ALBION PETROLEUM LTD.

Management Discussion and Analysis

For the nine months ended September 30, 2014
(Containing information up to and including November 28, 2014)

Management Discussion and Analysis

Introduction

This Management's Discussion and Analysis of Albion Petroleum Ltd. ("Albion" or the "Company") prepared as of November 28, 2014, provides analysis of Albion's financial results for the nine months ended September 30, 2014. The following information should be read in conjunction with the accompanying unaudited interim condensed financial statements and related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All comparative figures in those unaudited interim condensed financial statements have been presented to be in accordance with IFRS. This MD&A contains "forward-looking statements" that are subject to risk factors set out in a cautionary note contained herein. All figures are stated in Canadian dollars unless otherwise indicated.

This discussion follows the guidance of Form 51-102F1. Inapplicable items have been omitted.

Overview of the Business and Overall Performance

Albion Petroleum Ltd. (the "Company" or "Albion") was incorporated under the *Business Corporations Act(Alberta)* on April 4, 2005 as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange Inc. ("TSXV"). On incorporation, 2,000,000 common shares were issued at a price of $0.05 per share for proceeds of $100,000. On December 28, 2007, in conjunction with the listing of the Company on NEX on January 10, 2008, 1,000,000 common shares were cancelled, leaving 1,000,000 common shares issued and outstanding. The remaining 1,000,000 common shares were placed in escrow with Olympia Trust Company and will be released in accordance with the policies of the TSXV.

In October 2005, the Company completed its IPO through the issuance of 5,000,000 common shares at a price of $0.10 per share. Concurrent with the completion of the IPO, the Company granted 700,000 options to officers and directors of the Company with an exercise price of $0.10 per share with an expiry date of September 10, 2010. The Company also granted its agent, and sub-agents, an option to purchase up to 500,000 common shares at a price of $0.10 per share until October 11, 2007.

The Company proposes to identify and evaluate businesses and assets primarily oriented towards the oil and gas and mineral industries, with a view to completing a Qualifying Transaction (hereinafter defined) in accordance with the policies of the TSXV and the NEX. Until completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. The net proceeds from the IPO and the funds received on incorporation have only been sufficient to identify and evaluate a very limited number of assets and businesses, none of which were completed as a Qualifying Transaction. The Company has raised additional funds in the amount of $499,905 as of April 5, 2012, which amount will be used to finance any acquisition or participation to which the Company may ultimately commit, as well as for general working capital. Any acquisition or participation completed by the Company may not prove successful.

A Qualifying Transaction means a transaction where a CPC acquires significant assets, other than cash, by way of purchase, amalgamation, merger, or arrangement with another company or by other means. Significant Assets mean one or more assets or businesses which, when purchased, optioned, or otherwise acquired by the CPC, together with any other concurrent transactions would result in the CPC meeting the Minimum Listing Requirements, see Policy 2.1 - Minimum Listing Requirements of the TSXV.

The Company entered into a letter of intent dated May 15, 2014, (the "**LOI**"), with Sundance Minerals Ltd. ("**Sundance**"), First Majestic Silver Corp. ("**First Majestic**") and 0924682 B.C. Ltd. ("**NumberCo**") pursuant to which: (i) Sundance agreed to acquire all of the issued and outstanding securities of NumberCo and all of the issued and outstanding securities of Minera Terra Plata, S.A. de C.V. ("**Terra Plata**"), an indirect wholly owned subsidiary of First Majestic (the "**Sundance Acquisitions**"); and (ii) after the completion of the Sundance Acquisitions, Albion will combine with Sundance (the "**Proposed Transaction**"). The Proposed Transaction is expected to constitute a

Qualifying Transaction (as such term is defined in the policies of the TSXV).

The Sundance Acquisitions completed on July 1, 2014. Pursuant to the Sundance Acquisitions, Sundance acquired all of the issued and outstanding securities of NumberCo, and all of the issued and outstanding securities of Terra Plata, an indirect wholly owned subsidiary of First Majestic in exchange for shares of Sundance. After the Sundance Acquisitions, pursuant to the Proposed Transaction, it is anticipated that Albion will acquire Sundance (and as a result of the Sundance Acquisitions, NumberCo and Terra Plata) by the issuance of Albion common shares to Sundance shareholders by way of a plan of arrangement under the *Canada Business Corporations Act* and Albion will continue into British Columbia under the name of First Mining Finance Corp. (the "**Resulting Issuer**"). The Proposed Transaction is subject to required Sundance shareholder, TSXV and Court approvals and other customary conditions. It is anticipated that the completion of the Proposed Transaction will result in the listing of the Resulting Issuer on the Exchange as a Tier 2 Mining Issuer. The Proposed Transaction is not a Non-Arm's Length Qualifying Transaction as such term is defined under the policies of the Exchange.

