred of $417,330, for a total of $1,000,000 plus 10% interest is to be returned to the Company. The Company is currently assessing its position with respect to the purported termination. As the recovery of the funds is uncertain, the receivable was written-off during the year ended December 31, 2014, resulting in an impairment charge of $582,670.

SELECTED ANNUAL INFORMATION

	Year Ended December 31, 2015 $	**Year Ended December 31, 2014 $**	**Year Ended December 31, 2013 $**
Revenue	-	-	-
General & Administrative and Other	902,551	1,755,960	1,647,752
Exploration Expenses	1,212,821	179,582	857,696
Net Loss and Comprehensive Loss	2,142,217	5,796,263	2,688,409
Net Loss per Share – basic and diluted	0.02	0.07	0.04
Total Assets	716,528	836,163	4,743,831

SUMMARY OF QUARTERLY RESULTS

A summary of financial results for the eight most recently completed quarters ending December 31, 2015:

	General & Administrative and Other Expenses ($)	Exploration Expenses ($)	Net Loss and Comprehensive Loss ($)	Loss Per Share ($)
Dec-31-2015	227,458	636,563	1,147,657	0.01
Sept-30-2015	208,328	379,567	587,895	0.01
Jun-30-2015	192,353	188,056	380,409	0.00
Mar-31-2015	274,413	35,479	309,892	0.00
Dec-31-2014	632,784	73,618	4,567,123	0.07
Sept-30-2014	177,659	22,746	200,405	0.00
Jun-30-2014	355,506	26,432	381,938	0.00
Mar-31-2014	590,011	56,786	646,797	0.01

RESULTS OF OPERATIONS

Year Ended December 31, 2015

The Company did not have any revenues during the year ended December 31, 2015 or December 31, 2014. Exploration expenditures of $1,212,821 were higher by $1,033,239 than the $179,582 incurred during the year ended December 31, 2014 due to increased exploration activity.

General and administration expenses during the year ended December 31, 2015 totaled $902,551, which were lower by $853,409 than the $1,755,960 in the same period in 2014. This is mainly due to a decrease in consulting fees of $812,706 and decrease in property investigation costs of $194,796. Partially offsetting those decreases were increases in management fees of $30,160, professional fees of $49,465, and travel costs of $79,356.

Three Months Ended December 31, 2015

The Company did not have any revenues during the three months ended December 31, 2015 or December 31, 2014. Exploration expenditures of $640,240 were higher by $566,623 than the $73,617 incurred during the three months ended December 31, 2014 due to increased exploration activity.

General and administration expenses during the three months ended December 31, 2015 totaled $227,458, which were lower by $405,326 than the $632,784 in the same period in 2014 mainly due to decreases in consulting fees of $236,812 and management fees of $386,327. Partially offsetting those decreases were the increases in professional fees of $37,185, and travel costs of $59,806.

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2015, the Company had working capital deficit of $733,959 compared to a working capital of $227,932 as of the year ended December 31, 2014.

During the year ended December 31, 2015, the Company issued 2,500,000 common shares with a fair value of $40,000 pursuant to the Monitor Property agreement.

During the year ended December 31, 2015, the Company issued 1,300,000 common shares with fair value of $19,500 pursuant to the St. Lawrence Property Lease Agreement.

The Company issued a total of 32,007,371 common shares for $1,930,830 in share subscriptions previously received and $1,019,907 in subscriptions received during the year ended December 31, 2015. Recorded as a charge to share capital is $250,000, representing shares issued for proceeds which the Company has not received. In relation to the issuance of common shares, the Company issued 3,460,611 finder's warrants, exercisable at $0.10 per warrant until October 5, 2018. The Company allocated a fair value of $320,782 to the finder's warrants under the Black-Scholes Option Pricing Model with the following assumptions: expected life of 3 years, expected dividend yield of 0%, a risk-free interest rate of 0.52% and an expected volatility of 121.63%.

During the year ended December 31, 2015, the Company received $768,871 in share subscriptions toward a private placement which has not closed at December 31, 2015.

On March 12, 2014, the Company issued 1,000,000 common shares with a fair value of $125,000 pursuant to the Monitor Property agreement.

During the year ended December 31, 2014, the Company received $1,323,086 in share subscriptions toward a private placement. The shares subscribed for were issued during the year ended December 31, 2015.

