Carlisle Goldfields Limited

Management's Discussion and Analysis

OVERVIEW AND OUTLOOK

The following discussion and analysis of the operations, results and financial position of Carlisle Goldfields Limited ("**Carlisle**" or the "**Company**") for the three months ended November 30, 2014, should be read in conjunction with the Company's financial statements, including the notes thereto as at and for the three months ended November 30, 2014 and the annual financial statements for the year ended August 31, 2014. Unless otherwise noted, all amounts are in Canadian dollars and based on International Financial Reporting Standards ("**IFRS**").

The Company is a junior mining exploration and development company engaged in the acquisition, exploration and development of gold and silver projects in Northern Manitoba, Canada. The Company's registered office is located at 401 Bay Street, Suite 2702, Toronto, Ontario, M5H 2Y4.

In November 2014, Carlisle entered into two transactions with AuRico Gold Inc. ("AuRico"): a $5,648,000 private placement of common shares and a Joint Venture/Earn-In Agreement with a $5,000,000 payment received upon closing (see "Financing Activities" below). In addition, Carlisle signed an investor rights agreement with AuRico which, among other things, gives AuRico (i) a right to nominate two directors to Carlisle's board of directors, (ii) a pre-emptive right to participate in future financings of Carlisle to maintain AuRico's percentage holdings of Carlisle shares and (iii) a right to match any offers for proposed major transactions by Carlisle such as asset sales, mergers, amalgamations and plans of arrangement.

LIQUIDITY AND CAPITAL RESOURCES

Selected Financial Information

(in thousands of Canadian dollars, except percentage changes, ratios and shares issued and outstanding)

	Nov. 30, 2014	Aug. 31, 2014	Change
Cash	**9,438**	50	**+ 18,776 %**
Exploration and evaluation assets	**24,559**	29,334	**- 16 %**
Total assets	**34,209**	29,545	**+ 16 %**
Total current liabilities	**711**	665	**+ 7 %**
Total liabilities	**1,331**	1,284	**+ 4 %**
Working capital	**8,908**	(488)	**---**
Current ratio [1]	**13.5 : 1**	0.3 : 1	**---**
Shareholders' equity	**32,878**	28,261	**+ 16 %**
Shares issued and outstanding	**354,771,860**	284,171,860	**+ 25 %**

[1] *The Current Ratio is defined as current assets divided by current liabilities.*

As of November 30, 2014, the Company had $9,438,000 in cash (August 31, 2014 - $50,000) and working capital of $8,908,000 (August 31, 2014 - negative working capital of $488,000).

The Company is a junior resource exploration and development corporation and, accordingly, it does not have the ability to generate sufficient amounts of cash from earnings or asset sales to pay for its operating costs, even in the short term. The activities of the Company, principally the exploration and development of mineral properties, have historically been financed through the sale of equity securities. These equity offerings generally take the form of private placements but may also include the exercise of warrants and options.

In November, 2014, Carlisle closed on two transactions with AuRico: a $5,648,000 private placement of common shares and a Joint Venture/Earn-In Agreement with a $5,000,000 payment received upon closing (see "Financing Activities" below). The $5,000,000 received for the sale of a 25% direct interest in Carlisle's mining interests was recorded as a credit to exploration and evaluation assets, resulting in a decrease for the quarter, notwithstanding an additional $225,000 being spent on the project.

The discovery, development and acquisition of mineral properties are unpredictable events. Future metal prices, the success of exploration programs and other property transactions can have a significant impact on capital requirements. The Company does not expect to receive significant income from any of its properties within the foreseeable future. Should the Company decide to further develop any of its properties, the Company may fund its capital requirements by arranging additional equity financings, issuing long-term debt, arranging joint ventures with other companies, selling royalties on its projects, or through a combination of the above.

The Company is committed to make annual mining lease payments of $12 per hectare and to incur mineral claim assessment work expenditures of $25 per hectare per year. Carlisle's total claim payment commitment for 2015 will be $70,262.50 in the absence of work completed for those claims affected. Additionally, Carlisle's total lease payment commitment for this period will be $10,732.00.

