EXPLOR Resources inc.

# Interim Management Discussion and Analysis Report

## For the Six-Month Period Ended October 31, 2014

This interim management's discussion and analysis report ("MD&A") provides an analysis of our financial position and results of operations to enable a reader to assess material changes for the six-month period ended October 31, 2014, in comparison with the same period of last year. This interim MD&A report was prepared as at December 29, 2014 to complement our condensed interim financial statements. This interim MD&A and our condensed interim financial statements are intended to provide investors with reasonable basis for assessing our results of operations and our financial performance.

Explor Resources Inc. ("Explor") was continued under the *Canada Business Corporations Act (Alberta)*. It is an exploration company operating in Canada. It holds properties in Ontario (Eastford Lake, PG 101, Carnegie, Golden Harker, Timmins Porcupine West,Kidd Township and Ogden), in Quebec (Launay, East Bay and Destor), and in New Brunswick (Chester). Explor Resources Inc. is a publicly listed company trading on the TSX Venture (EXS), on the USA OTCQX International (EXSFF) and on the Frankfurt and Berlin Stock Exchanges (E1H1).

This interim MD&A contains "forward-looking statements" not based on historical facts. Forward-looking statements express, as at the date of this report, our estimates, forecasts, projections, expectations and opinions as to future events or results. Forward-looking statements herein expressed are reasonable, but involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements, factors could cause results or events to differ materially from current expectations expressed or implied by forward-looking statements include, but are not limited to, fluctuations in the market price of precious metals, mining industry risks, uncertainty as to calculation of mineral reserves and requirements of additional financing and the capacity of the Corporation to obtain financing.

The Corporation does not undertake to update any forward-looking statements except as required by securities regulation, as required Part 4A- Forward-Looking Information and Part4B – FOFI and Financial Outlooks of Regulation 51-102 Respecting Continuous Disclosure Obligations.

## MINING PROPERTIES

### EASTFORD LAKE (ONTARIO)

#### *History*

In October 2005, the Corporation acquired a 100% interest in 137 units (13 claims) situated in the Kerr, Warden and Milligan Townships, in Ontario, in consideration of an amount of $18,000 and the issuance of 450,000 common shares. The vendors have retained a 2% NSR royalty on these claims. In September 2007, the Corporation acquired 57 additional contiguous claims by staking and the Eastford Lake Property now covers a total area of approximately 3,140 hectares.

#### *Location*

The Eastford Lake Property is located in the Rayner Lake area, near the Abitibi Lake, at approximately 100 km to the west of the city of Timmins, Ontario. The property is accessed via a 16 kilometres all weather graver road from highway 101 to the south.

#### *Work by Explor*

In July 2009, Explor completed a round of exploratory drilling to determine the location and direction of the «**Lynx Gold Zone**"; seven drill holes for a total of 3,534.2 meters were completed to test a new model. Visible Gold (VG) was observed in two of the holes that were drilled. A total pulp metallic assay has been conducted on those areas where VG was observed. Only one hole had anomalous values less than 500ppb.

Explor completed a structural analysis of the geology using the holes drilled to date and incorporated the results into the current geological model. Nine parallel shear zones were defined in a 400 meter wide shear zone corridor. The

shear zone corridor appears to have been bisected by a major fault trending north-north-east. Gold has been found in several of the shears. Two drill holes were completed to intersect where six SGH gold anomalies were coincident with the shear zones. Of these only one resulted with anomalous gold mineralization.

In 2010, Explor completed a series of four holes for a total of 3,029 meters of diamond drilling. This program focused on intersecting the gold bearing shear zones that are intersected by a major fault structure that is trending in a north north easterly direction and through the Lynx Gold Zone. Diamond Drill Hole #EG-10-24 (787m in length) and #EG-10-25 (743m in length) were drilled north of the Lynx Gold Zone to test the possibility that a gold bearing, crosscutting fault zone (hole # EG-09-23: 2.3 g/t, 2.0 g/t, 1.4 g/t, 4.6 g/t, 3.6 g/t, 2.4 g/t, 1.0 g/t, 1.6 g/t Au) may be the NNE trending extension of the Lynx Gold Zone. The best assay from Hole EG-10-24 was 512 ppb, and from Hole EG-10-25 was 414 ppb. Diamond Drill Hole #EG-10-27 (750m in length) was designed to test the crosscutting fault zone south of the Lynx Gold Zone. Best assay was 153 ppb. Diamond Drill Hole EG-10-26 (749m in length) tested the 400m wide main shear zone about 200m northwest of the Lynx Gold Zone.

The results of the 2010 diamond drill program suggest the following:

1. The cluster of gold assays in Hole EG-10-26 occurs along structural, lithological and alteration that strike northwest of the Lynx Gold Zone. This suggests that the strongest known Au mineralization in the immediate area (including the Lynx Gold Zone) occurs within and is controlled by the northwest trending Eastford Lake Fault Zone.
2. The multiple Au intersections grading up to 4.6 gpt in previously drilled hole EG-09-23 may indicate a separate gold zone parallel to the Lynx Gold Zone, or, it may be controlled by the cross fault.

The discovery of the Lynx Gold Zone in this largely unexplored area represents a major technical success. As a possible new gold camp associated with the regional Destor-Porcupine Fault, it requires further systematic drilling to test and improve the proposed geological model, extend the known gold zones and search for new mineralized zones elsewhere on the property. Explor has incorporated the drill results into the Eastford Lake Model and is evaluating its significance. During the year ended April 30, 2014, the Corporation has impaired part of the exploration work because Explor dedicates its financial resources to other projects.

**CARNEGIE (ONTARIO)**

***History***

From 2007 to 2008, the Corporation entered into five different agreements for the acquisition of 18 claims (86 units) located in the Carnegie and Kidd Townships, Mining Division of Porcupine, in Ontario, forming the Carnegie Property, which covers approximately 1,003 hectares. To acquire these claims, the Corporation paid a total of $53,000 and issued a total of 750,000 common shares. The vendors have retained a 2% NSR royalty on these claims.

***Location***

The Carnegie Property is located approximately 1.5 kilometre north of the Kidd Creek mine site and approximately 20 km north of the city of Timmins, Ontario. Excellent access is provided by Highway 655.

***Work by Explor***

A 2,500 meters drill program consisting of ten holes was completed by Explor in the winter of 2010 on the Carnegie Property. Rhyolite was observed in one of the holes. The drilling that was completed tested max/min as well as IP targets there were found during the 2009 winter/spring geophysical program.

A detailed examination of the core has permitted to observe lithologies, textures, alterations and mineralization in many of the holes that were drilled that indicate a strong potential for the localization of a volcanogenic massive sulfide deposit. This has necessitated a second phase of geochemical sampling to determine alteration indexes and also samples have also been submitted for Cu-Zn (copper-zinc) and gold analysis. During the year ended April 30, 2014, the Corporation has impaired part of the exploration work because Explor dedicates its financial resources to other projects.

## KIDD TOWNSHIP (ONTARIO)

### *History*

From 2007 to 2008, the Corporation entered into six different agreements for the acquisition of 21 claims and one patented claim (105 units) located in the Kidd, Wark, Prosser and Murphy Townships, Mining Division of Porcupine, in Ontario, forming part of the Kidd Township Property. The Corporation paid a total amount of $62,000 and issued a total of 690,000 common shares to acquire these claims and the vendors have retained a 2% NSR royalty on these claims.

On September 10, 2009, the Corporation entered into an option agreement for the acquisition of a 100 % interest in 2 additional claims (16 units) located in the Kidd Township. To acquire this interest, the Corporation paid $6,000 and issued 80,000 common shares. The vendor has retained a 2% NSR royalty on these claims.

On March 24, 2010, the Corporation entered into an option agreement for the acquisition of a 100 % interest in 4 additional claims (16 units) located in the Kidd Township. To acquire this interest, the Corporation paid $20,000 and issued 200,000 common shares. The vendor has retained a 2% NSR royalty on these claims. Also, in the event that a kimberlite pipe is discovered and placed into commercial production, a royalty of $1.00 per tonne shall be paid to the vendor for every tonne of ore that is mined.

On July 14, 2014, the Corporation entered into an option agreement for the acquisition of a 100% interest in four units located in the Kidd Township. To acquire this interest, the Corporation issued 200,000 common shares. The vendors retained a 2% NSR royalty on these claims.

### *Location*

The Kidd Township Property now covers an area of approximately 2,466 hectares which is located 1.5 kilometre south east of the Kidd Creek mine site and approximately 20 km north of the city of Timmins, Ontario. Excellent access is provided by Hwy 655 which passes through the middle of the property.

### *Work by Explor*

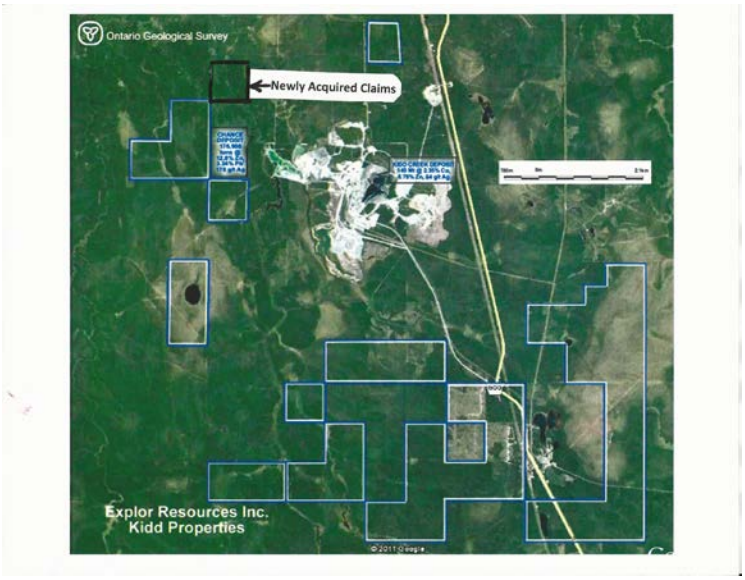
A first phase of a diamond drilling program was completed by Explor in the fall of 2008, consisting of four diamond drill holes to test geophysical targets south of the Kidd Creek Mine, in an area believed to be predominantly a sedimentary environment. Felsic and metasediments were intersected in all those holes. Highlights include a 1.1 meter section of massive to semi-massive pyrite intersected in Hole #3 down hole at 339.0 to 340.1 meters. Anomalous values of Cu, Zn and Pb were intersected in three of the four holes ranging from 100 to 200 ppm Cu, 330 ppm Zn and 780 ppm Pb in Hole #2. Hole #3 intersected 175 ppm Cu and 906 ppm Zn over 1.5 m. Three EM targets remain to be tested by diamond drilling.

Ground geophysics consisting of Max/Min have also been completed. Four targets in the Burrows Benedict fault area south east of the mine have been drilled and the results are currently being evaluated. In the north eastern part of the property, four drill targets have also been drilled. No economic sulphide mineralization was observed.

A series of untested VTEM anomalies have been observed on the claims acquired in spring 2010. These claims are approximately 0.5 km to the west of the Chance deposit (Zn-Pb-Ag) (zinc-lead, silver) and to the west of Kidd Creek deposit. These claims may be on the same synvolcanic collapsed structure as the Kidd Mine and the Chance deposit. Some of the EM targets occur along magnetic boundaries suggestive of a rhyolite/basalt contacts. The Kidd Creek Mine located to the east of the property is known for Cu-Zn-Pb-Ag (copper-zinc-lead-silver) production. The Kidd Creek Mine has produced 130,000,000 tonnes of base metal ore since it started production in 1966. The presence of mafic and felsic rocks with anomalous zinc and copper make this an exploration property of merit.

In February 2011, Explor started a 4,000 meters diamond drill program on the Kidd Township Property, focusing on a 500 hectare portion of ground located approximately two kilometers east of the Kidd Creek open pit. Nine, (9) diamond drill holes were completed for a total of 4,814 meters of diamond drilling on its 100% owned Kidd Township Property.

The analysis of the 2011 drill results, the MEGATEM survey, the VTEM survey and previous historical drill results has confirmed that a major fault structure crosses the Northeastern corner of claim block 4211459. This fault structure and Explor's claims are shown on the attached plan. The claims are outlined in white and black. Both the Kidd Creek and the Chance deposits are located within this fault structure that crossed the Northern part of the claim block. The drill holes completed by Explor did not detect alteration patterns indicating proximity to hydrothermal venting, however Explor did core sulfide rich flow breccias and coarse pyroclastics, which are indicative of a volcanic mound and nearby venting, favourable area for the deposition of massive sulfides.




Geological modelling for the deposition of marine volcanogenic massive sulphides proposes that hydrothermal venting usually occurs along a deeply rooted fault "growth fault"**.** Hydrothermal venting and sulphide deposition can occur in multiple locations over many kilometres along such faults, resulting in a "string" of massive sulphide deposits (i.e. Noranda and Mattagami mining camps). Assuming that the Kidd Creek and Chance deposits lie along such a growth fault, the projection of this fault crosses the northern portion of claim 4211459 in the area of VTEM anomalies C1 and C2, as well as the isolated MEGATEM anomaly which lies nestled in between.