During the year ended December 31, 2013, the Company received $607,744 in share subscriptions toward a private placement. The shares subscribed for were issued during the year ended December 31, 2015.

The Company is in the mineral exploration and development business and is exposed to a number of risks and uncertainties inherent to the mineral resource industry. This activity is capital intensive at all stages and subject to fluctuations in metal prices, market sentiment, currencies, inflation and other risks. The Company currently has no source of material revenue, and relies primarily on equity financings to fund its exploration, development and administrative activities. Material increases or decreases in the Company's liquidity will be substantially determined by the success or failure of its exploration and development activities, as well as its continued ability to raise capital. The current recessionary credit conditions have severely limited the Company's ability to raise financing through its usual methods and if these conditions persist they will materially decrease the Company's liquidity and capital resources.

The Company's ability to continue as a going concern is dependent on continued financial support from its shareholders, and the ability of the Company to raise equity. While management has been successful in obtaining additional sources of finance in the past, there can be no assurance that it will be able to do so in the future.

RELATED PARTY TRANSACTIONS

The following table summarizes services provided by related parties:

	Year Ended December 31, 2015 ($)	Year Ended December 31, 2014 ($)
Management (a)	300,000	119,840
Professional fees (b)	-	48,436
Consulting (c)	406,198	630,497
	706,198	**798,773**

(a) The Company paid management fees of $Nil (2014 - $29,840) to a company controlled by the previous Chief Executive Officer.

The Company paid management fees of $240,000 (2014 - $90,000) to the Chief Executive Officer.

The Company paid or accrued management fees of $60,000 (2014 - $Nil) to a director.

(b) The Company paid accounting fees of $Nil (2014 - $48,436) to a company controlled by the previous Chief Financial Officer.

(c) The Company paid or accrued consulting fees of $406,198 (2014 - $149,103) to a director.

The Company paid consulting fees of $Nil (2014 - $481,394) to a former director.

The Company has identified certain directors and certain senior officers as its key management personnel. The compensation costs for key management personal for the years ended December 31, 2015 and 2014 are as follows:

	December 31, 2015 ($)	December 31, 2014 ($)
Management fees	**300,000**	**90,000**

During the year ended December 31, 2014, the Company wrote off $582,670 receivable from Tassiga, which is related to a former director and Chief Executive Officer.

As of December 31, 2015, $554,313 (2014 - $352,354) is due to related parties for the services above, which is included in accounts payable and accrued liabilities.

Amounts due to/from related parties are unsecured, non-interest bearing and have no fixed terms of repayment. The above transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

FINANCIAL INSTRUMENTS

The Company’s financial instruments consist of cash, due from Kent Exploration Inc., advances made to related parties and accounts payable, accrued liabilities, and loan payable. Cash, advances made to related parties and are classified as loans and receivables, which are measured at amortized cost. Accounts payable, accrued liabilities, and loan payable are designated as other financial liabilities, which are measured at amortized cost.

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. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value, by reference to the reliability of the inputs used to estimate the fair values.

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

As at December 31, 2015, the Company believes that the carrying values of accounts payable, accrued liabilities, and loan payable approximate their fair values because of their nature and relatively short maturity dates or durations.

Industry risk: The Company is engaged primarily in the mineral exploration field and manages related industry risk issues directly. The Company is potentially at risk for environmental reclamation and fluctuations in commodity based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

Credit risk: Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash accounts and its receivables. This risk is managed through the use of a major bank that is a high credit quality financial institution as determined by rating agencies. The Company’s receivables relate to sales taxes from the Governments of Canada and Australia and a receivable for the disposition of the Gnaweeda property. The risk associated with its receivables is minimal.

Currency risk: Currency risk is the risk that the value of financial instruments denominated in foreign currencies will fluctuate due to changes in foreign exchange rates. The Company's functional currency is the Canadian dollar. The Company is exposed to currency exchange rate risk to the extent of its activities in the Australia and in the United States. The Company’s currency risk is presently limited to approximately $3,403 of net exposure denominated in Australian dollars and approximately $293,413 of net exposure denominated in U.S. dollars. Based on this exposure as at December 31, 2015, a 5% change in the exchange rate would give rise to a change in net loss of $14,841. Management believes the foreign exchange risk derived from currency conversions from the Australian and U.S. operations is not significant and does not hedge its foreign exchange risk.

