Elissa Resources Ltd.

(An Exploration Stage Company)
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Management Discussion and Analysis

For the period ended September 30, 2014

The following discussion and analysis of Elissa Resources Ltd. ("Elissa" or the "Company"), prepared as of November 14, 2014, should be read together with the unaudited condensed consolidated financial statements for the period ended September 30, 2014, and related notes attached thereto, which are prepared in accordance with International Financial Reporting Standards, ("IFRS") as issued by the International Accounting Standards Board. The Company's functional currency is the Canadian dollar; the US subsidiary's functional currency is the US dollar. All amounts are stated in Canadian dollars unless otherwise indicated.

The reader should also refer to the annual audited consolidated financial statements for the years ended December 31, 2013 and 2012, and the Management Discussion and Analysis for those years.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Additional information related to the Company is available for view on SEDAR at www.sedar.com, and the Company's website at www.elissaresources.com.

Description of Business

Elissa Resources Ltd. is a mineral resource exploration and development stage company incorporated under the Business Corporations Act of British Columbia. On March 28, 2011, the shares of Elissa commenced trading on the TSX Venture Exchange under the symbol ELI.V. The Company is engaged in the process of exploring prospective North American mineral properties to determine whether the properties contain reserves that are economically recoverable. The underlying value of the resource properties and related exploration costs are entirely dependent on the existence of economically recoverable reserves, on the ability of the Company to obtain the necessary financing to complete development, and upon future profitable production.

Selected Annual Information

Year Ended December 31	2013	2012	2011
Other income (including interest)	$11,522	$20,960	$39,908
Net Loss for the year	(970,238)	(1,134,928)	(1,614,816)
Loss per share, basic and diluted	(0.03)	(0.04)	(0.06)
Loss per share	(0.03)	(0.04)	(0.06)
Total Assets	2,652,451	3,496,468	4,659,592
Total non-current liabilities	0.00	0.00	0.00
Cash dividends declared per share	$0.00	$0.00	$0.00

Summary of Quarterly Results

Quarter Ended	2014			2013				2012
	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec
Other Income	$0	$685	$2,034	$2,729	$2,996	$3,225	$2,572	$4,440
Net Income (Loss)	(98,353)	(220,563)	(119,041)	(184,091)	(488,202)	(113,928)	(184,017)	(76,137)
Earnings (Loss) per share	$(0.00)	$(0.01)	$(0.00)	$(0.01)	$(0.01)	$(0.00)	$(0.01)	$(0.01)

Performance Summary
Three months ended September 30, 2014:

For the three month period ended September 30, 2014, the Company experienced a net loss of $(98,353) as compared to a net loss of $(488,202) in 2013. The loss per share was $(0.01) as compared to loss per share of $(0.01) in 2013. The net income (loss) experienced by the Company will fluctuate each quarter due to the timing of certain expenditures such as share-based payments which are expensed upon the grant of stock options or as they vest. The net income (loss) can also fluctuate due to peripheral or incidental transactions or events such as a realized loss or a write-down or write-off of an asset.

Consulting fees for the period were $887 as compared to $3,769 in 2013. Geological consultants are engaged from time to time to assist with property investigation and exploration. If the fees are related to exploration of a project owned by Elissa the amount may be capitalized to the project.

Advertising and promotion expenses for the period were $1,717 as compared to $1,278 in 2013. The increase in advertising and promotion expenses during the period is due to increased expenditures on the development of the Company website.

Filing fees and shareholder services for the period were $6,739 as compared to $7,351 in 2013. Filing fees fluctuate each quarter depending on related activity.

Professional fees for the period were $16,001 as compared to $16,410 in 2013. Professional fees include legal, accounting and auditing fees. Professional fees fluctuate each quarter depending on activity.

Salaries expense for the period was $25,680 as compared to $30,964 in 2013. Salaries expense is lower than the prior period due to the elimination of one employee.

Office expenses for the period were $22,953 (2013 - $20,539), and travel expenses were $1,161 (2013 - $945). Travel expenses will fluctuate each quarter depending on activity.