Carlisle has options to acquire the Johnson & Johnson and Last Hope Properties near Lynn Lake Manitoba. Under the terms of the Johnson & Johnson option agreement, in order to earn a 100% interest in the property Carlisle must incur an aggregate of $1,000,000 of exploration expenditures on or before June 1, 2016, make three annual cash payments of $100,000 each, with the first payment due upon signing and the next two $100,000 payments due on or before June 1, 2014 and June 1, 2015, and making a final cash payment of $2,000,000 on or before June 1, 2016. The first payment was made as required. Carlisle and the optionor renegotiated the terms of this option agreement such that the June 2014 payment was deferred to December 31, 2014, which payment was made as required. The optionor has reserved a 2.5% net smelter return royalty, one half of which may be purchased for $1,250,000 to reduce the royalty to 1.25%.

Under the terms of the extension to the option agreement on the Last Hope Property, in order to earn a 100% interest in the property Carlisle must incur an aggregate of $2,000,000 of exploration expenditures on or before December 31, 2015 (of which more than $1,000,000 has already been incurred), make three interim cash payments of $100,000 each on or before January 31, 2013, December 31, 2013 and December 31, 2014 and make a final cash payment of $2,000,000 on or before December 31, 2015. The first $100,000 payment was made as required but the December 2013 payment was deferred. Carlisle and the optionor renegotiated the timing of payments under this option agreement and Carlisle made a $100,000 payment in early April 2014. In December 2014, the last interim $100,000 payment was made as required. The optionor has reserved a 2.5% net smelter return royalty, one half of which may be purchased for $1,250,000 to reduce the royalty to 1.25%.

FINANCING ACTIVITIES

In September 2014, the Company borrowed $100,000 from its Executive Chairman (see "Related Party Transactions" below). Given Carlisle's depleted cash position, these monies were required to support operations of the Company until a comprehensive financing could be completed.

In November 2014, Carlisle completed a private placement of common shares and entered into a Joint Venture/Earn-In Agreement, both with AuRico. The private placement resulted in the issuance to AuRico of 70.6 million common shares of Carlisle at a price of $0.08 per share for gross proceeds of $5,648,000 which resulted in AuRico holding approximately 19.9% of the issued and outstanding share capital in Carlisle. AuRico also purchased from Carlisle a direct 25% interest in the Lynn Lake gold camp for $5,000,000 and formed a Joint Venture with Carlisle in which AuRico is the Operator. Carlisle has also granted to AuRico an option to earn an additional 26% in Carlisle's properties in the Lynn Lake gold camp by spending a minimum of $20 million towards the advancement of a feasibility study within a 3-year earn-in period. If earned, it would increase AuRico's interest in the project to a total of 51%. AuRico may also earn an additional 9%, to increase its total holding to 60%, by delivering within the 3-year earn-in period a feasibility study which meets all regulatory requirements. Additional financings may be needed to pursue additional strategic plans and for general working capital purposes.

MINERAL PROPERTIES

The Company's principal mineral properties are comprised of a group of gold and base metal exploration claims and leases in the Lynn Lake Greenstone Belt of Northern Manitoba ("Lynn Lake"). On May 5, 2014, the Corporation announced additional land acquisition by staking. To July 10, 2014 the Company has staked 14,274 hectares of newly opened ground between the MacLellan Mine and Farley Lake Mine deposits along the Agassiz Shear Metallotect located northeast of the town of Lynn Lake. In addition, Carlisle added 1,155 hectares to their claims south of the Johnson Shear. Carlisle's land holdings have increased to 35,496 hectares as claims and 890 hectares as leases which represent a 22.5% increase since August 31, 2013 and are the dominant land position in the Lynn Lake gold camp. Included in the land package are two former open pit mines (Burnt Timber which produced from 1993 to 1996; and Farley Lake which produced from 1996 to 1999) and the former underground MacLellan Mine where gold and silver were produced from 1986 to 1989. The Company's Lynn Lake properties are now comprised of a diverse group of 224 gold and base metal exploration claims and 8 mining leases. During the first quarter of calendar 2014, the Burnt Timber lease covering 317 hectares was converted to two claims. The current property area has been re-grouped as required to take advantage of existing work credits resulting in further savings. The Company holds a 78.03% interest in the Nail-Franklin and the Dot groups of properties which were comprised of 136 mining leases and 14 mining claims covering a total of 3,885 hectares, and a 50.31% interest in the Shoe-Lace group of properties comprised of 6 mining claims covering 576 hectares. As a part of the above land-package reorganization, the Nail-Franklin group covered by the 73 mining leases is now covered by 10 mining claims and the Dot Lake group covered by the 63 mining leases is now covered by 7 mining claims. No changes in the property status were made to the Shoe-Lace group of properties. Various parts of the properties are subject to unrecorded royalties and interests.

