

WALKER RIVER RESOURCES CORP.

Management Discussion and Analysis

For the six month period ended May 31, 2015

The Management Discussion and Analysis (“MD&A”), prepared July 28, 2015 should be read in conjunction with the audited financial statements and notes thereto for the year ended November 30, 2014 which were prepared in accordance with International Financial Reporting Standards.

This management discussion and analysis may contain forward-looking statements in respect of various matters including upcoming events. The results or events predicted in these forward-looking statements may differ materially from the actual results or events. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

DESCRIPTION OF BUSINESS

Walker River Resources Corp. (“the Company”) was incorporated pursuant to the British Columbia Business Corporations Act on December 16, 2010 as Rhino Exploration Inc. On March 4, 2013 the Company changed its name to Walker River Resources Corp. The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired. The Company’s shares are listed for trading on the TSX Venture Exchange under the symbol WRR-V.

The Company is an exploration stage company and is in the process exploring its interest in the Watshishou River property (Quebec, Canada) and the Sleeper-Lapon Canyon Gold Project (Nevada, USA). At May 31, 2015, the Company had not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and future profitable production from the properties or realizing proceeds from their disposition.

EXPLORATION PROJECTS

Total costs incurred on exploration and evaluation assets are summarized as follows:

				May 31, 2015	November 30, 2014
	James Bay	Watshishou	Sleeper	Total	Total
Acquisition costs:					
Balance, beginning of period	\$ —	\$ 75,000	\$ 337,252	\$ 412,252	\$ 353,270
Cash acquisition costs	—	—	76,933	76,933	82,690
Shares issued for acquisition costs	40,000	—	—	40,000	14,000
Balance, end of period	40,000	75,000	414,185	529,185	353,270
Deferred exploration expenditures:					
Balance, beginning of the period	—	330,412	141,029	471,441	442,703
Geologist fees and assays	—	—	42,093	42,093	21,868
Equipment depreciation	—	—	2,404	2,404	6,870
Balance, end of period	—	330,412	185,526	515,938	471,441
Total costs, end of period	\$ 40,000	\$ 405,412	\$ 599,711	\$ 1,045,123	\$ 921,401

Watshishou River area Property, Quebec

On February 28, 2011, the Company entered into an Option Agreement (the “Agreement”) with Pourvoirie Du Lac Holt Inc. (the “Optionor”), which was amended on February 8, 2012, whereunder the Company was granted an option to acquire a 100% undivided interest in 37 mineral claims situated in the Watshishou River area, Quebec (the “Watshishou Property”). As consideration, the Company paid \$30,000 in cash and issued 300,000 common shares.

The Company shall pay the Optionor 2% of Net Smelter Returns on the Watshishou Property. The Company also has the sole and exclusive option to purchase 2% of the Net Smelter Royalty at a purchase price of \$1,000,000 per percentage point during the five year period starting on the date that the Watshishou Property is put into commercial production.

Sleeper-Lapon Canyon Gold Project, Nevada

On December 5, 2012, the Company entered into a Letter of Intent (“LOI”) with World Ventures Inc. (“WVI”) and District Gold Inc. (“District”), which was amended on February 28, 2013, to acquire an undivided 75% working interest of the Sleeper-Lapon Canyon Gold project, located in Mineral County, Nevada, USA. The project consists of 19 leased claims and 17 lode claims (the “Sleeper Property”). WVI and District acquired their 100% interests of the Sleeper Property directly from Donald Potts (“Potts”), the underlying land holder. Potts consented to the LOI with the Company, by entering into a Mining Lease with Option to Purchase Agreement (“Mining Lease Agreement”) with the Company dated March 1, 2013.

As consideration, the Company agreed to the following:

- 1) Paying District an initial payment of \$200,000 and issuing District 250,000 common shares (the “Initial Payment”) on or before February 28, 2013 (paid and issued). The Initial Payment includes \$66,771 of arrears fees and \$17,000 of claim transfer costs;
- 2) Paying District further option payments of \$200,000 in cash, or at District’s option, issuing District common shares in lieu of such cash payments, on or before the first and second anniversaries of the Initial Payment;
- 3) Paying \$13,500 USD in advance every three months representing lease payments to Potts, the underlying land holder commencing on March 1, 2013 for a period of one year with three options to renew for one additional year each; and
- 4) Incurring \$2,750,000 of exploration work over a four year period commencing on March 1, 2013.