A review of the existing information on the property has revealed an area in the above referenced growth fault that is 800 meters in length and 300 meters in width that has not yet been drill tested. This area is approximately 1.0 km to the west of the Chance (Zn-Pb-Ag) deposit and lies with the same interpreted growth fault the Kidd and Chance deposit are found. The area appears to be located on the same synvolcanic collapsed structure as the Kidd Mine and the Chance Deposit. The EM targets occur along magnetic boundaries suggestive of a rhyolite/basalt contact.

In January 2013, the Corporation started a 3,000 meter diamond drill program on the property. The drill program tested targets on an area 800 meters in length and 300 meters in width that had not yet been drill tested. The results of the winter 2013 drill program are currently being evaluated.

**PG 101 (ONTARIO)**

***History***

In December 2008, the Corporation entered into an option agreement to acquire a 50% interest in a 101 mineral claims package totalling 1,626 hectares, situated in Holloway and Marriott Townships in the Larder Lake mining division, district of Cochrane, Province of Ontario. To acquire this 50 % interest, the Corporation has paid $300,000 and issued 1,000,000 common shares over the three-year option period. Explor has the right at any time to increase its interest to 70% by the payment of $1,000,000. The Optionor has retained a 2% NSR royalty on these claims.

In May 2009, the Corporation entered into an option agreement to acquire a 100 % interest in 25 additional units (2 claims) situated in the Marriott Township. In consideration of this acquisition, the Corporation paid $30,000 and issued 400,000 common shares over the two-year option period.

In May 2009, the Corporation entered into another option agreement to acquire a 100 % interest in 22 additional units (2 claims) situated in the Holloway Township. In consideration for this acquisition, the Corporation has paid $10,000 and issued 300,000 common shares. The vendors have retained a 2% NSR royalty on these claims.

***Location***

The PG 101 Property is adjacent to the eastern boundary of St. Andrew Goldfields' former producing Holt Mine property and only a few kilometers east of their Holloway Mine property.

The PG 101 Property is underlain by the same succession of mafic volcanic flows, breccias, and tuffs that host the known gold deposits of the area. These volcanic rocks are cut by ENE trending faults that splay from the Destor-Porcupine fault zone ("DPFZ"). The DPFZ is a major deformation zone that crosses along the north boundary of the PG 101 claims in Marriott Township. Proximity to the DPFZ, the Kirkland-Lake - Larder-Lake Break and other similar regional faults are characteristic of significant gold deposits of the Eastern Abitibi greenstone belt.

***Work by Explor***

In 2008-2009, Explor completed a drilling program on the PG101 Property. Hole PG101-09-01 tested a strong IP anomaly in the area of a regional east northeast trending graphitic shear. Hole PG101-09-02 was drilled on the same structure 400 meters to the southwest.

Hole PG101-09-01returned an intersection of 52.01 g/tonne gold over a core length of three meters (equivalent to 1.843 oz/ton over 9.84 feet) in an altered high iron basalt with quartz-carbonate veining as well as several other intersections presented in the following table. Hole PG101-09-02 did not return any significant assays.

The results from the drilling indicate that the strike-slip structures that are at or near the contact between Iron-Rich and Magnesium-Rich basalts and contain graphitic material have a high potential for gold mineralization. Located along strike to the southwest are several other areas where a cross fault intersects the southwest trending structure. Within the northern area of the property, there are numerous reported strike-slip fault structures that are along strike from the Holt Mine of St. Andrew Goldfields that would constitute an area of interest.

The Corporation has completed 80 kilometers of line cutting and geophysics (mag and VLF) on the southwestern portion of the property, in hilly and mountainous area where it appears that cross faults intersect the southwest trending geological structure. The Corporation has completed a geophysical program to determine potential drill targets on the PG 101 Property. Some targets have been identified but no work is presently planned. During the year ended April 30, 2014, part of this property has been impaired because the Corporation dedicates its financial resources to other projects.

**GOLDEN HARKER (ONTARIO)**

***History***

In December 2010, the Corporation entered into an option agreement pursuant to which it acquired a 100% interest in a 15 mineral claims package located in Harker Township, in the Larder Lake mining division, district of Cochrane, Ontario. Explor paid $25,000 and issued 400,000 common shares to acquire these claims. The vendors have retained a 2% NSR royalty on these claims.

In February 2012, the Corporation entered into an agreement pursuant to which it acquired a 100% interest in one additional claim (one unit) in the Golden Harker Property. Explor paid $8,000 to acquire this claim. The vendor has retained a 2% NSR royalty on this claim.

***Location***

The Golden Harker Property is located south west of the St. Andrew Goldfield's Holt McDermott Mine property and their Holloway Mine property. Several other smaller deposits in the Harker-Holloway gold camp and in the vicinity of the Golden Harker Property include the Buffonta, Mattawasaga and East Zone deposits.

The Golden Harker Property is underlain by the same succession of mafic volcanic flows, breccias, and tuffs that host the known gold deposits of the area. These volcanic rocks are cut by ENE trending faults (including the Ghost Mountain fault) that splay from the Porcupine-Destor-Fault Zone ("PDFZ"). The PDFZ is a major deformation zone that crosses to the north of the claims through Harker Township. Proximity to the PDFZ, the Kirkland-Lake - Larder Lake Break and other similar regional faults are characteristic of significant gold deposits of the Eastern Abitibi greenstone belt. As at April 2014, the exploration and evaluation expenditures on this property have been impaired because at short term, no exploration work is planned on the property.

**TIMMINS PORCUPINE WEST (ONTARIO)**

***History***

In July 2009, the Corporation entered into an option agreement pursuant to which it could acquire a 100% interest in 106 claims situated in the Bristol and Ogden Townships located in the famous Timmins-Porcupine mining camp within proximity to past and existing producers. Explor paid $50,000 at signature and issued 1,000,000 common shares and the Corporation had to pay a total of $60,000 CDN and issue 4,000,000 common shares over a 2 year period for an Option to acquire a 100% interest in the Timmins Porcupine West Gold Property. These conditions have already been fulfilled. These claims are subject to a 3% NSR.

In May 2010, the Corporation entered into an option agreement pursuant to which it acquired a 100% interest in one (1) claim (4 units) situated in the Ogden Township. To acquire a 100% interest in the additional claim in the Timmins Porcupine Property, Explor paid CDN $5,000 at signature and issued 50,000 common shares. The vendors have retained a 2% NSR in these claims.

In September 2010, the Corporation entered into an option agreement pursuant to which it will acquire a 100% interest in 75 additional units (13 claims) located in the Bristol and Ogden Townships. To acquire a 100% interest in the additional claims, Explor paid $100,000 and issued 2,000,000 common shares over a period of two years. These claims are subject to a 2% NSR in favor of a former owner.

In March 2011, the Corporation entered into an option agreement pursuant to which it acquired a 100% interest in 3 patented mining claims located in the Ogden Township in Ontario. To acquire a 100% interest in the additional patented claims in the Timmins Porcupine Township, Explor paid a total of $20,000 and issued 200,000 common shares over a period of one year. The optionors have retained a 2% NSR in these claims. A geophysical program was completed on part of this property and 3 targets were identified.

In March 2012, the Corporation entered into a sale agreement pursuant to which it acquired a 100% interest in 3 parcels of mining lands comprising 3 units located in the Bristol Township. To acquire a 100 % interest in the additional units of the Timmins Porcupine Property, Explor paid $60,000 at signature. The vendor has retained a 2% NSR in these units.

On December 29, 2014, the Corporation announced that it has entered into an option agreement with Teck Resources Limited ("Teck") for the Timmins Porcupine West Property whereby Teck could earn up to a 70% interest in the TPW Property.

Explor grants Teck the option to acquire an initial 55% interest in the Property (the "First Option") which Teck may exercise by incurring an aggregate of CDN$8,000,000 in committed and optional expenditures by May 1, 2019 (the "due date"). If Teck does not incur the listed expenditures by their due date, Teck may pay cash in lieu of the shortfall to maintain the First Option. Teck may terminate the First Option at any time prior to exercising the First Option, so long as Teck returns the Property within 30 days in good standing.

Teck will have a further option (the "Second Option") to earn an additional 15% interest in the TPW Property (the "additional Interest") by sole funding an additional $4 million in expenditures prior to May 1, 2022, for an aggregate of $12 million on the Property prior to May 1, 2022. If Teck does not incur the listed expenditures by their due date, it may pay cash in lieu of the shortfall to maintain the Second Option. If Teck exercises the Second Option the Property shall be owned as to Teck 70% and Explor 30% interest.

If Teck exercises the First Option, the parties shall participate in exploration and development of the Property through a joint venture (the "Joint Venture"), which shall be formed on the date the Second Option is exercised or expires unexercised. Thereafter, each party shall fund its prorata share of future expenditures on the Property or incur dilution via a standard industry formula. If a party's interest in the Property is diluted below 10%, its interest will be converted to a 5% net profits royalty. Upon formation of the Joint Venture, Teck will be the operator so long as it holds the largest interest.

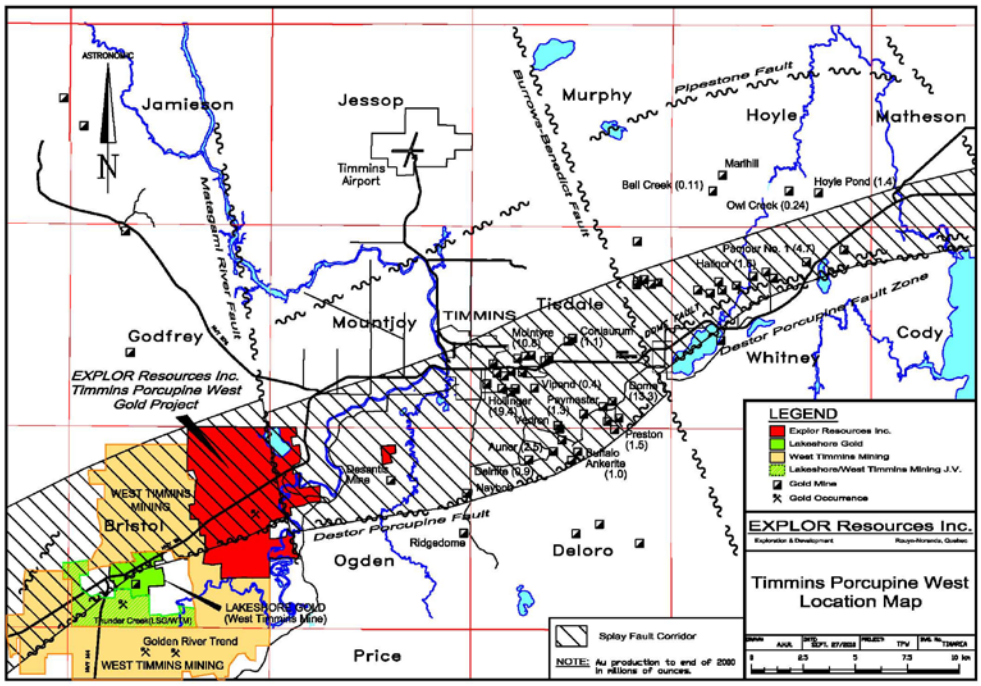
Teck will participate in a private placement for the subscription of 3,500,000 units at a price of CDN$0.09 per unit for a total amount of CDN$315,000. Each unit is composed of one common share and one half (½) of a share purchase warrant (the "Warrant"). Each whole warrant gives the right to subscribe for one common share of the Corporation at a price of $0.10 per share, for a period of 12 months and at a price of $0.15 per share for an additional period of 12 months. The securities that will be issued at the closing of this private placement will be subject to a hold period of four months and one day from closing. This placement is subject to the final approval of the TSX Venture Exchange.

***Location***

The Timmins Porcupine West Property consists of 185 unpatented mining units and 3 patented mining claims located in the Bristol and Ogden Townships in the Timmins-Porcupine Mining Camp for a total 3,200 hectares as shown on the attached property map. The property is contiguous with West Timmins Mining Inc. (WTM) where WTM intersected 83.40 meters (273.55 feet) grading 12.75 g/t (0.37 oz/t) on their property. (WTM Press Release June 24, 2009) The highway 101 bisects the property and provides access from the city of Timmins located 13 km to the east.

The property has been explored since 1927 by numerous ground geophysical surveys and diamond drilling of up to 111 holes. In 1984, Dome Exploration discovered and delineated a gold mineralized zone that is approximately 350 meters long and 45 meters wide. The zone strikes east northeast and dips to the north at 70 to 80 degrees. Drill programs by Teck Corporation, Cameco Gold and Tom Exploration Inc., have extended the mineralization to 350 meters of depth. The gold mineralization to date appears to be associated with a major porphyry unit.