On March 3, 2011, the Company acquired an option on the Last Hope Property near Lynn Lake, Manitoba. The property is approximately 20 kilometres southeast of Lynn Lake, Manitoba and is accessible using a winter road. The Company paid $150,000 in cash and issued 2,500,000 Common Shares as well as 2,500,000 share purchase warrants (each whole warrant entitling the holder to purchase one Common Share for $0.25 within three years after closing). The option required the Company to spend $1,000,000 on the property by October 2012 and make a $2,000,000 payment on or before December 31, 2012 to earn a 100% interest, subject to a 2.5% net smelter return royalty, one-half of which may be purchased for $1,250,000. Management explored and drill-tested this property during fiscal 2012 with the goal of proving and expanding the resource through added drilling along strike as well as at depth. The requirement to spend $1,000,000 on the property has been completed. The Company renegotiated the Last Hope option agreement as it related to the deadline for the $2,000,000 payment. In return for a $50,000 payment made in October 2012 and issuing 50,000 common shares in October 2012, the deadline for the $2,000,000 payment was deferred to December 31, 2012. The final payment was not made by December 31, 2012 and a further extension was negotiated. Under the terms of the extension to the option agreement, in order to earn a 100% interest in the property Carlisle must incur an aggregate of $2,000,000 of exploration expenditures on or before December 31, 2015 (of which more than $1,000,000 has already been incurred), make three interim cash payments of $100,000 each on or before January 31, 2013, December 31, 2013 and December 31, 2014 and make a final cash payment of $2,000,000 on or before December 31, 2015. The first $100,000 payment was made as required but the December 2013 payment was deferred. Carlisle and the optionor renegotiated the timing of payments under this option agreement and Carlisle made a $100,000 payment in early April 2014. n December 2014, the last interim $100,000 payment was made as required.

In June 2013, the Company reached an agreement entitling it to an option to acquire the Johnson & Johnson Property (the "J&J Property") near Lynn Lake, Manitoba. The J&J Property, located along the Johnson Shear due west of Carlisle's Linkwood Project, completes Carlisle's Dunvegan Zone land package. Under the terms of the option agreement, Carlisle has an option to acquire a 100% interest in the J&J Property by incurring an aggregate of $1,000,000 of exploration expenditures on or before June 1, 2016, making three annual cash payments of $100,000, with the first payment due upon signing and the next two $100,000 payments due on or before June 1, 2014 and June 1, 2015, and making a final cash payment of $2,000,000 on or before June 1, 2016. The first payment was made as required. Carlisle and the optionor renegotiated the terms of this option agreement such that the June 2014 payment was deferred to December 31, 2014, which payment was made as required. The vendor has reserved a net smelter return royalty of 2.5% of which one half may be purchased for $1,250,000 to reduce the royalty to 1.25%.

In November 2014, AuRico purchased from Carlisle a direct 25% interest in Carlisle's properties in the Lynn Lake gold camp for $5,000,000, granted AuRico options on additional interests in Carlisle's properties in the Lynn Lake gold camp and formed a Joint Venture with Carlisle in which AuRico is the operator of AuRico's option acitivities. Carlisle has granted to AuRico an option to earn an additional 26%

interest in Carlisle's properties in the Lynn Lake gold camp by spending a minimum of $20 million towards the advancement of a feasibility study within a 3-year earn-in period. If earned, it would increase AuRico's interest in the project to a total of 51%. AuRico may also earn an additional 9%, to increase its total holding to 60%, by delivering within the 3-year earn-in period a feasibility study which meets all regulatory requirements. During the earn-in period, Carlisle will be the operator of exploration programs on those properties in the Lynn Lake gold camp not forming part of AuRico's activities toward the advancement of a feasibility study; Carlisle and AuRico will contribute equally to the cost of the exploration activities under Carlisle's operatorship, with AuRico's obligations being limited to $2,000,000 per year. In addition, the Carlisle signed an investor rights agreement with AuRico which, among other things, gives AuRico (i) a right to nominate two directors to Carlisle's board of directors, (ii) a pre-emptive right to participate in future financings of Carlisle to maintain AuRico's percentage holdings of Carlisle shares and (iii) a right to match any offers for proposed major transactions by Carlisle such as asset sales, mergers, amalgamations and plans of arrangement.