On July 1, 2014, the Company entered into an arrangement agreement (the "**Arrangement Agreement**") with Sundance pursuant to which it is anticipated that the Company will complete the Proposed Transaction, subject to, and only upon the satisfaction or waiver of, the terms and conditions contained in the Arrangement Agreement. Immediately prior to the execution of the Arrangement Agreement, Sundance: (i) completed the Sundance Acquisitions; and (ii) completed a private placement for aggregate gross proceeds of $400,000 at a price of $0.15 per common share of Sundance. Shortly after the $400,000 private placement, Sundance completed a further private placement at $0.15 per common share of Sundance for aggregate gross proceeds of $124,750.

The Qualifying Transaction (as described above) remains subject to Sundance shareholder, TSXV and Court approval. For further information on the Qualifying Transaction please see the Company's news releases dated June 16, 2014 and July 4, 2014.

On September 12, 2014 the Company held an Annual General and Special Meeting (the "Meeting") whereby, as general items of business the shareholders voted to approve the December 31, 2013 annual financial statements, set the number of Directors at five (5), re-appointed all incumbent directors, elected board nominee Jacqueline Danforth to serve as a director for the ensuing year, approved the appointment of Crowe Mackay LLP as auditors of the Company and re-approved the Company's stock option plan. Special matters of business approved by shareholders at the Meeting included confirmation of By-Law No 1A allowing for advance notice of nominations of directors in certain circumstances, approval of the Proposed Transaction set out above, approval to continue the Company from Alberta to British Columbia and approval of a name change and share consolidation on the basis of 1 share for each 4 common shares issued and outstanding.

In the opinion of management, all adjustments consisting of normal recurring adjustments, considered necessary for a fair presentation of the Company's financial position, results of operations and cash flows, have been included in our financial disclosure. The Company has not commenced formal operations.

Selected Annual Financial Information

We have summarized selected information from the Company's audited financial statements for the past three years.

	Year ended December 31,		
	2013	2012	2011
Financial results			
Comprehensive loss	$ 76,000	$ 196,090	$ 38,642
Basic and diluted loss per share	0.01	0.02	0.01
Balance sheet data:			
Total cash and cash equivalent	321,456	381,874	3,138
Total assets	322,611	387,170	3,951
Total current liabilities	29,745	18,304	25,524
Total liabilities	29,745	18,304	25,524
Shareholders' equity (deficit)	292,866	368,866	(21,573)

Summary of Quarterly Results

Unaudited summarized information for the last eight quarters:

Quarterly results	**Sept 30, 2014 Q3**	**Jun 30, 2014 Q2**	**Mar 31, 2014 Q1**	**Dec 31, 2013 Q4**
Financial results				
Comprehensive loss	53,065	63,125	21,543	27,470
Basic and diluted loss per share	0.00	0.01	0.00	0.00
Balance sheet data:				
Total cash and cash equivalent	160,421	261,219	309,236	321,456
Total assets	160,421	264,344	310,516	322,611
Total current liabilities	5,288	56,146	39,193	29,745
Total liabilities	5,288	56,146	39,193	29,745
Shareholders' equity (deficit)	155,133	208,198	271,323	292,866

Quarterly results	**Sept 30, 2013 Q3**	**Jun 30, 2013 Q2**	**Mar 31,2013 Q1**	**Dec 31, 2012 Q4**
Financial results				
Comprehensive loss	12,942	25,923	9,665	109,053
Basic and diluted loss per share	0.00	0.00	0.00	0.01
Balance sheet data:				
Total cash and cash equivalent	327,795	351,508	369,599	381,874
Total assets	328,278	352,963	375,351	387,170
Total current liabilities	7,942	19,685	16,150	18,304
Total liabilities	7,942	19,685	16,150	18,304
Shareholders' equity (deficit)	320,336	333,278	359,201	368,866