The most significant deposits in Timmins are spatially associated with porphyry units that are in proximity to the Porcupine Destor Fault. The deposits appear to be also associated with splay faults that trend off to the north of the Porcupine Destor fault inside an interpreted splay fault corridor as shown on the attached plan.




***Work by Explor***

The existing historical data has been used to create a 3D litho and mineralization model which has generate high quality deep drill targets from the significant shallow gold mineralization inside the splay fault corridor favourable rock package.

The modelling confirms the association of gold mineralization with Quartz feldspar (QFP) and syenite porphyry, found at both the Lakeshore and West Timmins Properties. The modelling has revealed a geo-synclinal structure with a north and south limb with the majority of the drilling to date has been focused on the south limb of the geo-syncline in two mineralized zones. The "A" Zone identified through modelling strikes east northeast and dips to the north at 70 to 80 degrees. The drilling has confirms the association of gold mineralization with Quartz feldspar (QFP) and syenite porphyry, found at both the Lakeshore and West Timmins Properties. Five mineralized zones designated "A" thru "E" have been identified. The larger zones of mineralization display a strong spatial relationship with proximity to syenite intrusive rocks and high Fe-tholeitic volcanic rocks. The model may be viewed on our website: www.explorresources.com.

The most recent drill results on the TPW property are indicated in the Corporation latest annual MD&A. For earlier drill results, please refer to previous annual MD&A. The following is a summary of the phases of drillings on the Timmins Porcupine West Property.

Phase I Drilling (November 2009 – February 2010):
In November 2009, Explor initiated a nine (9) holes, NQ-sized, diamond-drill program totalling 12,065.9 metres that was completed in February 2010. This drilling program is referred to herein as Phase I.

The Phase I program targeted the so-called "A Zone" mineralization, one of five mineralized zones identified on the Property, and located on the south limb of the Porcupine Geosyncline.

The Phase I program helped to substantiate the deposit model and outlined the "A" Zone over 900 m of strike and to a depth of between 400 m and 600 m.

Phase II Drilling (April 2010 – July 2010):
Drilling by Explor in 2010 continued with Phase II diamond-drilling program, consisting of 19 holes (TPW-10-10 to TPW-10-27; including TPW-10-11A) comprising 12,658 m of NQ core. The Phase II drilling program tested the projected down-dip continuation of the "A" Zone to 800 m to 1000 m depths, as well as the other identified mineralized zones on the Property; namely zones "B", "C", "D" and "E".

Phase II drilling helped to further delineate the "A" Zone to 1875 m along strike and to a depth of between 400 m and 1000 m.

Phase III Drilling (October 2010 – August 2011):
In October 2010, a proposed 10,000 metre diamond-drilling program (Phase IIIa) was initiated. It comprised 11,976.5 m of NQ core from 15 holes (TPW-10-28 to TPW-10-36A), including five (5) wedge-holes off of hole TPW-10-30; namely holes TPW-10-30W1, TPW-10-30W2, TPW-10-30W2A, TPW-10-30W3, and TPW-10-30W3A.

In February 2011, it was announced that the drilling program would be expanded a further 20,000 metres based on promising early results. The expanded program (Phase IIIb), which began in May 2011, included an additional 25 holes (TPW-11-37 to TPW-11-55A) and 31 wedge-holes. The expanded program comprised 26,884.8 m.

The Phase III program concluded in August 2011, having completed 38,861.3 m of drilling.

The Phase III drilling program continued to delineate the "A" zone, increasing its defined strike-length to at least 1975 metres. The main mineralization was reported to be concentrated between 550 m and 850 m below surface.

Phase IV Drilling (October 2011 – March 2012):

The Phase IV drilling program on the Property comprises an announced 30,000 metre program was announced in a Press Release dated October 4, 2011 and was designed to continue to expand the extent of the known mineralization of the "A" Zone. The program began in October 2011 with Hole TPW-11-56 to Hole 12-73 and has comprised a total of fifteen (17) holes and 26 wedge holes. The Phase IV program ended in March 2012 with a total of 30,000 metres having been completed.

Phase V Drilling (March 2012-December 2012):

The 2012 drilling program on the Property comprised an announced 30,000 metre program (Press Release of March 27, 2012) designed to continue to expand the extent of the known mineralization of the "A" Zone and to test the North limb of the synclinal. The program began in March 2012 with Hole TPW-12-74 and has comprised a total of 24 holes (TPW-12-74 to TPW-12-98) and 12 wedge holes.

Phase VI Drilling (January 2013 –up to date):

In January 2013, the Corporation announced a 10,000 meter drill program (Press Release of January 10, 2013) designed to test and to expand the known near the surface gold mineralization in order to determine the open pit resource potential of the property.

On August 27, 2013, the Corporation released a new estimate of the mineral resources on the TPW property:

**Open Pit Mineral Resources at a 0.30 g/t Au cut-off grade are as follows:**

| | |
|---|---|
| **Indicated:** | **213,000 oz (4,283,000 tonnes at 1.55 g/t Au)** |
| **Inferred:** | **77,000 oz (1,140,000 tonnes at 2.09 g/t Au)** |

**Underground Mineral Resources at a 1.70 g/t Au cut-off grade are as follows:**

| | |
|---|---|
| **Indicated:** | **396,000 oz (4,420,000 tonnes at 2.79 g/t Au)** |
| **Inferred:** | **393,000 oz (5,185,000 tonnes at 2.36 g/t Au)** |

It should be noted that the drilling to June 30, 2013 has yielded **an increase of 104% in Indicated ounces and 190% increase in Indicated tonnes over the December 2012 resource**. Additional near surface planned drilling is expected to further increase the potential open pit-able resource.

Explor retained P&E Mining Consultants Inc., ("**P&E**") being an independent firm in respect of the Company, to prepare a technical report (the "**Technical Report**") on the Timmins Porcupine West Property, entitled "Technical Report, Explor Resources Inc., Timmins Porcupine West Property, Bristol & Ogden Townships, Ontario", in accordance with National Instrument 43-101 — Standards of Disclosure for Mineral Projects ("**NI-43-101**"). Eugene Puritch, P.Eng., Richard Sutcliffe, P. Geo., Tracy Armstrong, P.Geo. and Antoine Yassa, P.Geo. of P&E Mining Consultants Inc., ("**Authors**") all being qualified persons under NI-43-101, are the co-authors of the Technical Report dated July 1, 2013. The Technical Report was filed on August 29, 2013 under the Company's profile on the SEDAR web site at www.sedar.com.

As of the date of this MD&A, the Corporation is of the opinion that there has been no material change in the information concerning the Timmins Porcupine West Property since the date of the Technical Report. The Technical Report was prepared in compliance with Form 43-101F1 —Technical Report of the Canadian Securities Administrators and is subject to certain assumptions, qualifications and procedures described therein. Reference should be made to the full text of the Technical Report, which is available for review under Explor's profile on SEDAR at www.sedar.com.

**Caution: The Technical Report was prepared using certain pricing assumptions and certain historical information which may not reflect current market prices for commodities, and in particular the Technical Report is based on a gold price of US$1,638/oz (24 month trailing average price as of June 30, 2013). The Corporation has extrapolated information from the Technical Report to provide investors with a sensitivity analysis in the event the price of gold goes to: (a) US$1,300/oz; and/or (b) US$1,000/oz.**

The resource estimate was derived from applying an Au cut-off grade to the block model and reporting the resulting tonnes and grade for potentially mineable resources. Near-surface resources are constrained within an optimized conceptual pit-shell that utilized Inferred and Indicated mineral resources. Underground mineral resources are reported outside of the pit shell.

The following calculation demonstrates the rationale supporting the Au cut-off grade that determines theunderground and open pit potentially economic portions of the mineralization.

| **Mineral Resource Estimate Au Cut-Off Grade Calculation CDN$** | |
|---|---|
| Au Price | US$1,638/oz (24 month trailing average price June 30, 2013) |
| $US/$CDN Exchange Rate | 1:1 |
| Au Recovery | 95% |
| UG (underground) Mining Cost | $70/tonne mined |
| OP (open pit) Mining Cost | $2.00/tonne mined |
| Process Cost (2,000 tpd) | $10.00/tonne |
| milled General & Administration | |
| $5.00/tonne milled | |

Therefore, the Au cut-off grade for the underground resource estimate is calculated as follows:

*Operating costs per ore tonne = ($70 + $10+ $5) = $85/tonne*
*[($85)/[($1,638/oz/31.1035 x 95% Recovery)] = 1.70 g/t*
*[($85)/[($1,300/oz/31.1035 x 95% Recovery)] = 2.14 g/t* ***[This calculation was not in the Technical Report][5]***
*[($85)/[($1,000/oz/31.1035 x 95% Recovery)] = 2.78 g/t* ***[This calculation was not in the Technical Report][5]***

The Au cut-off grade for the open pit resource estimate is calculated as follows: *Operating costs per ore tonne = ($10+ $5) = $15/tonne*
*[($15)/[($1,638/oz/31.1035 x 95% Recovery)] = 0.30 g/t*
*[($15)/[($1,300/oz/31.1035 x 95% Recovery)] = 0.38 g/t* ***[This calculation was not in the Technical Report][5]***
*[($15)/[($1,000/oz/31.1035 x 95% Recovery)] = 0.49 g/t* ***[This calculation was not in the Technical Report][5]***

| **TPW MINERAL RESOURCE ESTIMATE (1-4) $US 1 638/OZ** | | | | **SENSITIVITY ANALYSIS ASSUMING $US 1,000/OZ** | | | |
|---|---|---|---|---|---|---|---|
| These calculations were included in the Technical Report | | | | These calculations were not included in the Technical Report but have been extrapolated for the purpose of disclosure in this MD&A (5) | | | |
| **Open Pit. Cutoff = 0.30 g/t Au** | **Tonnes** | **Grade** | **Au ozs** | **Open Pit. Cutoff = 0.49 g/t Au** | **Tonnes** | **Grade** | **Au ozs** |
| Indicated | 4,283,000 | 1.55 | 213,000 | Indicated | 4,133,200 | 1.59 | 211,300 |
| Inferred | 1,140,000 | 2.09 | 77,000 | Inferred | 1,139,900 | 2.09 | 76,800 |
| **Underground. Cutoff = 1.70 g/t Au** | | | | **Underground. Cutoff = 2.78 g/t Au** | | | |
| Indicated | 4,420,000 | 2.79 | 396,000 | Indicated | 1,268,400 | 4.22 | 172,100 |
| Inferred | 5,185,000 | 2.36 | 393,000 | Inferred | 737,300 | 3.29 | 83,300 |
| **Open Pit + Underground** | | | | **Open Pit + Underground** | | | |
| Indicated | 8,703,000 | 2.17 | 609,000 | Indicated | 5,401,600 | 2.21 | 383,400 |
| Inferred | 6,325,000 | 2.31 | 470,000 | Inferred | 1,927,200 | 2.58 | 160,100 |

*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, although Explor is not aware of any such 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 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 CIM Council.*
*(4) Values in the table may differ due to rounding.*
*(5) Calculations were prepared by Eugene Puritch, P.Eng. of P&E Mining Consultants Inc., a qualified person,using information collected for the Technical Report and using the same methodology as the Technical Report.*

The following tables summarize the sensitivity to the Mineral Resource Estimate in the Indicated and Inferred resource categories at various cut-off grades. Explor reported the open pit resource at a 0.30 g/t Au cut-off grade and the underground resource at a 1.70 g/t Au cut-off grade, as follows:

SENSITIVITY TO RESOURCE ESTIMATE

| Open Pit Sensitivity | | | | | Open Pit Sensitivity | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Class | Cutoff Au g/t | Tonnes | Au g/t | Au oz | Class | Cutoff Au g/t | Tonnes | Au g/t | Au oz |
| Indicated | 1.50 | 2,140,100 | 2.11 | 145,400 | Inferred | 1.50 | 962,600 | 2.26 | 69,900 |
| Indicated | 1.40 | 2,287,500 | 2.07 | 152,200 | Inferred | 1.40 | 968,400 | 2.25 | 70,200 |
| Indicated | 1.30 | 2,602,700 | 1.98 | 165,900 | Inferred | 1.30 | 977,400 | 2.25 | 70,600 |
| Indicated | 1.20 | 2,896,500 | 1.91 | 177,600 | Inferred | 1.20 | 1,105,300 | 2.13 | 75,600 |
| Indicated | 1.10 | 3,084,700 | 1.86 | 184,600 | Inferred | 1.10 | 1,127,400 | 2.11 | 76,400 |
| Indicated | 1.00 | 3,263,900 | 1.82 | 190,600 | Inferred | 1.00 | 1,133,700 | 2.10 | 76,600 |
| Indicated | 0.90 | 3,443,000 | 1.77 | 196,100 | Inferred | 0.90 | 1,135,300 | 2.10 | 76,700 |
| Indicated | 0.80 | 3,577,200 | 1.74 | 199,800 | Inferred | 0.80 | 1,135,700 | 2.10 | 76,700 |
| Indicated | 0.70 | 3,737,500 | 1.69 | 203,700 | Inferred | 0.70 | 1,136,000 | 2.10 | 76,700 |
| Indicated | 0.60 | 3,895,300 | 1.65 | 207,000 | Inferred | 0.60 | 1,136,200 | 2.10 | 76,700 |
| Indicated | 0.50 | 4,091,700 | 1.60 | 210,400 | Inferred | 0.50 | 1,139,900 | 2.09 | 76,800 |
| Indicated | 0.49(1) | 4,133,200 | 1.59 | 211,300 | Inferred | 0.49(1) | 1,139,900 | 2.09 | 76,800 |
| Indicated | 0.40 | 4,220,900 | 1.56 | 212,300 | Inferred | 0.40 | 1,139,900 | 2.09 | 76,800 |
| Indicated | 0.38(1) | 4,235,300 | 1.56 | 212,400 | Inferred | 0.38(1) | 1,139,900 | 2.09 | 76,800 |
| Indicated | 0.30 | 4,283,200 | 1.55 | 213,000 | Inferred | 0.30 | 1,139,900 | 2.09 | 76,800 |
| Indicated | 0.25 | 4,291,800 | 1.54 | 213,100 | Inferred | 0.25 | 1,140,100 | 2.09 | 76,800 |
| Indicated | 0.20 | 4,305,100 | 1.54 | 213,200 | Inferred | 0.20 | 1,140,100 | 2.09 | 76,800 |

SENSITIVITY TO RESOURCE ESTIMATE

| Underground Sensitivity | | | | | Underground Sensitivity | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Class | Cutoff Au g/t | Tonnes | Au g/t | Au oz | Class | Cutoff Au g/t | Tonnes | Au g/t | Au oz |
| Indicated | 2.78 (1) | 1,268,400 | 4.22 | 172,100 | Inferred | 2,78(1) | 787,300 | 3.29 | 83,300 |
| Indicated | 2.14(1) | 2,789,700 | 3.13 | 280,700 | Inferred | 2.14(1) | 3,566,900 | 2.56 | 293,600 |
| Indicated | 2.00 | 3,313,900 | 3.10 | 329,800 | Inferred | 2.00 | 4,193,000 | 2.48 | 334,400 |
| Indicated | 1.90 | 3,792,100 | 2.95 | 359,600 | Inferred | 1.90 | 4,570,900 | 2.44 | 357,900 |
| Indicated | 1.80 | 4,069,800 | 2.88 | 376,200 | Inferred | 1.80 | 4,835,800 | 2.40 | 373,600 |
| Indicated | 1.70 | 4,420,200 | 2.79 | 395,900 | Inferred | 1.70 | 5,185,200 | 2.36 | 393,300 |
| Indicated | 1.60 | 4,709,300 | 2.72 | 411,200 | Inferred | 1.60 | 5,520,700 | 2.32 | 411,100 |
| Indicated | 1.50 | 5,003,900 | 2.65 | 425,900 | Inferred | 1.50 | 5,772,000 | 2.28 | 423,700 |
| Indicated | 1.40 | 5,337,600 | 2.57 | 441,400 | Inferred | 1.40 | 6,343,500 | 2.21 | 450,000 |
| Indicated | 1.30 | 5,835,600 | 2.47 | 462,900 | Inferred | 1.30 | 6,580,900 | 2.18 | 460,300 |
| Indicated | 1.20 | 6,451,600 | 2.35 | 487,600 | Inferred | 1.20 | 7,204,500 | 2.09 | 485,000 |
| Indicated | 1.10 | 7,077,500 | 2.24 | 510,800 | Inferred | 1.10 | 7,555,100 | 2.05 | 497,900 |
| Indicated | 1.00 | 7,583,200 | 2.17 | 528,000 | Inferred | 1.00 | 7,959,600 | 2.00 | 511,600 |
| Indicated | 0.90 | 8,051,900 | 2.09 | 542,300 | Inferred | 0.90 | 8,455,700 | 1.94 | 526,700 |
| Indicated | 0.80 | 8,501,500 | 2.03 | 554,700 | Inferred | 0.80 | 9,097,000 | 1.86 | 544,300 |
| Indicated | 0.70 | 9,120,800 | 1.94 | 569,700 | Inferred | 0.70 | 9,665,400 | 1.80 | 558,000 |
| Indicated | 0.60 | 9,797,600 | 1.85 | 583,800 | Inferred | 0.60 | 10,176,200 | 1.74 | 568,600 |

**Note: (1) These calculations were not part of the Technical Report but have been extrapolated for the purpose of the disclosure in this MD&A. Calculations were prepared by Eugene Puritch, P.Eng. of P&E Mining Consultants Inc., a qualified person, using information collected for the Technical Report and using the same methodology as the Technical Report.**

**It is important to note that the strike length of the gold mineralization is greater than 2,000 meters. It should be noted that additional drilling will in all likelihood increase the size of the resource.** The continuity of mineralization continues to be confirmed, and the structure remains open on strike and at depth. Explor has intersected gold mineralization in 113 out of 118 holes drilled to date and 64 out of 65 wedges. Explor has concentrated its efforts on the south limb of the syncline and very little work has been completed on the north limb of the syncline.

Additional near surface planned drilling is expected to further increase the potential open pit able resource.

## OGDEN PROPERTY (ONTARIO)

***History***

On December 23, 2014, the Corporation entered into an acquisition agreement for the acquisition of 8 mining claims (70 mineral claim units) situated in the Porcupine mining division, district of Cochrane, in the Ogden Township, Ontario. These claims are adjacent and to the east of the Timmins Porcupine West Property. Highway 101 West is north of the property and provided excellent access to the city of Timmins.

Explor Resources Inc. will pay $50,000 CDN and issue 2,000,000 common shares to acquire a 100% interest in the Ogden claims. There is an existing 2% NSR on the property and a 2% Gross Overriding Receipts (GOR) royalty on all diamonds extracted from the claims. This acquisition is subject to the approval of the TSX Venture Exchange.

The most significant deposits in Timmins are spatially associated with porphyry units that are in proximity to the Porcupine Destor Fault. The deposits appear to be also associated with splay faults that trend off and to the North of the Porcupine Destor fault inside an interpreted splay fault corridor.

The Ogden Property is contiguous on the east side of the Timmins Porcupine West Property. The Timmins Porcupine West Project has as a Target Model "The Hollinger-McIntyre-Coniaurum System." The Hollinger-McIntyre-Coniaurum (HMC) System has produced a total of over 30 million oz of gold is spatially associated with the Pearl Lake Porphyry. The high-grade gold bearing quartz veins which hosted the bulk of the gold at the HMC occurred in the adjacent mafic volcanics, located outboard from the porphyry itself.

## EAST BAY (QUEBEC)

***History***

In 2007, the Corporation entered into two agreements for the acquisition of 33 claims of the East Bay Property, situated in the Duparquet Township, in the Rouyn-Noranda mining camp, Province of Quebec, for a consideration of $15,360 and the issuance of 51,429 common shares. The vendors have retained respectively a 1% NSR royalty and a 2% NSR royalty on these claims.

In January 2008, the Corporation acquired 20 additional claims located in the Duparquet Township in consideration of a payment of $12,000 and the issuance of 125,000 common shares. The vendor has retained a 2% NSR royalty on these claims.

In July 2009, the Corporation acquired 38 additional claims situated in the Duparquet Township in consideration of $20,000.

In October 2010, the Corporation acquired 14 additional claims located in the Duparquet and Hebecourt Townships for a consideration of $33,500. The vendor has retained a 2% NSR royalty on these claims.

In March 2014, the Corporation acquired 15 additional claims located in the Duparquet Township for a consideration of the issuance of 500,000 common shares. The vendors have retained a 1% NSR in the property.

In April 2014, the Corporation acquired one additional claim located in the Duparquet Township for a consideration of the issuance of 50,000 shares. The vendor has retained a 1% NSR in the property.

***Location***

The East Bay Property is located in the western central part of Duparquet Township approximately one kilometer west of the town of Duparquet, Quebec. Excellent access is provided by a paved road that connects Highway 101 from Matheson, Ontario to Rouyn-Noranda, Quebec to the property at approximately two kilometres off the highway. The property covers an area of approximately 3,203.71 hectares along the Porcupine-Destor Fault zone.

***Work by Explor***

Explor has completed a study and a complete compilation of work executed in the past, followed by line cutting, magnetic survey and VLF to determine the localization of structural targets on the property. In July 2013, the Corporation started a drill program on the property. Drilling was aimed at two targets along the prolific fault zone, respectively in Duparquet and Hébécourt Townships, consisted of 5 drill holes aggregating 1,224.0 metres.

Beattie West Target Area (Duparquet Twp) consisted of a 1988 drill hole which had cored sheared-altered rocks hosting a 0.93 metre-long quartz-rich interval grading 6.4 g/t Au.

The four holes drilled in 2013 on this target (EXS-13-01 to EXS-13-04) were laid out according to the follow-up drill program proposed in 1988, through a tighter spacing. With an aggregate total of 879 metres, all four drill holes encountered a sequence of highly sheared and altered felsic tuffs and quartz porphyries, with subordinate felsic and mafic volcanics and ultramafics.

Quartz flooding occurs through each drill hole; with fine pyrite reaching 1% locally in the first three holes and 1-3% locally in the fourth hole, the deepest of the drill program.

Weak gold mineralization was cored in drill hole EXS-13-01, which returned 356 ppb over 1.5 m and in EXS-13-02 which returned 575 ppb over 1.5 m, in a 4.5 metre-long interval grading 301 ppb. Because of folding, core angle measurements on the tectonic fabric are quite variable throughout the drill sections, but dips are commonly at 20-30 degrees, indicating southwestward dip.

Stronger gold mineralization was cored in drill hole EXS-13-04, which returned 1.68 g/t Au over a 2.0 interval. The host rock is rhyolite-looking, weakly pyritized (1-3% pyrite) and wedged between strongly sheared to mylonitic quartz-floored felsic tuffs and ultramafics.

The Wettring target Area (Hébécourt Twp) consisted of a cluster of 5 drill holes completed in 1945, in which numerous metre-long quartz-bearing intersections returned 1.0 to 4.0 g/t Au. Quartz veining was reported to be associated with a WNW- trending shear, a possible low-angle splay fault off the east-west Destor Porcupine fault zone to the south. The program proposed in 2013 consisted of locating and testing the proposed WNW-trending gold-bearing splay fault.

The 345.0 meter-long drill hole (EXS-13-05) completed on this target returned very encouraging results at depth and near the end of the hole, including two narrow gold-bearing intersections similar to those reported in 1945 and a very long intersection of anomalous gold mineralization.

The two narrow intersections consist of 2.61 g/t Au over 1.2 m in strong silicified, quartz-dolomite (ankerite) tourmaline flooded, strongly sheared felsic tuffs; and 2.0 g/t Au over 2.0 m intermittently quartz-dolomite (ankerite) flooded strongly sheared quartz porphyry marked by strong sericite alteration and 1-10% fine disseminated pyrite.

The long interval of anomalous gold mineralization was cored over 19.5 m (64ft), returning assays ranging 122 to 809 ppb (0.12 to 0.81 g/t). This interval included 12.0 m (39.3 ft) grading 540 ppb (0.54 g/t) Au, which in turn included a 7.5 m (24.6 ft) interval in which gold assays range 515 to 809 ppb (0.51 to 0.81 g/t), averaging 692 ppb (0.69 g/t).

This thick anomalous zone is hosted by strongly sheared and sericitic quartz porphyry, marked by 10-40% quartz-dolomite (ankerite) flooding with fuchsite and locally, tourmaline and epidote; fine disseminated pyrite occurring in traces to 1-2% locally. Core angle measurements on the tectonic fabric indicate a vertical to very steep southern dip.

All casings were left in place and capped. Based on the presence of geochemically anomalous gold down to the end of drill hole EXS-13-05, deepening on this hole will be required in the future. Altogether, 672 cores samples were collected and submitted for analysis for gold during this program.

**DESTOR (QUEBEC)**

***History***

In February 2007, Explor entered into an agreement to acquire 10 claims situated in the Destor Township in the Rouyn-Noranda mining camp, Province of Quebec. As a consideration for this property, the Corporation paid $5,000 and issued 100,000 common shares and committed itself to realized work for $200,000 prior to December 31, 2009. The Corporation has been granted an extension by the vendor of the property to incur $220,000 in exploration expenses prior to December 2010. In December 2010, the Corporation obtained a second extension of one year to complete the exploration work, i.e. until December 31, 2011. To obtain this extension, the Corporation issued 50,000 common shares and 50,000 Common Share purchase warrants, valid for a period of 24 months at a price of $0.60 per share. The vendors have retained a 2.5% NSR royalty on these claims. Explor has fulfilled its work commitment and now owns a 100% interest in the Destor Property.