Project Updates

The Company's principal assets are its four projects in Lynn Lake, namely: the MacLellan Mine, Burnt Timber, Farley Lake Mine and Linkwood. The following table summarizes the Company's resource estimates for each of its projects:

Summary of all Resource Estimates

Project	Resource Category	MacLellan Mine Project	Burnt Timber Project	Linkwood Project	Farley Lake Mine Project	Combined Projects
Tonnes	**Measured**	15,010,000	-	-	-	15,010,000
	Indicated	17,374,000	1,021,000	984,000	5,914,000	25,293,000
	Inferred	1,898,000	23,438,000	21,004,000	4,364,000	50,704,000
Grade (g/t)	**Measured**	2.08	-	-	-	2.08
	Indicated	1.82	1.40	1.16	3.21	2.10
	Inferred	2.01	1.04	1.16	2.87	1.28
Contained Ounces of Gold	**Measured/ Indicated**	**2,018,100**	**46,000**	**37,000**	**610,000**	**2,711,100**
	Inferred	**127,000**	**781,000**	**783,000**	**403,000**	**2,094,000**

Notes:

1. *Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.*
2. *The quantity and grade of reported Inferred Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as an Indicated or Measured Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category.*
3. *The Mineral Resources in this report were estimated using the CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.*
4. *The gold price used was the August 31, 2012 two-year trailing average of US$1,555/oz with a process recovery of 95%. The US exchange rate was $1.00.*
5. *Process costs used were $15/t and G&A was $4/t. Open pit mining costs were $3.25/t for mineralized material and $2.50/t for waste. Open pit slopes were 50°.*
6. *Carlisle's initial resource estimate used gold cut-off grades of 0.4 g/t for the open pit material and 2.0 g/t for the underground (out of pit shell) material.*

As of November 30, 2014, the Company had deferred expenditures of $24,559,000 (net of recoveries) on its exploration and evaluation (compared to $29,334,000 as at August 31, 2014). The decrease is reflective of the $5,000,000 received from AuRico as part of its purchase of a 25% interest in Carlisle's mining claims and leases. This $225,000 increase (net of the $5,000,000 recovery) was spent on the Company's exploration and drilling program. The following table provides a breakdown (in thousands of dollars):

Breakdown of Exploration and Evaluation Assets

	Nov. 30, 2014	Additions	Aug. 31, 2014
Acquisition costs	**$ 2,226**	**$ ---**	$ 2,226
Assaying	**2,554**	**---**	2,554
Drilling	**9,621**	**---**	9,621
Environmental studies	**425**	**---**	288
Engineering studies	**1,575**	**137**	1,575
Field office expense	**2,193**	**12**	2,181
Geology	**1,382**	**---**	1,382
Lease payments and land taxes	**578**	**4**	574
Project management	**1,175**	**63**	1,112
Site planning, studies and surveys	**2,063**	**---**	2,063
Shares issued for expenditures incurred by Ryan	**2,000**	**---**	2,000
Ryan Put Right	**368**	**---**	368
Ryan finder's fees	**181**	**---**	181
Canadian Orebodies Put Right	**800**	**---**	800
Receipt of Goodfish option payment	**(25)**	**---**	(25)
Write-down and reclass of Goodfish claims	**(46)**	**---**	(46)
Sale of interest in assets to AuRico	**(5,000)**	**(5,000)**	---
Other	**2,489**	**9**	2,480
	$ 24,559	**$ (4,775)**	$ 29,334

OUTSTANDING SHARE DATA

The Company's authorized capital is an unlimited number of common shares and an unlimited number of special shares issuable in series. As at January 8, 2015, there were 354,771,860 common shares issued and outstanding and no special shares.