Results of operations

	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
	$	$	$	$
Legal	36,929	625	88,755	7,970
Accounting, audit and tax	-	-	200	2,730
Meals and entertainment	219	-	422	1,786
Listing and transfer agent	3,266	3,020	12,656	13,625
News releases	2,508	144	2,508	277
Office expenses	7,974	4,761	18,209	14,654
Travel expenses	2,169	4,392	14,983	7,488
Total Expenses	53,065	12,942	137,733	48,530

Quarter over quarter operating results reflect normal course quarterly expenditures for general and administrative expenses, accounting, audit and tax fees and other costs, with the following extraordinary items:

- The company's legal expenses for the three and nine month ended September 30, 2014 were substantially increased to $36,929 and $88,755 from $625 and $7,970 in the same period ended September 30, 2013, respectively due to the Company's entry into a letter of intent to complete a Proposed Transaction.

Liquidity

The Company's working capital for the period ended September 30, 2014 was $155,133, compared to a working capital of $292,866 at the end of December 31, 2013.The Company incurred a net loss of $137,733 for the nine month ended September 30, 2014 compared to $48,530 for the same period ended September 30, 2013 and has an accumulated deficit of $968,478 at September 30, 2014 (December 31, 2013 - $830,745)

The Company will be required to raise additional funds to continue investigation of qualifying transactions and for general working capital. The Company will rely on loans and the equity markets in order to finance its ongoing future business activities. The Company does not have any long term contractual obligations.

Current Economic Conditions

The Company operates within the context of the general publicly traded securities market and is subject to the same uncertainties and market risks inherent within this market sector. Since the fall of 2008 the financial markets have been in significant turmoil, and the ongoing ability to complete a transaction which would qualify as a Qualifying Transaction, and raise equity capital for the transaction will be substantially dependent upon a return to better economic conditions not only in Canada but on a global basis.

Future Operations

The Company is in the development stage and has not commenced commercial operations as at September 30, 2014. The principal business of the Company consists of the identification and evaluation of potential acquisitions of assets or businesses primarily involved in the oil and gas and mineral industries.

Where an acquisition or participation is warranted for a Qualifying Transaction, the Company believes it has sufficient funds on hand to complete an acquisition; however, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing when and as needed.

There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange. The Company continues to review potential opportunities on a regular basis, and is confident that a transaction which would qualify as a Qualifying Transaction will be completed in due course.

New Accounting Policies adopted

During the nine month ended September 30, 2014, the Company adopted several new IFRS standards and amendments in accordance with the transitional provisions of each standard. A brief description of each new standard and its impact on the Company's financial statements follows below:

i) IAS 32 "Financial Instruments: Presentation"

This amendment provides clarification on the application of offsetting rules. These amendments are effective for annual periods beginning on or after January 1, 2014

ii) IAS 36 "Impairment of Assets"

In May 2013, the IASB issued amendments which reduce the circumstances in which the recoverable amount of CGUs is required to be disclosed and clarify the disclosures required when an impairment loss has been recognized or reversed in the period. The amendments are required to be adopted retrospectively for fiscal years beginning January 1, 2014, with earlier adoption permitted. These amendments will be applied by the Company on January 1, 2014 and the adoption will only impact the Company's disclosures in the notes to the financial statements in periods when an impairment loss or impairment reversal is recognized.

Future Accounting Policy Changes

IFRS 9 "Financial Instruments" addresses classification and measurement of financial assets and 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 and loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit and loss or at fair value through other comprehensive income. IFRS 9 is effective for annual periods beginning on or after January 2017 with early adoption permitted.

Related Party Transactions

On April 26, 2013, Ms. Jacqueline Danforth was appointed as Chief Financial Officer of the Company. On September 12, 2014 Ms. Danforth was appointed to the Company's Board of Directors. Filer Support Services Inc., a consulting company owned by Ms. Danforth, invoices the Company $1,500 monthly for administrative support and financial accounting services. During the nine months ended September 30, 2014 the Company expensed a total of $13,500 with respect to services provided by Filer Support Services Inc. As of September 30, 2014, the Company owed $1,575 (December 31, 2013 - $1,575) to Filer Support Services, which amount is included in accounts payable and accrued liabilities.

During the nine month period ended September 30, 2014, Mr. David Shaw, the Company's President and a member of the Board of Directors invoiced to the Company a total of $15,621 for reimbursement of expenses. As of September 30, 2014, the Company owed $2,144 to Mr. David Shaw (December 31, 2013 - $13,461), which amount is included in accounts payable and accrued liabilities.