The Company expects there will be a decrease in all general and administrative expenses as the business of the Company continues to conserve cash.

Nine months ended September 30, 2014:

For the nine month period ended September 30, 2014, the Company experienced a net loss of $(437,957) as compared to a net loss of $(786,147) in 2013. The loss per share was $(0.01) as compared to loss per share of $(0.02) in 2013. The net income (loss) experienced by the Company will fluctuate each quarter due to the timing of certain expenditures such as share-based payments which are expensed upon the grant of stock options or as they vest. The net income (loss) can also fluctuate due to peripheral or incidental transactions or events such as a realized loss or a write-down or write-off of an asset.

During the period ended September 30, 2014, the Company wrote-off its investment of $101,368 in the South Standby Property. In the prior year period the Company wrote-off its investment on the Ulysses project of $402,066.

Consulting fees for the period were $14,437 as compared to $30,495 in 2013. Geological consultants are engaged from time to time to assist with property investigation and exploration. If the fees are related to exploration of a project owned by Elissa the amount may be capitalized to the project.

Advertising and promotion expenses for the period were $6,848 as compared to $7,544 in 2013. The decrease in advertising and promotion expenses during the period is due to decreased expenditures on the development of the Company website, conferences, and marketing consultants.

Filing fees and shareholder services for the period were $35,173 as compared to $35,748 in 2013. Filing fees fluctuate each quarter depending on related activity.

Professional fees for the period were $52,918 as compared to $60,327 in 2013. Professional fees include legal, accounting and auditing fees. Professional fees fluctuate each quarter depending on activity.

Salaries expense for the period was $80,118 as compared to $98,772 in 2013. Salaries expense is lower than the prior period due to the elimination of one employee during the period.

Office expenses for the period were $51,712 (2013 - $64,279), and travel expenses were $5,136 (2013 - $14,655). Travel expenses will fluctuate each quarter depending on activity.

The Company expects there will be a decrease in all general and administrative expenses as the business of the Company continues to conserve cash.

Liquidity and Capital Resources

The Company ended the period with $383,459 (2013 - $1,019,235) cash and working capital of $420,053 (2013 - $1,031,416).

Net cash used in operating activities for the period was $351,135 as compared to $247,301 in last year's period.

Net cash used in investing activities for the period was $50,551 as compared to net cash used investing activities in the amount of $70,042 in last year's period.

Net cash provided by financing activities for the period was $7,500 as compared to $Nil in last year's period.

Properties

Thor Rare Earth Property

On December 15, 2009, Red Hill Energy (US) Inc., acquired 175 claims making up the Thor Rare Earth Elements Property located in south western Nevada, USA. The claims carry a 2% NSR which can be purchased at anytime by paying US$500,000 for each 1% of the royalty.

On April 16, 2010, the shares of Red Hill Energy (US) Inc., were transferred to Elissa at the fair value of $609,600 as part of the plan of arrangement.

Prior to the transfer of the project to Elissa, Red Hill had done some limited work on the project, mainly reconnaissance radiometric surface traverses and limited surface sampling. On March 2, 2010, a 43-101 report was prepared by BK Exploration Associates on the Thor Rare Earth Elements project. The project area was thought to

share some common features with the Mountain Pass REE District, 19 miles (30.5km) to the west. Favorable similarities include: (1) bedrock of Early Proterozoic age, (2) widespread potassium-rich to ultrapotassic granites, (3) presence of shonkinite, (4) presence of REE-Th mineralization, including the reported occurrence of bastnasite, the primary ore-mineral at Mountain Pass, and (5) a combination of these features along strike lengths measured in miles.

During the year ended 2010, the Company staked additional claims. The number of claims now total 198, covering over 3,660 acres. The Company engaged the services of several geologists for a surface exploration program consisting of mapping, sampling, and geophysics and radiometric surveying by use of hand held radiation monitoring instruments such as scintillometers. These instruments are commonly used to identify areas of possible REE mineralization due to the association in nature with radioactive elements such as thorium. The surveying encountered several areas of anomalous radioactivity, particularly along the Lopez trend. The Lopez trend is at least 1.6 miles (2.5km) long, hundreds of feet wide, and is parallel to a set of north-northeast striking district-scale faults. It is marked by intermittently anomalous radioactivity along its length, by a number of old small trenches and cuts, and a few old historic drill holes. The historic exploration was not for REE. The Company also engaged a 667 line-kilometer high-resolution airborne magnetic survey using an ultralight aircraft, followed by detailed ground geophysics program.