During the quarter ended November 30, 2014, no warrants were exercised and a total of 16,062,698 warrants with an exercise price of $0.22 expired unexercised. As at January 8, 2015, the Company has 66,350,662 warrants outstanding, each entitling the holder to purchase one common share at prices varying from $0.06 to $0.22 per share at any time prior to expiry dates from January 31, 2015 until February 14, 2018.

No options were granted, and none were cancelled or expired, during the three months ended November 30, 2014. On December 9, 2014, 400,000 stock options were granted to an employee of the Company. Half of these options vested immediately, with the remaining 50% vesting on June 9, 2015. Each option allows the holder to purchase one Common Share at $0.05 until December 9, 2019. As at January 8, 2015, the Company has 26,100,000 stock options outstanding. Each stock option entitles the holder to purchase one Common Share at prices ranging from $0.05 to $0.42 at any time prior to expiry dates from January 29, 2015 until December 9, 2019.

FINANCIAL INSTRUMENTS

The Company estimates the fair value of its financial instruments based on current interest rates, quoted market values or the current price of financial instruments with similar terms. Unless otherwise disclosed herein, the carrying value of financial instruments, especially those with current maturities such as cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities are considered to approximate their fair values.

RESULTS OF OPERATIONS

The results of operations for the three months ended November 30, 2014 and 2013 reflect costs incurred by the Company to maintain its properties in good standing and to maintain itself in good standing with regulatory authorities, as well as administrative expenses to manage the exploration, operating, financing and other activities of the Company.

Selected Financial Information

(in thousands of Canadian dollars, except per share amounts)

	Quarter Ended Nov. 30, 2014	Quarter Ended Nov. 30, 2013	**Change**
General and administration expense	**618**	264	**+ 134%**
Write-down of Goodfish claims	---	35	**- 100%**
Interest income	**1**	1	---
Net loss	**(617)**	(298)	**+ 107%**
Basic and diluted loss per share	**(0.00)**	(0.00)	---

The Company held a 100% interest in the Goodfish Property (see “Mineral Properties” above). Carlisle signed an Option Agreement with an Optionee whereby Carlisle granted the Optionee an option to earn a 100% interest in its Goldfish Property in Ontario. The Optionee earned its 100% interest in the Goodfish Property in October 2013 when Carlisle received 250,000 common shares of the Optionee. As a result of this transaction, Carlisle now holds 250,000 shares in a private company. The Company took a write down of $35,000 on the transfer of this asset. The shares of the Optionee are valued on the books at $11,000 and reclassified to other assets.

The following is a summary of general and administration expenses of the Company for the three months ended November 30, 2014 and 2013 (in thousands of dollars).

	2014	**2013**
Investor relations and promotion	**$ 59**	$ 19
Professional fees	**285**	16
Management fees and payroll	**184**	139
Regulatory and reporting	**25**	32
Rent	**23**	18
Stock-based compensation	**8**	---
Insurance	**7**	7
Depreciation	**3**	4
Other	**24**	29
	$618	$264

Management is determined to continue to control costs as much as possible due to the underlying market conditions in which it, and all junior exploration companies, must operate. Management fees and payroll have increased in the first quarter of fiscal 2015 compared to the first quarter of 2014 as a result of bringing on more key staff, specifically the Company’s new President and CEO and new chief Geologist, both of whom joined Carlisle in early 2014. Investor relations expenses were also higher and are expected to be higher for the balance of the year. Management will continue to do its best to promote the Company in the investment community, with a plan to generate recognition of the investment opportunity and interest in the Company’s shares.

Professional fees include legal, tax and audit fees. Other than work related to statutory and regulatory compliance, they are generally dependent on specific projects requiring outside (usually legal) assistance. Professional fees increased in the first quarter due to fees associated with the AuRico joint venture.

Stock-based compensation, included in general and administrative expenses, is a non-cash item and reflects the intrinsic value of options vested during the period. As noted in "Outstanding Share Data" above, no stock options were granted. The $8,000 expense relates to the accounting treatment for vesting of certain options granted in fiscal 2014.