Pursuant to the Mining Lease Agreement, the Company had the option to acquire the undivided 75% working interest of the Sleeper Property for a one time buyout payment of \$400,000 at any time during the term of the Mining Lease Agreement. All the prior lease payments are deductible from this lease buyout payment.

On February 28, 2013, the Company issued 352,083 common shares with fair value of \$45,770 as finder’s fee for the acquisition of its interest in the Sleeper Property.

Sleeper-Lapon Canyon Gold Project, Nevada (Continued)

On February 1, 2014, the Company entered into a release agreement with District and WVI, which terminated the LOI dated December 5, 2012 and removed the parties from the Mining Lease Agreement (the "Release Agreement"). In consideration for the release, the Company agreed to issue a total of 300,000 common shares and pay District and WVI a royalty on revenues received from the Sleeper Property equal to 1.0% of Net Smelter Returns ("NSR"). The Company also has an option to buy the NSR for \$300,000.

As a result of the Release Agreement, the Company has increased its interest in the Sleeper Property to 100%.

As at November 30, 2014, the Company has issued 200,000 common shares in accordance with the Release Agreement. The Company is required to issue the remaining 100,000 common shares on or about May 31, 2015. The remaining 100,000 common shares have not been issued to date.

On March 1, 2014, the Company amended the Mining Lease Agreement (the "Amendment") with the Estate of Donald Potts. Pursuant to this Amendment, the Company agreed to the revised terms as follows:

- 1) Pay \$13,500 USD in advance every three months representing lease payments commencing on March 1, 2013 for a period of one year with three options to renew for one additional year each; and
- 2) Issue 200,000 common shares to the Estate of Donald Potts on each of March 1, 2014 (issued), March 1, 2015, March 1, 2016 and March 1, 2017 for a total of 800,000 common shares, in lieu of exploration commitments of \$2,750,000 over the four year period.

As at November 30, 2014, the Company had an outstanding commitment of \$27,000 for two missed lease payments during the year. Subsequent to May 31, 2015, all payments due in accordance with the Amendment have been made, however, the 200,000 common shares due on March 1, 2015 have not yet been issued.

James Bay Project

On December 2, 2015 the Company issued 2,000,000 common shares to acquire a 100% undivided interest in the James Bay Project consisting of 22 mineral claims located in the James Bay Region in Quebec. The property is subject to a 1% net smelter return which the Company can acquire for \$500,000.

SELECTED ANNUAL INFORMATION

(\$000's except loss per share)

	November 30, <u>2014</u>	November 30, <u>2013</u>	November 30, <u>2012</u>
Revenue	\$ 0	\$ 0	\$ 0
Net Loss	\$ (442)	\$ (1,257)	\$ (320)
Basic and Diluted Loss Per Share	\$ (0.02)	\$ (0.08)	\$ (0.05)
Total Assets	\$ 941	\$ 923	\$ 550
Long-Term Debt	\$ 0	\$ 0	\$ 0
Dividends	\$ 0	\$ 0	\$ 0

OPERATIONS

Three months ended May 31, 2015

During the three months ended May 31, 2015 the Company reported a net loss of \$158,803 (2014 - \$139,124). Included in the determination of operating loss was \$5,305 (2014 - \$12,531) spent on rent, \$54,150 (2014 - \$66,000) on management and administration, \$26,191 (2014 - \$41,714) on professional fees, \$41,055 (2014 - \$15,000) on consulting fees, \$14,940 (2014 - \$12,781) on transfer agent and filing fees, \$Nil (2014 - \$7,251) on travel and \$13,697 (2014 - \$7,590) on office and miscellaneous.

Six months ended May 31, 2015

During the six months ended May 31, 2015 the Company reported a net loss of \$226,702 (2014 - \$257,879). Included in the determination of operating loss was \$13,405 (2014 - \$21,081) spent on rent, \$90,150 (2014 - \$71,900) on management and administration, \$32,751 (2014 - \$70,431) on professional fees, \$57,155 (2014 - \$73,877) on consulting fees, \$16,021 (2014 - \$13,011) on transfer agent and filing fees, \$Nil (2014 - \$15,278) on travel and \$13,755 (2014 - \$14,327) on office and miscellaneous.