***Location***

The Destor Property is located in the central part of the Destor Township approximately 42 km north of Rouyn-Noranda, Quebec. Excellent access is provided by Highway 393 that crosses the northern part of the property and connects to the town of Duparquet, Quebec. It covers approximately 279 hectares.

***Work by Explor***

Explor completed a VTEM survey, compilation and analysis of all existing geological information on the property. In January 2011, a 2,500 drill program was completed.Drill Holes EXS-D-11-02, 03 and 05 were directed under or within 100 metres of historic holes which had returned encouraging gold intersections. Drill Hole EXS-D-11-04 was drilled 200 m along the geological projection of an historic drill hole which had returned anomalous gold mineralization. Drill Holes EXS-D-11-01, 06 and 07 were drilled on untested targets.

Drilling was successful in uncovering gold in wide-ranging concentrations from decametre-wide geochemically anomalous zones, to metre-scale intervals of higher grade material.

Though anomalous gold was encountered in all seven drill holes of the program, Drill Holes EXS-D-11-01, 03, 04 and 06 were particularly enriched. In the short term, the Corporation does not planned to do additional work on this property and this is the reason why Explor impaired part of the exploration and evaluation expenditures.

**LAUNAY (QUEBEC)**

***History***

In September 2006, the Corporation entered into an option agreement to acquire a 100% interest in five claims located in the Launay Township, Province of Québec. To acquire this interest, the Corporation paid $30,000 and issued 250,000 common shares over a three-year period. The vendor has retained a 2% NSR royalty on these claims.

In April 2007, the Corporation entered into a second option agreement to obtain a 100 % interest in 48 additional claims situated in Launay Township in consideration of a payment of $10,000 and the issuance of 500,000 common shares. The vendor has retained a 2% NSR on these claims.

***Location***

The Launay Property is located in the northern part of the Launay Township, approximately six kilometers from the town of Launay, Quebec. It covers an area of approximately 2,249.46 hectares. Excellent access is provided by a logging road that connects the Launay-Guyenne road to the property approximately 4.5 km from the town of Launay.

***Work by Explor***

As at April 30, 2011, the Corporation had impaired this property as well as its exploration and evaluation expenditures in order to concentrate on other projects. Explor announced in May 2014, the start of an exploration program on the Launay Nickel Property. Phase I which consisted of 60 kilometers of line cutting and geophysics to determine targets has been completed. Phase II consisted of 1,020 meters of diamond drilling on the structure and completed by mid-August 2014.

The Launay Nickel Project is contiguous with and to the northwest of the 4,080 hectare Royal Nickel Property. The same ultramafic geological unit that the mineralization is found on the Royal Nickel Property continues onto the Explor's property as shown on the attached plan. Very little overburden (2 to 4 Meters) on the recently drilled section #78+00E was encountered during the first phase of diamond drilling.

Hole #3 was drilled and intersected 60.1 meters of ultramafic rocks. Hole #3 intersected anomalous nickel values that ranged from 0.08% to 0.19% (800 ppm to 1900 ppm) In the ultramafics, nickel is accompanied by local geochemically anomalous platinum to 33 ppb and palladium to 59 ppb.

Hole # 4, was drilled and intersected 80.8 meters of ultramafics rocks with anomalous nickel values from 0.05% to 0.12% (500 ppm to 1200ppm). The nickel enrichment is accompanied locally by weak geochemically anomalous platinum to 44 ppb and palladium to 31 ppb, with enrichment occurring in the upper portion and particularly near the upper contact.

Hole # 5, is a step back hole drilled behind Hole #3, intersected 132 meters of ultramafic rock. Hole #5 intersected anomalous nickel values from 0.04% to 0.11% (400 ppm to 1100 ppm). Of note in this drill hole is the gold zone that was intersected from 94.5 to 99.0 meters of 1.199 g/tonne over 4.5 meters. The Corporation is currently studying the drill results of the 2014 program.

**CHESTER (NEW BRUNSWICK)**

***History***

In February 2013, the Corporation entered into an option agreement to acquire a 100% interest in seventy-five (75) contiguous claim units located in the Northumberland County, in New Brunswick, known locally as the Chester Property. To acquire a 100% interest in this property, the Corporation already paid $50,000 and issued 6,500,000 common shares. At the second anniversary date of the agreement, the Corporation will pay $50,000 and at the third anniversary of the agreement, the Corporation will pay $50,000. The vendor has retained a 1.0% NSR in the property. There is an existing 1% NSR on part of the property in favor of a former owner.

In April 2013, Explor entered into an option agreement to acquire a 100% interest in 39 contiguous mining additional units in the Chester Property. To acquire this 100% interest in the Chester Property, the Corporation paid $30,000 and issued 750,000 common shares. The vendors have retained a 2.0% NSR in the additional claims units.

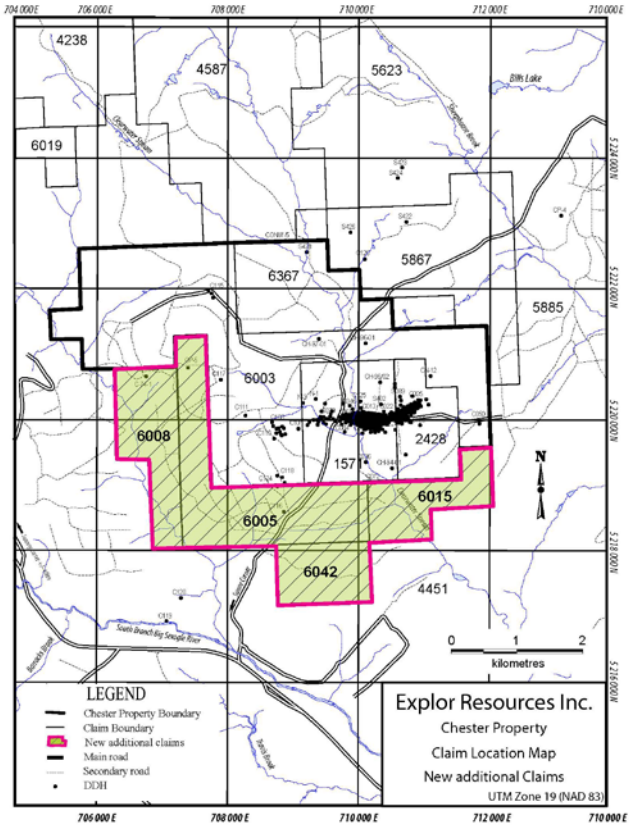
On April 17, 2014, the Corporation signed a letter of intent with Brunswick Resources Inc. (formerly Z-Gold Exploration Inc.) ("Brunswick") granting Brunswick the option to acquire the Chester Property from Explor. On June 20, 2014, the Corporation and Brunswick amended the letter of intent. Explor shall grant to Brunswick the sole and exclusive right and option, over a three-year period, to acquire 19 claims of the Chester Property for the following considerations: i) payment to Explor of an aggregate of $40,000, of which $10,000 at closing of the transaction; ii) issuance of a total of 5,000,000 common shares of Brunswick, of which 1,000,000 at closing of the transaction; iii) Brunswick shall assume the remaining financial obligation of $100,000 to previous owners; and iv) Brunswick shall complete a work program of $500,000, with a minimum of $100,000 during the first year of the option agreement. Upon the completion of these conditions over a period of three years, Brunswick will have acquired a 100% interest in the Property. Brunswick will assume the remaining NSR royalties in favor of previous owners on the Property**.**

It should be noted that this is a Non-Arm's Length Transaction as Christian Dupont is the president and CEO and Rodrigue Tremblay is the CFO of both Explor and Brunswick and Mario Colontonio and Geoffrey Carter are both directors of Explor and Brunswick. The disinterested shareholders of Brunswick approved the transaction on August

12, 2014 at their Annual and Special Meeting and the disinterested shareholders of Explor approved the transaction rat the annual and special meeting of shareholders held on October 7, 2014. Closing of the transactions contemplated in the Letter and option agreement was subject to the final approval of the TSX Venture Exchange which was obtained on December 22, 2014.

***Location***

The Chester Property now consists of a total of 114 contiguous mineral Claims units located in the southern edge of the **Bathurst Mining Camp (BMC).** It is located approximately 50 kilometres WNW of Miramichi City and approximately 70 kilometres SW of the City of Bathurst. The property is easily accessible from Bathurst via Highway 134 to Miramichi and an all-weather paved road to the property. The Chester Property now totalizes 2,508 hectares (6,197.40 acres).




***Work by Explor***

The Chester Property is known to contain a copper deposit and a volcanogenic massive sulphide (VMS) deposit. These are contained within the Clearwater Stream Formation of the Sheephouse Brook Group. Work in the last ten years has determined the age of the Clearwater Formation at 469 +/- 0.3 million years, which is the same time horizon as the Brunswick deposits and other significant deposits in the Bathurst Camp.

Phase I of the 2013 exploration program on the Chester Copper Property consisted of an extensive ground exploration program conducted on the property, concentrating mainly west side of the Clearwater Stream in an area that has not been explored since the late 1950's. The purpose was to explore the possibility of finding additional near surface mineralized zones similar to the known Chester Copper and VMS zones since it has already been confirmed (First Narrows 2004 and Historical drilling in 1967-68) that the main zone Copper Stringer deposit exists for 500 to 700 metres west of the calculated resource as shown on the attached Soil Copper Geochemical Survey Map.

The 2013 work program consisted of a grass roots exploration program briefly described as follows:

1) Line cutting, or grid establishment. A total of 74.7 kilometers of lines were cut and chained;

2) Geological Mapping. The entire grid was walked and mapped in July and August searching for outcrops, boulders and mineralization. Stream sediment samples were also taken as required. The objective was to search for sections of the favorable mineral bearing (or ore bearing) horizons at surface to the west of the known mineralization. The objective of the program was to correlate the underlying rock types with current knowledge and published maps of the Bathurst Mining Camp. During the mapping program a new zone of sericitization was discovered coincident with a very strong lead-in-soil anomaly. Following this anomaly along strike well defined Clearwater Stream rocks, altered and unaltered, were found south of the soil anomalies on several lines, defining considerable strike length. The identification of this rock type, which hosts the known Chester VMS and Copper stringer deposits, is very important in defining exploration potential of this property;

3) Ground magnetometer and VLF EM surveys were conducted on the grid to be used as a mapping tool for later interpretations of the geological and geochemical results;

4) A program of soil sampling the "A" & "B" horizons was completed on the newly established grid. No record of a soil sampling survey was found in any of the older assessment files, with the exception of the QPX soil survey of about 8-10 years ago.

The soil survey ended up being a 2 phase survey with 1993 soil samples taken in the first phase. The samples were screened to -80 mesh (a standard sieve in the Bathurst Mining Camp) and analyzed by ICP by Activation Laboratories Limited of Ancaster, Ontario. Anomalies for copper, lead and zinc were outlined. An additional 1364 samples were taken on the grid and on compass lines in October to complement as well as to expand on anomalies from the first phase. A total of 19 stream sediment samples and 10 rock samples were also taken during the mapping phase and analyzed.

A quick review of the geochemical data indicates that there is one relatively small soil geochemically anomalous area for copper where 3 old drill holes dating to about 1958 or 1959 have been located. Three (3) other anomalous areas for Copper were identified. In the northwest area of the property, there is a copper anomaly in soils as well as in local seasonal drainage streams. This anomaly is near the center of the grid and at the top of a hill. From the top of the hill it drapes to the west down a west-dipping slope, and then trends to the southeast, also down slope and drainage to the east. To the east it is coincident with a lead anomaly and a zinc anomaly. Lead, being the least mobile of the 3 metals, follows a southeast trend for a strike length of more than 700 meters from west to southeast crossing 5 of the grid lines. This is a possible strike length of up to 900 meters from NW to SE but it is also down-ice direction so it may be stretched out a bit. At the west end of the anomaly, for 1 line, the drainage is down slope to the west but in the middle the drainage, and ice direction is to the southeast. The soil anomaly is also associated with a ground magnetometer survey anomaly and a ground VLF anomaly. Favourable volcanic rocks on the south side with basement rocks on the north side indicating an interpreted major thrust fault. Another coincident copper and lead anomaly occurs in the central southeast zone of the gridded area. It is at about the same elevation as the main anomaly mentioned above but there is a valley between them and it is slightly in the up-ice direction. Favorable alterations of the bedrock have been observed in the area of this anomaly during mapping and there were several historical shallow drill holes from 1956-1959 reported in this area with random copper values. Additional soil sampling has been completed in that area but those results are not yet available. However, even without the additional soils data, there is a significant untested soil anomaly, a scarcity of outcrops, and potentially favorable geology that warrants a few test drill holes.