SUMMARY OF QUARTERLY RESULTS

Following is a summary (in thousands of dollars) of selected financial data for the Company's last eight completed quarters:

	Nov 30 2014	Aug 31 2014	May 31 2014	Feb 28 2014	Nov 30 2013	Aug 31 2013	May 31 2013	Feb 28 2013
Revenue	1	664	6	6	1	1	---	2
Net Income (Loss)	(617)	361	(619)	(535)	(298)	(34)	(605)	(609)
Loss per Share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)
Total Assets	34,209	29,545	29,794	29,756	28,136	28,443	25,624	25,905

OFF-BALANCE SHEET TRANSACTIONS

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

RELATED PARTY TRANSACTIONS

These financial statements include expenditures (either expensed or included with deferred exploration costs) incurred with shareholders, officers, directors and/or companies with which they are affiliated. These transactions have been measured at their exchange amounts, being the amounts agreed upon between the Company and the related parties, and are summarized as follows:

Balances as at:	**November 30, 2014**	**August 31, 2014**
Due to directors and officers (1)	**$ 84**	$ 93
Due to a company associated with a director (2)	**92**	55
	$ 176	$ 148

Transactions during the quarter ended:	**November 30, 2014**	**November 30, 2013**
Management fees (3)	**$ 209**	$ 73
Legal fees (2)	**125**	76
	$ 334	$149

(1) These amounts represent fees payable to the Company's CEO (Abraham Drost), Executive Chairman (Bruce Reid), CFO (Julio DiGirolamo), COO (Rick Adams) and Vice President of Exploration (Peter Karelse).

(2) These amounts represent legal fees paid or payable to Dickinson Wright LLP, a firm in which Donald A. Sheldon, a company director, is a partner. Dickinson Wright is the primary law firm from which the Company receives corporate law, securities law and general legal counsel.

(3) Included in management fees are salaries/fees paid to the CEO (Abraham Drost), Executive Chairman (Bruce Reid), CFO (Julio DiGirolamo), COO (Rick Adams), Vice President of Exploration (Peter Karelse), and Controller (Anita Bailey).

On September 3, 2014, the Company received a $100,000 demand loan from its Executive Chairman, Bruce Reid, which loan bore interest at a rate of 12% per annum. This demand loan was repaid on November 25, 2014 resulting in $2,728.77 being accrued at quarter-end and paid in December 2014.

PROPOSED TRANSACTIONS

There are no proposed transactions that will materially affect the performance or operations of the Company in the near term, other than the possible exercise of the Company's option in the Last Hope Property near Lynn Lake, Manitoba. However, the lack of revenue requiring the Company to rely on the issue of treasury shares to fund its operations could have a material effect on its performance and operations.

CRITICAL ACCOUNTING POLICIES

The preparation of the Company's financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Areas requiring the use of management estimates relate to assumptions used in determining share-based payments. Actual results may differ from these estimates.

(a) Significant Judgments in Applying Accounting Policies

Exploration and evaluation assets

In evaluating the carrying value of its exploration and evaluation assets, the Company makes judgments about whether or not indicators of impairment, or indicators of a reversal of impairment, exist at each reporting period. This determination impacts whether or not a detailed impairment assessment is performed.

(b) Significant Accounting Estimates and Assumptions

The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

Share-based payments

The amount expensed for share-based payments is based on the application of the Black-Scholes option pricing model which is highly dependent on the expected volatility of the Company's shares and the expected life of the applicable options or warrants. The Company uses an expected volatility rate for its shares based on past share trading data. Actual volatility may be significantly different. While the estimate of share-based payments can have a material impact on the operating results reported by the Company, it is a non-cash charge and, as such, has no impact on the Company's cash position or future cash flows.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Other Accounting Policies

This MD&A, together with the Company's Annual Audited Financial Statements, which include additional information relating to the Company's accounting policies, is available on the Company's SEDAR Page Site accessed through *www.sedar.com*.

Future Changes in Accounting Standards

Standards Issued But Not Yet Effective

The IASB has issued IFRS 9 Financial Instruments ("IFRS 9") which proposes to replace IAS 39 Financial Instruments Recognition and Measurement. The replacement standard has the following significant components: establishes two primary measurement categories for financial assets - amortized cost and fair value; establishes criteria for classification of financial assets within the measurement category based on business model and cash flow characteristics; and eliminates existing held-to-maturity, available-for-sale and loans and receivable categories. The effective date is January 1, 2018, with earlier application permitted. The Company has not adopted IFRS 9 in its financial statements for the current period, but will continue to monitor and evaluate the impact of any required changes to its condensed financial statements based on the characteristics of its financial instruments at the date of adoption.