These transactions occurred in the normal course of operations and are measured at the exchange amount, which is the amount determined and agreed to by the related parties, which amount is also considered to be the fair value.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements, or contractual obligations.
The Company currently has no long term debt arrangements and has no immediate plans to secure any long term debt.

Financial Instruments and Financial Risk Management

The Company's financial instruments include cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities. The carrying values of these financial instruments approximate their fair values due to their relatively short periods to maturity.

These financial instruments are classified as follows:

- Cash and cash equivalents, level 1 fair value measurement – fair value through profit or loss
- Accounts receivable– loans and receivables
- Accounts payable and accrued liabilities – other financial liability

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments. This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout the unaudited interim condensed financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies.

(a) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. As at September 30, 2014 the Company's accounts receivable consisted of $nil (December 31, 2013 – $1,155) from the federal government relating to Goods and Services Tax input tax credits. Accordingly, the Company views credit risk on accounts receivable as minimal.

(b) Liquidity risk:

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation.

As at September 30, 2014, the Company's financial liabilities were comprised of accounts payable and accrued liabilities, all of which have either contractual or expected maturities of less than one year. See note 1 to the unaudited interim condensed financial statements for discussion of the going concern assumption.

(c) Market risk:

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns:

i) Currency risk:

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign

exchange rates. Although the Company is considered to be in the development stage and has not yet developed commercial interests, any commodity based assets are impacted by changes in the exchange rate between the Canadian and United States dollar. As all of the Company's transactions are denominated in Canadian dollars, the Company is not exposed to foreign currency exchange risk at this time.

ii) Commodity price risk:

Commodity price risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for resource projects are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar. As the Company has not yet developed a commercial business interest in relation to its Qualifying Transaction, it is not exposed to commodity price risk at this time.

iii) Interest rate risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As the Company has no variable rate debt, it is not exposed to interest rate risk or interest expense at this time. The Company had no interest rate swap or financial contracts in place at September 30, 2014.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue a Qualifying Transaction. The Company considers its capital structure to include working capital and shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets.

To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms. The Company's investment policy is to hold cash in interest bearing bank accounts and highly liquid short-term interest bearing investments with maturities of one year or less which can be liquidated at any time without penalties.

The Company is not subject to externally imposed capital requirements. There has been no change in the Company's approach to capital management during the period ended September 30, 2014.

Outstanding Share Capital

On April 5, 2012, the Company announced the closing of a Non-Brokered Private Placement whereby the Company raised a total of $499,905 by way of the issuance of a total of 4,761,000 shares at $0.105 per share (the "Placement").

Changes in issued common shares of the Company are as follows:

	Number of shares		Amount
Balance, November 28, 2014, September 30, 2014 and December 31, 2013	10,768,500	$	877,375

Escrowed Shares and Listing on NEX

According to TSXV Policy 2.4, the Company must complete a Qualifying Transaction within 24 months of listing on the TSXV. Effective October 11, 2007 the Exchange halted the trading in the common shares of Albion for failing to have completed its Qualifying Transaction within this timeframe. The remedy to re-instate trading in the shares of the Company was contingent upon getting shareholder approval for listing of its shares on the NEX. Another stipulation under the TSXV policies was that 50% of the escrow shares held by the directors or insiders were to be cancelled. At

the Company's Annual and General Shareholders meeting held on November 30, 2007 both of these resolutions were approved by the shareholders, resulting in a reduction in the number of escrowed shares from 2,135,000 to 1,135,000 common shares.

Albion completed a private placement for a total of 4,761,000 common shares which closed on April 5, 2012, a total of 2,000,000 common shares were acquired by officers and directors and a further 1,500,000 common shares, representing over 10% of the then current issued and outstanding share capital, were acquired by a single corporate placee. The shares of the corporate place have been placed into escrow. A further 843,000 common shares previously acquired by an officer director have been placed into escrow so that a total of 5,478,000 common shares (December 31, 2013 – 5,444,667) are held in escrow subject to terms of release as specified by TSXV policy.

Officers and Directors

Individual	Office Held
David Shaw	Director, President and Chief Executive Officer
Benjamin Hill	Director
Jeddiah Richardson	Director
Pablo Mir	Director
Jacqueline Danforth	Director, Chief Financial Officer