**Analysis of the Exploration Expenditures**

The Corporation has incurred in the six-month period ended October 31, 2014, exploration and evaluation expenditures totalizing $304,909 ($2,022,119 as at April 30, 2014).

La Société a engagé durant la période de six mois close le 31 octobre 2014, des dépenses en travaux de prospection et d'évaluation totalisant 304 909 $ (2 022 119 $ au 30 avril 2014).

| | ONTARIO | | | | | NOUVEAU-BRUNSWICK | QUÉBEC | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Timmins Porcupine West** | **PG-101** | **Eastford Lake** | **Kidd Twp** | **Carnegie** | **Chester** | **East Bay** | **Destor** | **Launay** |
| | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Geology | 73,432 | - | - | 2,785 | 2,289 | 34,728 | 4,257 | 327 | 22,446 |
| Drilling | - | - | - | - | - | - | - | - | 109,948 |
| Analyses | 184 | - | - | - | - | - | - | - | 5,137 |
| Line Cutting | 308 | - | - | - | - | 7,290 | - | - | - |
| Geophysics | - | - | - | - | - | 1,650 | - | - | - |
| Leases | 25,300 | - | - | - | - | - | - | - | 2,175 |
| General Exploration Expenses | 6,906 | 107 | 108 | 129 | 108 | - | 419 | - | 4,876 |
| Total | 106,130 | 107 | 108 | 2,914 | 2,397 | 43,668 | 4,676 | 327 | 144,582 |

**Analysis of Acquisitions, Impairments and Renewal of Mining Claims**

These amounts represent the costs pertaining to the payments in cash or in shares of the Corporation following options agreements for the acquisition of mining properties during the six-month period ended October 31, 2014.

| **Properties** | **Payments in Cash** | **Payments in Shares** | **Impairment** |
|---|---|---|---|
| | **$** | **$** | **$** |
| Kidd Township | - | 10,000 | 10,000 |

**Royalties on the mining properties are as follows:**

| **PROJECT NAME** | **ROYALTY** | **PROJECT NAME** | **ROYALTY** |
|---|---|---|---|
| East Bay | 1% and 2% | Destor | 2.5% |
| Carnegie | 2% | Timmins Porcupine West | 3% and 2% |
| Eastford Lake | 2% | PG-101 | 2% |
| Chester | 1% and 2% | Golden Harker | 2% |
| Kidd Township | 2% | Launay | 2% |
| Ogden | 2% | | |

**Person responsible of the technical information**
The qualified person pursuant to National Instrument 43-101, responsible of the technical information of the Corporation is Mr. Christian Dupont, P.Eng.

**FINANCIAL DATA**

This discussion and analysis of the condensed interim financial statements should be read with the condensed interim financial statements of October 31, 2014 and with the audited annual financial statements for the year ended April 30, 2014. The condensed interim financial statements for the six-month period ended October 31, 2014 as well as the corresponding period for last year have been prepared in accordance with *International Financial Reporting Standards* ("*IFRS*"). All monetary values contained in this MD&A are expressed in Canadian currency.

**Significant Financial Data**

The following table summarizes some financial data presented in the statements of financial position of the Corporation:

| YEARS ENDED APRIL 30 | 2014<br>$ | 2013<br>$ | 2012<br>$ |
|---|---|---|---|
| Total Assets | 32,952,044 | 38,819,882 | 37,615,731 |
| Total Liabilities | 1,188,689 | 2,275,771 | 3,004,379 |
| Revenue | 14,871 | 32,834 | 21,574 |
| Net Loss | 6,302,834 | 1,138,226 | 2,747,498 |
| Net loss per share on a diluted basis | 0.15 | 0.04 | 0.02 |

As at April 30, 2014, our total assets amounts to $32,952,044 compared to $38,819,882 as April 30, 2013. The main difference between these periods is mainly the exploration and evaluation assets as well as the term deposits reserved for exploration and evaluation. Total liabilities are $1,188,689 ($2,275,771 in 2013) and are composed of $174,041 ($104,663 in 2013) for accounts payable and accrued liabilities, of $330 ($104,872 in 2013) for its bank overdraft, of $887,435 ($1,016,899 in 2013) for its income taxes and deferred taxes and of $126,883 ($1,049,337 in 2013) for other liability, representing the commitment of the Corporation following flow-through financings completed. As at April 30, 2014, total equity is $31,763,355 compared to $36,544,111 as at April 30, 2013. As at April 30, 2014, the liquidities that the Corporation has on hand are $152,123 and its working capital is about $132,000. The Corporation has guaranteed term deposits for an amount of $152,123 in two financial institutions bearing interest at a rate between 1.3%, and 0.8%.

As at October 31, 2014, the Corporation has a guaranteed term deposit for an amount of $55,905 bearing interest at 1%.

**Quarterly Results (Non-Audited)**

| | October 31<br>2014<br>$ | July 31<br>2014<br>$ | April 30<br>2014<br>$ | January 31<br>2014<br>$ | October 31<br>2013<br>$ | July 31<br>2013<br>$ | April 30<br>2013<br>$ | January 31<br>2013<br>$ |
|---|---|---|---|---|---|---|---|---|
| Total Assets | 32,949,241 | 32,806,443 | 32,952,044 | 33,443,709 | 39,051,550 | 39,373,873 | 38,819,882 | 38,431,513 |
| Total Liabilities | 1,492,041 | 1,238,510 | 1,188,689 | 390,259 | 2,240,785 | 2,417,672 | 2,275,771 | 3,175,667 |
| Interest revenue | 1,949 | 2 | 14,871 | 13,168 | 6,400 | 1,946 | 12,608 | 4,015 |
| Net loss and comprehensive loss | 371,450 | 204,467 | 837,138 | 4,694,762 | 563,561 | 207,373 | 369,060 | 224,564 |
| Net loss per share on a diluted basis | 0.01 | 0.00 | 0.02 | 0.12 | 0.00 | 0.00 | 0.00 | 0.00 |

***Statements of the Net Loss and of the Comprehensive Loss for the Six-Month Period Ended October 31, 2014***

Being a mining exploration company, Explor does not generate any regular earnings so in order to survive; the Corporation has to issue capital stock.

Revenues

The recorded revenues are interests received and other revenues.

Summary of the administrative expenses for the last fourth quarters

| | October 31, 2014 $ | July 31, 2014 $ | April 30, 2014 $ | January 31, 2014 $ |
|---|---|---|---|---|
| Maintenance and repairs | 255 | 405 | 305 | 246 |
| Taxes and permits | 948 | 599 | 5,252 | 2,050 |
| Rent expenses | 10,894 | 8,543 | 9,763 | 8,107 |
| Office expenses | 3,590 | 4,430 | 11,389 | 6,948 |
| Directors' insurances | (2,998) | 2,998 | 3,188 | 3,189 |
| Compensation paid in relation with good standing of mining claims | 2,792 | 248 | 2,400 | 17,931 |
| Travelling, promotion and entertainment expenses | 15,783 | 7,892 | 84,002 | 33,163 |
| Registration, listing fees and shareholders' information | 34,377 | 11,862 | 42,192 | 44,376 |
| Consultant fees | 52,500 | 77,515 | 92,349 | 114,970 |
| Professional fees | 26,403 | 28,844 | 35,789 | 77,569 |
| Amortization of property, plant and equipment | 2,776 | 2,776 | 4,089 | 2,776 |
| Share-based compensation | 56,250 | - | 375 | 2,125 |
| Interests and bank expenses | 1,615 | 1,240 | 8,850 | 4,138 |
| Impairment of exploration and evaluation assets | - | - | 347,508 | 5,644,586 |
| Part XII.6 taxes | - | - | 88,229 | - |
| Compensation to investors | - | - | 34,035 | - |
| Write-off of obligations related to flow-through financings | - | - | - | (777,918) |

During the three-month period ended October 31, 2014, the administrative expenses have increased a little because it was in this quarter that the Corporation held its annual meeting. Management has put efforts in finding financings to help advance the Corporation and its projects.

a) During the quarter ended January 31, 2014, the professional fees have increased compared to the other quarters because management has incurred legal fees of $46,937 for the preparation of the annual and special meeting of shareholders held on October 22, 2013, of the consolidation of the capital stock of the Corporation as well as for the preparation of a short-form prospectus. Also, the Corporation incurred an amount of $5,980 for audit and tax specialist fees and other fees are secretarial, management and accounting fees.

b) During the quarter ended January 31, 2014, the listing and information to shareholders have increased because the Corporation incurred an additional amount of about $19,850 in expenses incurred for the annual and special meeting of shareholders held on October 22, 2013.

c) Compensations in relation with good standing of mineral claims have been paid to the Ministère des Ressources Naturelles of Québec for work that the Corporation had to realize.

d) During the quarter ended October 31, 2014, the Corporation recorded a share-based compensation of an amount of $56,250 for the grant of 1,875,000 stock options to its directors, officers and consultants.

e) During the quarter ended January 31, 2014, the Corporation has impaired an amount of $566,250 for the mining properties PG-101 located in Ontario and Chester, located in New Brunswick and an amount of $5,078,336 as exploration and evaluation assets for five mining properties.

f) As at April 30, 2014, the Corporation has recorded a Part XII.6 taxes in connection with flow-through financings of $88,229 as well as compensation to investors of $34,035.

g) As at January 31, 2014, the Corporation has written-off obligations related to flow-through financings of and amount of $777,918 because Explor has not realized the statutory work in the prescribed time limits.

The following table summarizes some of financial data presented in the statement of the net loss and comprehensive loss ended for the six-month periods ended October 31:

| | 2014 | 2013 |
|---|---|---|
| Maintenance and repairs | 600 | 577 |
| Taxes and permits | 1,547 | 7,300 |
| Rent expenses | 19,437 | 15,935 |
| Office rent | 8,020 | 19,392 |
| Directors' insurances | - | 6,376 |
| Compensation paid in relation with good standing of mining claims | 3,040 | 36,450 |
| Travelling, promotion and entertainment expenses | 23,675 | 55,908 |
| Registration, listing fees and shareholder's information | 46,239 | 79,654 |
| Consultants fees | 130,015 | 201,386 |
| Professional fees | 55,247 | 161,849 |
| Amortization of property, plant and equipment | 5,552 | 5,552 |
| Share-based compensation | 56,250 | 232,750 |
| Interest and bank expenses | 2,855 | 5,800 |

During the six-month period ended October 31, 2014, the loss before tax of the Corporation is at $352,537 compared to $828,929 as at October 31, 2014.

- During the three-month period ended October 31, 2013, an amount of $36,450 was paid to the Ministère des Ressources Naturelles for work that the Corporation had to do on these mining claims.

- Travelling, promotion and representation fees are higher in 2013 because management travelled to finance and promote the Corporation with the European, American and Canadian financial community. Management also visited regularly its mining properties.

- The listing and registration and information to shareholders expenses are higher in 2013 because the Corporation has incurred about $27,250 for its annual and special meeting of shareholders held on October 22, 2013 and also incurred listing fees of an amount of $7,900 with the TSX Venture Exchange for a prospectus.

- Consultant fees are higher in 2013 because the Corporation hired investors' relations firms in order to make the Corporation known to the financial community so it could increase its visibility with new investors abroad and in Canada.

- In 2013, an amount of $232,750 was recorded for the grant of 2,020,000 stock options.

**CASH FLOWS**

During the six-month period ended October 31, 2014, the Corporation incurred $304,909 in exploration and evaluation expenditures and acquired computer material for an amount of $1,390.

During the six-month period ended October 31, 2014, the Corporation recorded $179,000 following flow-through subscription agreements signed in April 2014. The Corporation incurred an amount of $955 as share issuance expenses in connection with this private placement.

These financing activities are directly linked to the sector of activity of Explor and are in accordance with the plans of management.

**SOURCE OF FINANCING**

During the six-month period ended October 31, 2014, the Corporation closed a private placement of $179,000 for which the subscription agreements were signed at the end of the year ended April 30, 2014. Explor has also realized in November 2014, a first closing of a private placement of $214,000.

Since some of its financings completed are composed of flow-through units, the Corporation is obligated to allocate the expenditures as exploration and evaluation expenses. Furthermore, the Corporation realizes common shares financings to pay for its current expenditures. Management is aware that it will have to continue its efforts in order to

realize others financings to pursue its projects. Exploration and development of the properties of the Corporation might need in the future more financial resources. In the past, the Corporation has been able to finance itself by private placements and public placements. However, there is no guarantee that it will be able to do it in the future.

***OBLIGATION AND CONTRACTUAL COMMITMENTS***

As at October 31, 2014, pursuant to flow-through shares agreements, the Corporation had to incur an amount of $413,881 in exploration and evaluation expenses at the latest on December 31, 2014 and $161,100 at the latest on December 31, 2015. As the Corporation does not have sufficient liquidity to meet these statutory obligations, this fact brings additional financial risk for the Corporation. In addition, the Corporation is still in exploration stage and, as such, no revenue has been yet generated from its operating activities. Accordingly, the Corporation depends on its ability to raise financing in order to discharge its commitments and liabilities in the normal course of business. Management periodically seeks additional forms of financing through the issuance of shares and the exercise of warrants and share purchase options to continue its operations, and despite the fact it has been successful in the past, there is no guarantee of success for the future. Actually, the Corporation's management is optimistic to raise sufficient funds to meet its actual financial liabilities from its commitments for a period of twelve months.