During the year ended 2010, the Company had an updated 43-101 report prepared by BK Exploration Associates on the Thor Rare Earth Elements project dated October 8, 2010. The updated report includes the contributions from reports provided by REE experts, Dr. James Clark and Dr. David Jessey. It also includes additional sampling and mapping and the results of re-checked assays on higher grade REE samples sent to Activation Laboratories Ltd. in Ontario on the advice of Dr. Clark.

Elissa collected 127 rock samples from the Thor Project – 57 from various sites along the Lopez Trend, 47 from the Black Butte area, 3 from “NED,” and the remaining 20 from scattered reconnaissance localities. Of the 127 total samples, 22 returned assays with 1.0% or more REE+Y. All 22 of these high-grade samples were re-assayed by Activation Laboratories Ltd. in Ontario using REE reliable fusion-ICP/MS methods, and most have had microscopic petrographic study as well. These 22 higher-grade samples represent nine separate widely scattered prospect localities: five along the Lopez Trend, two at Black Butte, one at “NED” and one reconnaissance area. The REE-Th assay results are shown in the below table.

Thor Project Samples >1% REE+Y

	LIGHT REE (ppm)						HEAVY REE (PPM)									Total REE+Y		
	La	Ce	Pr	Nd	Sm	Eu	Gd	Tb	Dy	Ho	Er	Tm	Yb	Lu	Y	ppm	%	Th
LOPEZ TREND																		
R 46B	23,500	48,500	4,940	18,100	3,010	22.80	2,230	272.0	1060	142.0	275.0	27.00	121.0	13.70	3,830	106,044	10.60%	14,500
BK-20	7,570	16,800	1,840	7,180	1,490	17.60	1,220	172.0	841	138.0	324.0	37.20	194.0	24.30	3,583	41,431	4.14%	5,200
BK-17	7,270	16,200	1,750	6,830	1,400	17.00	1,160	158.0	753	120.0	287.0	32.80	169.0	21.60	3,212	39,380	3.94%	5,050
BK-01	8,020	16,700	1,730	6,340	1,120	8.75	848	105.0	414	56.1	113.0	11.40	52.7	6.58	1,536	37,062	3.71%	4,890
T-4	7,310	14,800	1,520	5,160	769	5.98	471	48.3	187	25.6	50.7	5.20	24.2	3.01	661	31,041	3.10%	4,780
T-6	6,740	14,100	1,460	5,380	927	7.67	662	71.0	286	38.5	71.8	7.44	35.1	4.25	960	30,751	3.08%	3,940
R 45B	6,890	14,000	1,390	4,910	712	5.71	453	43.5	163	21.9	42.3	4.26	20.8	2.60	545	29,204	2.92%	3,980
R 46	6,130	12,800	1,330	4,890	855	7.12	626	67.5	272	35.7	69.1	7.09	33.4	4.14	938	28,065	2.81%	3,750
BK-25	4,310	10,100	1,090	4,370	933	11.00	827	115.0	585	100.0	256.0	33.20	187.0	25.90	2,530	25,473	2.55%	2,620
BK-13	4,290	9,480	995	3,600	615	7.79	411	44.5	179	26.1	56.3	6.36	34.4	4.72	655	20,405	2.04%	3,090
R 47	4,695	9,580	1,030	3,700	417	0.00	305	28.0	115	0.0	0.0	0.00	6.0	0.00	120	19,996	2.00%	1,622
BK-22	3,230	7,330	805	3,190	687	9.55	611	84.6	417	69.7	167.0	19.80	104.0	13.50	1,898	18,636	1.86%	2,090
BK-26	2,970	6,800	748	2,970	627	8.90	542	73.3	367	62.2	152.0	19.40	110.0	15.10	1,576	17,041	1.70%	1,850
BK-24	2,730	6,300	691	2,760	587	8.09	513	71.0	357	60.0	148.0	18.60	104.0	14.20	1,636	15,998	1.60%	1,710
BK-02	3,380	6,920	712	2,720	442	4.64	327	36.3	149	21.3	44.6	4.47	21.6	2.73	561	15,347	1.53%	2,110
BK-08	2,910	6,170	630	2,350	313	3.37	195	18.1	71.2	10.3	22.8	2.60	14.7	2.16	262	12,975	1.30%	2,590
BK-48	2,770	5,560	562	2,120	342	4.17	257	29.8	129	19.0	39.7	4.35	21.6	2.70	474	12,335	1.23%	1,620
BLACK BUTTE																		
BK-63	2,910	5,640	549	2,000	280	4.16	193	22.0	85.5	10.8	21.8	2.21	10.3	1.34	287	12,017	1.20%	1,700
BK-114	2,464	5,239	376	1,591	255	0.02	147	0.1	107	4.0	46.1	0.00	36.8	8.35	469	10,743	1.07%	1,756
"NED"																		
BK-85	2,982	6,584	686	2,630	608	0.00	395	50.0	224	0.0	59.0	0.00	0.0	0.00	730	14,948	1.49%	1,890
BK-139	2,850	6,110	641	2,530	477	9.09	374	47.0	204	28.8	54.9	5.44	24.5	3.08	660	14,019	1.40%	1,860
RECONNAISSANCE																		
BK-36	2,960	6,270	635	2,370	346	2.70	251	28.9	126	17.9	33.0	2.70	10.5	1.17	424	13,479	1.35%	1,810