New Accounting Standards Adopted During The Year

On May 21, 2013, the IASB issued IFRIC 21, Levies, an interpretation on the accounting for levies imposed by governments. IFRIC 21 is an interpretation of IAS 37, Provisions, contingent liabilities and contingent assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). 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. The Company has determined that there is no impact on its condensed financial statements from the adoption of IFRIC 21.

Internal Control and Procedures

Disclosure Controls and Procedures and Internal Control over Financial Reporting

The Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**") of the Company have designed disclosure controls and procedures ("**DC&P**") to provide reasonable assurance that material information relating to the Company is made known to them by others within the Company, particularly during the period in which the annual filings are being prepared and information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. The CEO and CFO have also designed internal controls over financial reporting ("**ICFR**") to provide reasonable assurance regarding the reliability of financial reporting and preparation of the Company's financial statements for external purposes in accordance with IFRS.

A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Evaluation of Disclosure Controls and Procedures and Internal Control over Financial Reporting

As at the end of the period covered by this MD&A, using the 1992 COSO Framework the CEO and the CFO evaluated the design and operating effectiveness of the Company's DC&P and ICFR. Based on that evaluation, the CEO and CFO concluded that the Company's DC&P and ICFR were effective as at November 30, 2014.

INCENTIVE STOCK OPTION PLAN

The Company has established a stock option plan to provide incentive compensation to the Company's directors, officers, employees and consultants (the "**Stock Option Plan**"). The Stock Option Plan is administered by the board of directors of the Company. Stock options may be granted at any time to any director, senior officer, key employee or other person providing services to the Company, taking into consideration his or her contribution to the success of the Company and any other factor which the board of directors of the Company may deem proper and relevant. The aggregate number of common shares which may be reserved for issuance pursuant to the Stock Option Plan and any other share compensation arrangements of the Company will not exceed 10% of the total number of issued and outstanding common shares (calculated on a non-diluted basis) from time to time. Stock options granted under the Stock Option Plan are exercisable over a period not exceeding ten years, subject to earlier cancellation upon the optionee ceasing to be an employee, senior officer, director or consultant of the Company, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The stock options are non-assignable and non-transferable. The Stock Option Plan contains provisions for adjustment in the number of shares issuable in the event of a subdivision, consolidation, reclassification or change of the common shares, or a merger or other relevant changes in the Company's capitalization. The Stock Option Plan contains a provision for financial assistance by the Company at the discretion of the Board of Directors in respect of the exercise of stock options granted, with the shares so acquired to be pledged as security for such financial assistance.

RISKS AND UNCERTAINTIES

The following is a brief description of some of the risks that investors should be aware of. This discussion should not be considered complete and, therefore, the Company, its directors and officers recommend that shareholders, lenders, investors and readers of this MD&A, and other documents that the Company may disseminate, review their investments directly with their own financial advisors:

(a) investment in the common shares of the Company is highly speculative given nature of the Company's business and additional funding requirements to continue operations;

(b) directors and officers of the Company will only devote a portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time; and

(c) there can be no assurance that an active and liquid market for the Company's common shares will develop and an investor may find it difficult to resell the Company's common shares.

Nature of Operations

The Company is an exploration company. Its mineral properties are currently being explored and the Company has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amount shown for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration and development and upon future profitable production or proceeds from disposition of such properties. The Company tries to maximize its exposure to promising exploration opportunities, to manage the risks inherent in exploration and to make appropriate use of financial resources. The Company intends to hire several employees who worked the properties in the past and, accordingly, are familiar with the legacy workings and historic infrastructure; further, such individuals are familiar with the historic mine data and government reports that identify some of the positive attributes of the properties. This experience and knowledge base would mitigate the risks associated with otherwise unknown properties.

Nature of Mineral Exploration and Mining

At the present time, the Company does not hold any interest in a mining property in production. The Company's viability and potential success lie in its ability to discover, develop, exploit and generate revenue out of mineral deposits. The exploration and development of mineral deposits involve significant financial risks over a significant period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. While discovery of a mine may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that the current or proposed exploration programs on exploration properties in which the Company has an interest will result in a profitable commercial mining operation.