Chester Property

In February 2013, the Corporation entered into an option agreement to acquire the Chester Property. To acquire a 100% interest in 75 contiguous claims units situated in the Northumberland County, in the Province of New Brunswick, the Corporation already paid $50,000 and issued 3,500,000 common shares. At the second anniversary date of the agreement, the Corporation will pay $50,000 and at the third anniversary of the agreement, the Corporation will pay $50,000. The vendor has retained a 1% NSR royalty on the property and there is an existing 1% NSR royalty on some of the claims in favor of a former owner. Since the property was optioned to Brunswick Resources Inc. pursuant to an option agreement which transaction was closed on December 22, 2014, these two payments will be assumed by Brunswick Resources Inc.

In June 2014, Explor Resources Inc. (Explor) and Brunswick Resources Inc. (Brunswick) amended the letter of intent of April 17, 2014 concerning the Chester property. According to the amended option agreement, Brunswick could acquire a 100% interest in 19 mineral claims units of the Chester property for the following consideration: payment of an amount of $10,000 in cash and the issuance of 1,000,000 shares to Explor at the signature of the agreement; payment of $10,000 in cash and issuance of 1,333,333 shares to Explor at the first anniversary of the agreement and payment of $50,000 in cash to the previous owners before February 26, 2015 and incur exploration and evaluation works on the property for an amount of $100,000; payment of $10,000 in cash and issuance of 1,333,333 shares to Explor at the second anniversary of the agreement and payment of $50,000 in cash to the previous owners before February 26, 2016 and incur exploration and evaluation works on the property for an amount of $200,000; payment of $10,000 in cash and issuance of 1,333,334 shares to Explor and incur exploration and evaluation works on the property for an amount of $200,000. The disinterested shareholders of Brunswick approved this transaction at the annual and special meeting of shareholders held August 12, 2014 and the disinterested shareholders of Explor approved this transaction at the annual and special meeting of shareholders held on October 7, 2014. The closing of this transaction and option agreement was approved by the TSX Venture Exchange on December 22, 2014.

Agreement with Burns Figa & Will P.C.

In May 2013, the Corporation entered into a representation with the lawyer firm Burns Figa & Will P.C. of Colorado in order that this firm act as Principal American Liaison (PAL) to assist Explor with the American Exchange OTCQX. The Corporation will pay an annual amount of US$5,000 so Burns Figa & Will will act as PAL for Explor.

Agreement with First Nations

In June 2013, the Corporation has entered into Memorandum of Understanding ("MOU") with the first nations Flying Post and Mattagami (the "First Nations") pertaining to the exploration of the Timmins Porcupine West Property. This agreement was required in order to comply with the new laws in Ontario concerning the exploration of lands in which the First Nations have ancestral rights. In connection with this agreement, the Corporation has issued a total of 1,000,000 to the First Nations. The Corporation will pay 2% of the all direct costs of exploration incurred on the Timmins Porcupine West Property after the signature date of the agreement with the First Nations. Finally, the Corporation paid an amount of $2,000 in 2013 to the First Nations as negotiation fees.

Ogden Property

In December 2014, the Corporation entered into an acquisition agreement for the acquisition of 8 mining claims (70 mineral claim units) situated in the Porcupine mining division, district of Cochrane, in the Ogden Township, Ontario. Explor will pay $50,000 CDN and issue 2,000,000 common shares to acquire a 100% interest in the Ogden claims. There is an existing 2% NSR on the property and a 2% Gross Overriding Receipts (GOR) royalty on all diamonds extracted from the claims. This acquisition is subject to the approval of the TSX Venture Exchange.

Option Agreement with Teck Resources Limited

On December 29, 2014, the Corporation announced that it has entered into an option agreement with Teck Resources Limited ("Teck") for the Timmins Porcupine West Property whereby Teck could earn up to a 70% interest in the TPW Property.

Explor grants Teck the option to acquire an initial 55% interest in the Property (the "First Option") which Teck may exercise by incurring an aggregate of CDN$8,000,000 in committed and optional expenditures by May 1, 2019 (the "due date"). If Teck does not incur the listed expenditures by their due date, Teck may pay cash in lieu of the shortfall to maintain the First Option. Teck may terminate the First Option at any time prior to exercising the First Option, so long as Teck returns the Property within 30 days in good standing.

Teck will have a further option (the "Second Option") to earn an additional 15% interest in the TPW Property (the "additional Interest") by sole funding an additional $4 million in expenditures prior to May 1, 2022, for an aggregate of $12 million on the Property prior to May 1, 2022. If Teck does not incur the listed expenditures by their due date, it may pay cash in lieu of the shortfall to maintain the Second Option. If Teck exercises the Second Option, the Property shall be owned as to Teck 70% and Explor 30% interest.

If Teck exercises the First Option, the parties shall participate in exploration and development of the Property through a joint venture (the "Joint Venture"), which shall be formed on the date the Second Option is exercised or expires unexercised. Thereafter, each party shall fund its prorata share of future expenditures on the Property or incur dilution via a standard industry formula. If a party's interest in the Property is diluted below 10%, its interest will be converted to a 5% net profits royalty. Upon formation of the Joint Venture, Teck will be the operator so long as it holds the largest interest.

Teck will participate in a private placement for the subscription of 3,500,000 units at a price of CDN$0.09 per unit for a total amount of CDN$315,000. Each unit is composed of one common share and one half (½) of a share purchase warrant (the "Warrant"). Each whole warrant gives the right to subscribe for one common share of the Corporation at a price of $0.10 per share, for a period of 12 months and at a price of $0.15 per share for an additional period of 12 months. The securities that will be issued at the closing of this private placement will be subject to a hold period of four months and one day from closing. This placement is subject to the final approval of the TSX Venture Exchange.

## ***RELATED PARTY TRANSACTIONS AND COMMERCIAL GOALS***

Company controlled by the President of Explor Resources Inc.

During the six-month period ended October 31, 2014, the Corporation incurred administrative consultant fees amounting to $28,150 ($116,400 as at April 30, 2014), general administrative expenses amounting to $5,858 ($41,630 as at April 30, 2014), exploration and evaluation expenses amounting to $40,650 ($403,489 as at April 30, 2014) with a company controlled by the President of Explor Resources Inc. As at October 31, 2014, the balance to be paid to this related company is $4,148.

Members of the Board of Directors, Senior Officers, Company Controlled by a Director and a Company that has the same President as Explor Resources Inc.

During the six-month period ended October 31, 2014, the Corporation has incurred administrative consultant fees amounting to $18,000 ($4,500 as at April 30, 2014), share issuance fees amounting to $0 ($5,000 as at April 30, 2014), professional fees of $0 ($12,260 as at April 30, 2014), general administrative expenses amounting to $9,012 ($666 as at April 30, 2014) and exploration and evaluation expenses amounting to $0 ($45,000 as at April 30, 2014).

As at October 31, 2014, the share-based compensation for members of the Board of Directors and the main officers of the Corporation is $56,250 ($199,700 as at April 30, 2014).

These transactions are concluded in the normal course of business and are measured at the amount of consideration established and agreed by the parties.

Long-Term Debt

The Corporation has no long-term debt.

## ***FINANCIAL RISK, MANAGEMENT OBJECTIVES AND POLICIES***

The Corporation's activities are exposed to financial risks: market risk, credit risk and liquidity risk.

***Market Risks***

**Fair Value**
Fair value estimates are made at the statement of financial position date, based on relevant market information and other information about the financial instruments. Fair value of cash and cash equivalents, cash in trust, other receivable, of term deposits reserved for exploration and evaluation, advances to a related company, due to a related company as well as accounts payable and accrued liabilities approximate carrying value due to their short-term.

**Fair Value Hierarchy**
Cash and cash equivalents, cash in trust and term deposits reserved for exploration and evaluation are measured at fair value and they are categorized in level 2. This valuation is based on valuation techniques based on inputs other than quote prices in active markets that are either directly or indirectly observable.

**Interest Rate Risk**
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument fluctuates due to changes in market interest rates. Except for term deposits, Corporation's financial instruments do not bear interest. Since term deposits bear interest at fixed rates (1%), the risk of loss from market fluctuations in the interest rate is therefore minimal. However, fixed interest rates expose the Corporation to the risk of variation in fair value due interest rates changes.

**Currency Risk**
During the six-month period ended October 31, 2014, the Corporation incurred administrative costs in US dollars and in Euros. Consequently, certain assets, liabilities and expenses are exposed to foreign exchange fluctuation. As at October 31, 2014, the Corporation has no amount at interim statement of financial position arising from transactions in foreign currencies. The Corporation believes that a 5% change in exchange rates is reasonably possible.

**Credit Risk**
Credit risk is the risk that a party to a financial instrument fails to discharge an obligation and causes the other party to incur a financial loss. Financial instruments which potentially expose the Corporation to credit risk mainly consist of cash and cash equivalents, cash in trust, term deposits reserved for exploration and evaluation and other receivable. The credit risk on cash and cash equivalents and term deposits reserved for exploration and evaluation is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. Therefore, the Corporation does not expect any treasury counterparties to fail in respecting their obligations. The Corporation is subject to concentration of credit risk since two term deposits are held by two Canadian financial institutions. Credit risk on cash in trust is low. The carrying value of cash and cash equivalents, cash in trust and cash and term deposits reserved for exploration and evaluation represents the Corporation's maximum exposure to credit risk and there has been no significant change in credit risk since prior year.

**Liquidity Risk**

Liquidity risk is the risk that the Corporation will not be able to meet the obligations associated with its financial liabilities. Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Corporation has sufficient financing sources. The Corporation establishes budgets to ensure it has the necessary funds to fulfill its obligations. Its statutory commitments in relation with flow-through financings are amounting to $574,981. In order to continue its operations, the Corporation will have to find additional funds and despite the fact that it has been successful in the past, there is no guarantee for the future. Actually, there remains a risk that the Corporation is unable to find cash even if the management believes that it will find the necessary cash to meet its future commitments. Considering the non-respect of some flow-through shares agreements and in view of the negative impact thereof, the risk is high that the management will have difficulties to obtain the financial resources required for its future projects.

## ***RISK FACTORS***

**Exploration Risks**

Exploration and mining involve a high degree of risk. Few exploration properties end up going into production. Other risks related to exploration and mining activities include unusual or unforeseen formations, fire, power failures, labor disputes, flooding, explosions, cave-ins, landslides and shortages of adequate or appropriate manpower, machinery or equipment. The development of a resource property is subject to many factors, including the cost of mining, variations in the quality of the material mined, fluctuations in the commodity and currency markets, the cost of processing equipment, and others, such as aboriginal claims, government regulations including regulations regarding royalties, authorized production, import and export of natural resources and environmental protection. Depending on the price of the natural resources produced, the Corporation may decide not to undertake or continue commercial production. There can be no assurance that the expenses incurred by the Corporation to explore its properties will result in the discovery of a commercial quantity of ore. Most exploration projects do not result in the discovery of commercially viable mineral deposits.

**Environmental and Other Regulations**

Current and future environmental laws, regulations and measures could entail unforeseeable additional costs, capital expenditures, restrictions or delays in the Corporation's activities. Environmental regulations and standards are subject to constant revision and could be substantially tightened, which could have a serious impact on the Corporation and its ability to develop its properties economically. Before it commences mining a property, the Corporation must obtain environmental permits and the approval of the regulatory authorities. There is no assurance that these permits and approvals will be obtained, or that they will be obtained in a timely manner. The cost of complying with government regulations may also impact the viability of an operation or altogether prevent the economic development of a property.

**Financing and Development**

Development of the Corporation's properties therefore depends on its ability to raise the additional funds required. There can be no assurance that the Corporation will succeed in obtaining the funding required. The Corporation also has limited experience in developing resource properties, and its ability to do so depends on the use of appropriately skilled personnel or signature of agreements with other large resource companies that can provide the required expertise.

**Commodity Prices**

The factors that influence the market value of gold and any other mineral discovered are outside the Corporation's control. Resource prices can fluctuate widely, and have done so in recent years. The impact of these factors cannot be accurately predicted.

**Risks Not Covered by Insurance**

The Corporation may become subject to claims arising from cave-ins, pollution or other risks against which it cannot insure itself or chooses not to insure itself due to the high cost of premiums or other reasons. Payment of such claims would decrease and could eliminate the funds available for exploration and mining activities.

**Tax**

No assurance can be given that Canada Revenue Agency or that the Quebec Ministry of Revenue will agree with the Corporation's characterization of expenditures as Canadian exploration expenses.