SUMMARY OF QUARTERLY RESULTS

(\$000's except earnings per share)

	May 31, <u>2015</u>	February 28, <u>2015</u>	November 30, <u>2014</u>	August 31, <u>2014</u>
Revenue	\$ 0	\$ 0	\$ 0	\$ 0
Net loss	\$ (158)	\$ (69)	\$ (112)	\$ (72)

Basic and diluted Loss per share	\$ (0.01)	\$ (0.01)	\$ (0.00)	\$ (0.00)
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	May 31, <u>2014</u>	February 28, <u>2014</u>	November 30, <u>2013</u>	August 31 <u>2013</u>
Revenue	\$ 0	\$ 00	\$ 0	\$ 0
Net loss	\$ (139)	\$ (119)	\$ (577)	\$ (265)

Basic and diluted Loss per share	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.02)
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LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents at May 31, 2015 were \$34,818 compared to \$309 at November 30, 2014.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

a) Related party transactions and balances

During the period ended May 31, 2015 the following amounts were incurred or paid to officers and directors and/or their related companies:

- i) The Company incurred \$3,600 (2014: \$17,100) for rent to companies controlled by directors of the

Company.

- ii) The Company incurred \$Nil (2014: \$18,325) for accounting fees to a company controlled by a director and officer of the Company.
- iii) The Company incurred \$Nil (2014: \$3,000) for office administration to a person related to a director and officer of the Company.
- iv) The Company incurred \$Nil (2014: \$22,022) for consulting fees to a company controlled by a director and officer of the Company.
- v) The Company incurred \$Nil (2014: \$21,867) for exploration expenditures to a director and companies controlled by directors and officers of the Company.
- vi) Included in accounts payable and accrued liabilities is \$129,997 (2014: \$154,873) due to companies controlled by directors and officers of the Company for unpaid accounting fees, consulting fees and management fees. These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.
- vii) An officer advanced the Company \$7,087 during the year ended November 30, 2014. The loan is unsecured, non-interest bearing, with no fixed terms of repayment.

These transactions are in the normal course of operations and have been measured in these financial statements at the amount of consideration established and agreed to by the related parties.

b) Key management compensation

Key management includes directors and key officers of the Company, including the President, CEO and CFO. During the period ended May 31, 2015:

- i) The Company paid or accrued \$75,150 (2014: \$71,900) in management fees to companies controlled by officers and directors.
- ii) The Company recorded share-based payments of \$Nil (2014: \$Nil) to directors and officers of the Company.

COMMITMENTS

- a) The Company is committed to certain cash payments and share issuances as described in Note 5.
- b) In relation to the flow-through private placements completed during the years ended November 30, 2013 and 2014, described in Note 7, the Company is committed to incur and renounce \$613,500 in Canadian exploration expenditures by December 31, 2014 under Canada Revenue Agency's flow-through rules.

During the year ended November 30, 2014, the Company renounced an aggregate of \$93,384 in exploration expenditures in relation to the February 2013 flow-through private placement which were incurred during the year ended November 30, 2013. As at November 30, 2014, the Company is committed to incur and renounce \$520,116 in eligible exploration expenditures. During the year ended November 30, 2014, the Company recorded penalties and Part XII.6 taxes in the amount of \$5,635.

SUBSEQUENT EVENTS

There were no material subsequent events.

APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company adopted new and revised International Financial Reporting Standards (“IFRSs”) that were issued by the International Accounting Standards Board (“IASB”). The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current period but may affect the accounting for future transactions or arrangements.