The operations of the Company are subject to all of the hazards and risks normally incidental to exploration and development of mineral properties, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all damage. The activities of the Company may be subject to prolonged disruptions due to weather conditions depending on the location of operations in which the Company has interests. Hazards, such as unusual or unexpected formation, rock bursts, pressures, cave-ins, flooding or other conditions may be encountered in the drilling and removal of material. While the Company may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks is such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which the Company cannot insure or against which it may elect not to insure. The potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the future earnings and competitive position of the Company and, potentially, its financial position.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as its size and grade, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting and environmental protection. The effect of these factors cannot be accurately predicted, and the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Fluctuating Prices

Factors beyond the control of the Company may affect the marketability of any gold, silver or other minerals discovered. Resource prices have fluctuated widely and are affected by numerous factors beyond the Company's control. The effect of these factors cannot accurately be predicted.

Permits and Licences

The operations of the Company may require licences and permits from various governmental authorities. The Company believes that it presently holds all necessary licences and permits required to carry on with activities which it is currently conducting under applicable laws and regulations and the Company believes it is presently complying in all material respects with the terms of such laws and regulations. However, such laws and regulations are subject to change. There can be no assurance that the Company will be able to obtain all necessary licences and permits required to carry out exploration, development and mining operations at its projects.

No Assurance of Titles

The acquisition of title to mineral projects is a very detailed and time consuming process. Although the Company has taken precautions to ensure that legal title to its property interests is properly recorded in the name of the Company where possible, there can be no assurance that such title will ultimately be secured. Furthermore, there is no assurance that the interest of the Company in any of its properties may not be challenged or impugned or that unrecorded royalties may be asserted as claims against production or revenues from mining. Some of the Company's properties may be subject to claims from aboriginal peoples which may affect exploration, development or operating activities and the costs thereof.

Environmental Regulations

The operations of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mineral exploration and mining operations, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards and enforcement; fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Dividends

The Company has not paid any dividends on its common shares since incorporation and does not anticipate paying any dividends on its common shares in the foreseeable future. The Company has a limited operating history and there can be no assurance of its ability to operate its projects profitably.

Conflicts of Interest

The directors and officers of the Company may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interest of the Company. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director is required by the *Business Corporations Act* (Ontario) to disclose the conflict of interest, to be absent from the discussions and to abstain from voting on the matter.

Joint Ventures and Other Structures

From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment or of the company receiving the assigned interest. Option agreements generally entitle the optionee to acquire an interest in a property by paying cash or shares and incurring exploration expenses to earn the whole or a percentage interest; if less than the whole of the property is earned by the optionee, a joint venture is generally formed between the two companies. Under most joint venture arrangements, failure to contribute one's percentage share of the costs and expenses of the joint venture activities results in a reduction of the percentage interest held by the non-paying company; often, when a percentage interest is reduced to a low threshold (often 10%), the percentage interest is converted into a royalty or other passive residual interest. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Key Executives

The Company is dependent on the services of key executives and a small number of highly skilled and experienced consultants and personnel. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. Due to the relatively small size of the Company, the loss of these persons or the Company's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations. The Company does not currently carry any key man life insurance on any of its executives.

Additional Funding Requirements

As discussed above, the mineral properties of the Company are in the exploration stage and, as a result, the Company has no source of operating cash flow. The Company intends to continue raising such additional funds to allow it continue its operations, especially its ongoing exploration activities in Manitoba. Management anticipates raising cash in 2015 and subsequent years, although there is no assurance that the Company will be successful in obtaining required funding necessary to execute its operating plan.

FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company, and its projects, the exploration expenditures, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, limitations of insurance coverage, tax assessments and appeals related thereto and regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors 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 the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; the future price of gold and silver; possible variations of ore grades or recovery rates; failure of the plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. A detailed description of risk factors can be found in the Company's filings available on SEDAR at *www.sedar.com*. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained in such documents are made as of their respective dates and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances, management's estimates or opinions should change, except as required by securities legislation. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at *www.sedar.com*

APPROVAL

This MD&A was reviewed and approved by the Board of Directors of the Company and is effective as of January 8, 2015.