**Dependence on Key Personnel**
The development of the Corporation is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Corporation faces competition for personnel from other mining companies.

**Conflict of Interest**
Certain directors of the Corporation are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and mining of natural resources properties. Such associations may give rise to conflicts of interests from time to time. The directors of the Corporation are required by law to act honestly and in good faith of view of the best interests of the Corporation and to disclose any interest, which they may have on any project or opportunity of the Corporation. If a conflict arises at the meeting of the board of directors, any director in conflict will disclose his interest and abstain from voting on such matter.

**Disclosure Controls and Procedures**
The Corporation's President and the Chief Financial Officer are responsible for establishing and maintaining the Corporation's disclosure controls and procedures in accordance with the Multilateral Instrument 52-109 of the Canadian Securities Administrator. These controls and procedures have been evaluated as at October 31, 2014 and have been determined to be effective.

**Internal Controls over Financial Reporting**
The Corporation's President and the Chief Financial Officer are responsible for establishing and maintaining the Corporation's disclosure controls and procedures in accordance with the Multilateral Instrument 52-109 of the Canadian Securities Administrator. These controls and procedures have been evaluated as at October 31, 2014 and have been determined to be effective.

## ADDITIONAL INFORMATION FOR EMERGING ISSUERS WITHOUT SIGNIFICANT INCOME

The Corporation provides information on deferred exploration and evaluation expenses found in note 7 of its unaudited interim condensed financial statements for the six-month period ended October 31, 2014.

## INFORMATION ON OUTSTANDING SHARES

As at October 31, 2014, the share capital of the Corporation was composed of 47,220,834 common shares issued and outstanding and as the date of this MD&A, the share capital of the Corporation is composed of 51,500,834 common shares issued and outstanding.

**Options**
The Corporation has a stock option plan intended for its officers, consultants and directors. As at December 29, 2014, the stock options are as follows:

| Number | Exercise Price | Expiry |
|---|---|---|
| 530,000 | $4.60 | 01-28-2015 |
| 340,000 | $2.50 | 12-24-2015 |
| 310,000 | $1.50 | 12-20-2016 |
| 100,000 | $0.50 | 07-02-2018 |
| 1,800,000 | $0.50 | 08-16-2018 |
| 1,875,000 | $0.08 | 08-08-2019 |
| 4,955,000 | | |

**Share Purchase Warrants**

As at December 29, 2014, the Corporation's outstanding purchase warrants are as follows:

| Number | | Exercise Price | Expiry |
|---|---|---|---|
| 2,400,000 | (1) | $0.075 | 02-19-2016 |
| 1,363,636 | | $0.15 | 12-24-2015 |
| 1,299,881 | | $0.10 | 05-05-2015 |
| 2,140,000 | | $0.10 | 11-04-2016 |
| 7,203,517 | | | |

(1) If the closing price of the shares exceeds $0.10 for a period of 10 consecutive trading days, then the warrant holders will have 30 days to exercise their warrants. At the end of this 30 days period, the warrants will expire.

Warrants issued to Brokers and Intermediaries

As at December 29, 2014, the Corporation's outstanding options issued to brokers are as follows:

| Number | Exercise Price | Expiry |
|---|---|---|
| 160,000 | $0.50 | 02-19-2016 |
| 385,200 | $0.05 | 11-04-2016 |
| 545,200 | | |

**STRATEGY AND PERSPECTIVE**

The Corporation main focus is on finding high quality exploration properties in the Abitibi Greenstone Belt. It is one of the largest greenstone belts in the world and it has produced over 180,000,000 ounces of gold and more than 450,000,000 tons of Cu-Zn ore. We believe that they are still several "elephants" to be discovered in the Abitibi Greenstone Belt.

In the spring of 2013, the Corporation has acquired a copper VMS property located in the Bathurst mining camp in New Brunswick that shows a lot of potential. Although our portfolio of exploration properties is impressive, we considered this acquisition as a good opportunity for Explor to add a project in an advanced exploration stage to its portfolio. The ramp on the property is an important element that might accelerate the development of this VMS and copper property. In April 2014, Explor signed a letter of intent with Brunswick Resources Inc. ("Brunswick") granting Brunswick an option to acquire the Chester Property. This letter of intent was modified on June 20, 2014. The disinterested shareholders of both corporations approved the transaction at their respective annual and special meeting. The TSX Exchange approved the closing of this transaction on December 22, 2014.

Although the Chester property is an interesting project, the financial situation of Explor made it difficult to develop it to its full potential. Explor has been concentrating its efforts on the flagship property "Timmins Porcupine West." The existing market conditions in the last two years have made it very difficult to find financings for exploration projects. The Board of directors of Explor decided that it would be beneficial to Explor to sell the Chester property. Explor still had two Option payments of $50,000 each remaining on the original Option Agreement. The Corporation did not have the necessary liquidities to fulfil these financial obligations. These financial obligations have now been transferred to Brunswick Resources. Brunswick will pay $40,000 to Explor, issue 5,000,000 common shares, and assume the financial obligations ($100,000 on the original option agreement) and complete exploration work on the property of $500,000 over a three-year period. The Board of directors believes that selling the Chester Property as that time was the best option for the Corporation because Explor did not have the necessary liquidities to complete the remaining obligations of the Option agreement with the Optionor, and complete an exploration program to bring value to the property. If the Corporation could not complete its financial obligations to the Optionor then the property would have to be returned to the Optionor with no benefit to Explor. The payments and shares that Explor will receive from Brunswick will eventually be sold to finance the Corporation's exploration activities.

The Corporation is focusing most of its exploration efforts on the flagship property the Timmins Porcupine West Gold Project. The continued success of Lake Shore Gold Corp. in the West Timmins Mining Camp and the intersection by West Timmins Mining Inc. (WTM) of 12.75 g/tonne over an interval of 83.40 meters (0.37 oz/ton over an interval of 273.55 feet) on their property in 2009, (WTM Press Release June 24, 2009) has prompted Explor to acquire the Timmins Porcupine West Property ("TPW") in July 2009. Over the years, we added other claims to this Property. The TPW Property has a total surface area of 3200 hectares contiguous with Lakeshore's West Timmins Mining property. Another neighbour located to the west of TPW, Metals Creeks Resources ("MEK") has recently reported an intersection of 210.19 g/t Au over 12.53 m, which is very encouraging. (MEK Press Release of May 22, 2013). Explor has completed a 3D model on the property and very interesting deep targets have been defined.

The Corporation has completed some 119 holes to date, including 65 wedges off of the main pilot holes. Explor has drilled some of the deep targets revealed in the 3D modelling. Some of the deep targets intersected include Hole #12-62W1 which included **14.7 meters of 6.70 g/tonne Au** and Hole #12-73W5 which included **33.5 m of 7.65 g/tonne Au**. The drilling, logging and core analysis started in the fall of 2009 and continues to date. Since the acquisition of the property in late July 2009, the Corporation has confirmed the structural model and completed an initial NI 43-101 technical report on the property and three updates of the mineral resources. A new update of the mineral resource was released on August 27, 2013 and a technical report supporting this new estimate was filed on SEDAR on August 29, 2013. The new estimate consists of:

**Open Pit Mineral Resources at a 0.30 g/t Au cut-off grade are as follows:**

| | |
|---|---|
| **Indicated:** | **213,000 oz (4,283,000 tonnes at 1.55 g/t Au)** |
| **Inferred:** | **77,000 oz (1,140,000 tonnes at 2.09 g/t Au)** |

**Underground Mineral Resources at a 1.70 g/t Au cut-off grade are as follows:**

| | |
|---|---|
| **Indicated:** | **396,000 oz (4,420,000 tonnes at 2.79 g/t Au)** |
| **Inferred:** | **393,000 oz (5,185,000 tonnes at 2.36 g/t Au)** |

It should be noted that the Open pit Indicated resource increase from 74,000 oz to 213,000 oz and the Indicated underground mineral resource increased from 224,000 oz to 396,000 oz. The conversion of Inferred to Indicated oz is important in bringing the Corporation closer to being able to complete a PEA on the property. The Corporation is looking at several scenarios to accelerate the exploration of the TPW Property. The current market downturn has made it more difficult to find financing opportunities but Explor believes in the value of the TPW Project and remains committed to its exploration and eventual development. A new open pit mineable resource has been defined in addition to the underground resource on the latest update of the mineral resources as stated in Press Release dated April 16, 2013 and August 27, 2013. This is good news for the Corporation since it firms up and converts a significant portion of the Inferred to Indicated oz. The mineralized structure has over 2000 meters of strike length and is open on both end and at depth with potential to significantly increase the resource by additional diamond drilling. Additional drilling and consequently resource increase could conceivably accelerate the development of the TPW property. However, the current state of the market makes it difficult to find funds at this time and because of it, the Corporation has had to reduce its exploration activities this year. The Board of directors is studying some alternative financing strategies such as a loan in the form of a debenture or the sale of some assets to help finance the Corporation.

On December 29, 2014, the Corporation announced that it has entered into an option agreement with Teck Resources Limited ("Teck") for the Timmins Porcupine West Property whereby Teck could earn up to a 70% interest in the TPW Property.

Explor grants Teck the option to acquire an initial 55% interest in the Property (the "First Option") which Teck may exercise by incurring an aggregate of CDN$8,000,000 in committed and optional expenditures by May 1, 2019 (the "due date"). If Teck does not incur the listed expenditures by their due date, Teck may pay cash in lieu of the shortfall to maintain the First Option. Teck may terminate the First Option at any time prior to exercising the First Option, so long as Teck returns the Property within 30 days in good standing.

Teck will have a further option (the "Second Option") to earn an additional 15% interest in the TPW Property (the "additional Interest") by sole funding an additional $4 million in expenditures prior to May 1, 2022, for an aggregate

of $12 million on the Property prior to May 1, 2022. If Teck does not incur the listed expenditures by their due date, it may pay cash in lieu of the shortfall to maintain the Second Option. If Teck exercises the Second Option the Property shall be owned as to Teck 70% and Explor 30% interest.

If Teck exercises the First Option, the parties shall participate in exploration and development of the Property through a joint venture (the "Joint Venture"), which shall be formed on the date the Second Option is exercised or expires unexercised. Thereafter, each party shall fund its prorata share of future expenditures on the Property or incur dilution via a standard industry formula. If a party's interest in the Property is diluted below 10%, its interest will be converted to a 5% net profits royalty. Upon formation of the Joint Venture, Teck will be the operator so long as it holds the largest interest.

Teck will participate in a private placement for the subscription of 3,500,000 units at a price of CDN$0.09 per unit for a total amount of CDN$315,000. Each unit is composed of one common share and one half (½) of a share purchase warrant (the "Warrant"). Each whole warrant gives the right to subscribe for one common share of the Corporation at a price of $0.10 per share, for a period of 12 months and at a price of $0.15 per share for an additional period of 12 months. The securities that will be issued at the closing of this private placement will be subject to a hold period of four months and one day from closing. This placement is subject to the final approval of the TSX Venture Exchange.

Teck will be concentrating on increasing the resources on the TPW Property with a view to eventually developing a mine on the property. The Board believes that it was necessary at this stage of development of the TPW property to bring in a partner with the financial capacity to move the project forward. With Teck's expertise and financing, we believe that we will be able to develop the TPW Property to its full potential.

As Teck will now become the Operator of the Timmins Porcupine West Gold Project, Explor is now able to concentrate its efforts on other projects of merit in its portfolio. The Board of directors has decided to focus on Base Metal properties that currently have very promising results.

In December 2014, the Corporation entered into an acquisition agreement to acquire eight mining claims (70 units) located in the Ogden Township, in the Porcupine Mining Division, district of Cochrane, Province of Ontario. To acquire these claims, the Corporation will pay CDN$50,000 and issue 2,000,000 shares. There is an existing 2% NSR on the property and a 2% Gross Overriding Receipts (GOR) royalty on all diamonds extracted from the claims. This acquisition is subject to the approval of the TSX Venture Exchange. The proximity of this property to the TWP Property makes it an interesting acquisition. These claims are contiguous and to the east of the Timmins Porcupine West Gold Project.

The current market appears to be slowly recovering. This is evident by the interest of investors in the junior sector by the quires we have recently been receiving. The Corporation continues to evaluate and study properties in the Abitibi Greenstone Belt as they become available in order to determine if they have the potential to increase shareholder value. In the coming months, the Corporation will continue to focus our efforts on the exploration programs that we have in place.

## ***ADDITIONAL INFORMATION AND ONGOING DISCLOSURE***

This interim MD&A was prepared as of December 29, 2014. The Corporation regularly discloses additional information by means of press releases and interim financial statements and MD&A on SEDAR's website (www.sedar.com) or on the Corporation's web site (www.explorresources.com).

## ***CERTIFICATE***

This MD&A was approved by the board of directors.

*(s) Christian Dupont*
Christian Dupont
December 29, 2014