New accounting standards

Accounting standards adopted during the year

The mandatory adoption of the following new and revised accounting standards on December 1, 2013 had no significant impact on the Company’s financial statements for the years presented:

- i. IFRS 10 Consolidated Financial Statements - IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.
- ii. IFRS 11 Joint Arrangements - IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or a joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under IFRS 11, proportionate consolidation is no longer permitted
- iii. IFRS 12 *Disclosure of Interests in Other Entities* - IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity’s interests in other entities.
- iv. IFRS 13 *Fair Value Measurement* - IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements 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. It also establishes disclosures about fair value measurement.
- v. IAS 1 *Presentation of Financial Statements*- In June 2011, the IASB issued an amendment to IAS 1, which requires entities to separately present items in other comprehensive income based on whether or not they may be reclassified to profit or loss in future periods.
- vi. IAS 27 *Separate Financial Statements*- As a result of the issue of IFRS 10, IFRS 11 and IFRS 12, IAS 27 has been reissued, as the consolidation guidance will now be included in IFRS 10. IAS 27 has been reissued to only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.
- vii. IAS 28 *Investments in Associates and Joint Ventures*- As a consequence of the issuance of IFRS 10, IFRS 11 and IFRS 12, IAS 28 has been amended to provide accounting guidance for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The amended IAS 28 is applied by all entities that are investors with joint control of, or significant influence over, an investee.

Standards, amendments and interpretations not yet effective

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning December 1, 2014 or later years.

The following accounting policies will be adopted by the Company effective December 1, 2016:

- i. IAS 32 Financial Instruments: Presentation- In December 2011, the IASB issued an amendment to clarify the meaning of the offsetting criterion and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement. Earlier application is permitted when applied with corresponding amendment to IFRS 7 Financial Instruments: Disclosures.
- ii. IAS 36 *Impairment of Assets*- In May 2013, the IASB issued an amendment to address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.
- iii. IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*- In May 2014, the IASB issued amendments to IAS 16 and IAS 38. The amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

The following accounting policies will be adopted by the Company effective December 1, 2018:

- i. IFRS 9 Financial Instruments- IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 Financial Instruments: Recognition and Measurement 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 and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, others gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

IFRS 9 was subsequently amended in November 2013 to add new general hedge accounting requirements. The final version of IFRS 9 was issued in July 2014 and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

Management is currently evaluating any impact that the above standards may have on the Company's financial statements and this assessment has not yet been finished.

CRITICAL ACCOUNTING POLICIES

Stock-based Compensation

The Company has a stock option plan, which is described in to the financial statements. The Company applies the fair value method to all stock-based payments and to all grants that are direct awards of stock that call for settlement in cash or other assets. Compensation expense is recognized over the applicable vesting period with a corresponding increase in contributed surplus. When the options are exercised, share capital is credited for the consideration received and the related contributed surplus is decreased. The Company uses the Black Scholes option pricing model to estimate the fair value of stock based compensation.

Financial Instruments

Financial assets are classified into one of four categories:

- Fair value through profit or loss;
- Held-to-maturity;
- Available for sale and;
- Loans and receivables

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset.

Financial assets at fair value through profit or loss (“FVTPL”)

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as at FVTPL if

- It has been acquired principally for the purpose of selling in the near future;
- It is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking or;
- It is a derivative that is not designated and effective as a hedging instrument.

The Company’s cash is classified as FVTPL assets.

Held-to-maturity (“HTM”)

HTM investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as HTM investments.

Available-for-sale financial assets (“AFS”)

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (i) loans and receivables, (ii) held-to-maturity investments or (iii) financial assets as at FVTPL. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on AFS monetary items, are recognized in other comprehensive income or loss. When an investment is derecognized, the cumulative gain or loss in the investment revaluation reserve is transferred to profit or loss. The Company does not have any assets classified as AFS.

Loans and receivables

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

Derecognition of financial assets

A financial asset is derecognized when:

- The contractual right to the asset's cash flows expire; or
- If the Company transfer the financial assets and substantially all risks and rewards of ownership to another entity.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets is directly reduced by the impairment loss. With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

SHARE CAPITAL

Issued

The company has 51,102,914 shares issued and outstanding as at May 31, 2015 and July 28, 2015.

Share Purchase Options

The Company has Nil stock options outstanding at May 31, 2015 and July 28, 2015.

Warrants

The Company has 34,097,333 share purchase warrants outstanding at May 31, 2015 and July 28, 2015.

Escrow Shares

The Company has 360,370 shares held in escrow as at May 31, 2015 and Nil as at July 28, 2015.