Future changes in exchange rates could have a material effect on the Company's business, financial condition and results of operations.

Interest rate risk: Interest rate risk is not significant as the Company's assets and liabilities do not bear any interest.

Liquidity risk: Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. Under current market conditions, both liquidity and funding risk are assessed as high.

Capital management: The Company manages its capital structure based on the funds available to the Company, in order to fund its general and administration expenses, support acquisition, maintenance, exploration, and development of mineral properties. The capital structure of the Company consists of equity and debt obligations, net of cash and cash equivalents. The Board of Directors has not established any quantitative return on capital criteria for management, instead relying on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has interests are in the exploration stage so the Company is dependent on external financing to fund its activities. In order to carry out activities and administration, the Company will spend its existing working capital and raise additional amounts as needed. The Company is not subject to any externally imposed restrictions on capital. There were no changes in the Company's approach to capital management during the year.

SHARE CAPITAL

The Company's authorized share capital consists of an unlimited number of common shares without par value. As of April 29, 2016, the total number of issued and outstanding common shares is 114,757,693 common shares.

Options

On March 27, 2013, the Company issued 800,000 options, with an exercise price of $0.18 and life of 5 years, to the now Chief Executive Officer of the Company.

During the year ended December 31, 2013, the Company issued 275,000 common shares upon the exercise of 275,000 incentive stock options at $0.10 per share for gross proceeds of $27,500.

As at December 31, 2015 and the date of this report, the following stock options were outstanding and exercisable:

Number	Weighted Average Exercise Price ($)	Expiry Date	Weighted Average Remaining Contractual Life (in years)
1,786,000	0.10	April 9, 2017	1.00
500,000	0.10	December 14, 2017	0.43
2,286,000	0.16		1.42

Warrants

During the year ended December 31, 2013, the Company issued 700,000 finders' fee warrants with a fair value of $68,549 pursuant to private placements.

As at December 31, 2015 and the date of this report, the following warrants were outstanding and exercisable:

Number	Weighted Average Exercise Price ($)	Expiry Date	Weighted Average Remaining Contractual Life (in years)
8,333,333	0.08	December 14, 2016*	0.68
3,460,611	0.03	October 5, 2018	0.81
11,793,944	0.11		1.49

*On December 14, 2015, the expiration date was extended from December 14, 2015 to December 14, 2016.

CHANGES IN ACCOUNTING POLICIES

Accounting standards issued but not yet effective

Unless otherwise noted, the following revised standards and amendments are effective for the Company for annual periods beginning on or after January 1, 2015 (unless otherwise noted) with earlier application permitted. The Company has not yet assessed the impact of these standards and amendments or determined whether it will early adopt them.

IFRS 9, Financial Instruments, was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely. Requirements for financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in IAS 39, Financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off balance sheet arrangements.

MANAGEMENT CHANGES

On March 2, 2015, the Company announced that Steve Hodgson has joined the Board of Directors as an independent director.

SUBSEQUENT EVENTS

On January 18, 2016, the Company entered into a Mining Lease and Option to Purchase Agreement to lease the U.S. Grant Mine located in the County of Madison, Montana, for an initial term of 4 months, commencing January 18, 2016 until May 17, 2016. The Company is obligated to pay a non-refundable rent of US$50,000 prior to the initial term (paid) and may terminate the agreement within 3 days notice.

The Company may extend the initial term for up to an additional 12 months for rent of US$25,000 per month. Such rent payments will be applied to the purchase price. If after the initial and extension term, the Company has not exercised its option to purchase, the agreement will terminate.

At any time during the initial and extension term, the Company may exercise its option to purchase the U.S. Grant Mine for a purchase price of $6,000,000. The purchase price shall be paid in installments, less rent payments noted above, as follows:

- US $2,000,000 upon closing of the purchase;
- US $2,000,000 one year after the date of closing of the purchase; and
- US $2,000,000 two years after the date of closing.

As of April 6, 2015, the company's private placement of 2,000,000 units at $0.10 per unit, originally announced July 21, 2015, has been fully subscribed. Application has been made to the exchange for final approval and a closing announcement will be made once approval has been received. Company insiders will participate in the placement to the extent of 12,183,420 units.

On April 8, 2016, the Company resumed trading on the TSX.V.