The authors of the Technical Report concluded that the work to date has demonstrated widespread distribution of significant REE vein-type mineralization, together with indications that the mineralization is enriched in valuable heavy REE – considerably more than ordinary commercial REE deposits. The Thor project appears to be a highly interesting and encouraging REE property that warrants further study and exploration.
A Phase II exploration program costing about $580,000 was recommended to better define potential REE targets using detailed ground geophysics, trenching and focused sampling, followed by a first-phase shallow drilling campaign.

During 2011 the Company worked on permitting for a drill program and mapping drill locations as well as completing a ground geophysics program. The Company also staked additional ground within the vicinity of the Thor project.

On January 11, 2012, the Company commenced a drill program on the Thor property. Multiple diamond core drill holes will initially target the Lopez Trend and the NED area.

The drill program was completed in April 2012, and results were announced on June 19, 2012.

Elissa drilled 21 holes for 7,251 feet (2,210 m) of HQ-sized drill core. Collectively this drilling examined only about 10% (1,000 feet; 305 m) of the known strike length of the Lopez Trend, which has been the main exploration target to date. Five sites in the northern part of the Lopez Trend were examined with 11 relatively short drill holes and one site in the southern part of the trend was examined with 6 holes. In addition, 4 short holes were drilled on the outlying NED target located one kilometer east of the Lopez Trend. Holes were drilled at various inclinations with azimuths directed mostly to the east-southeast to intersect the west-dipping rock units of the Lopez Trend (see Table 1 below for drill hole details and sampling statistics). To date, 196 samples of drill core totaling 590 feet (189 m) in length have been assayed, representing about 8 percent of all core returned in the program. Samples were selected using a combination of handheld detectors and downhole logging tools from 16 intervals in 11 of the 21 drill holes. Assays of drill core samples from the northern part of the Lopez Trend show relatively long intervals (21 – 53 feet; 6.4 – 6.2 m; not true width) containing strongly anomalous REE (greater than 0.10% total REO) and enclosing shorter intervals of higher grade material (greater than 1.0% total REO) (see Table 2 below for assay results of interest).

Table 1. Thor Project Core Holes

				Length		Coordinates (meters)		Intervals sampled	Length sampled	
Drill Hole #	Area	Azimuth	Angle	feet	meters	east	north	from - to (feet)	feet	meters
TR-12-001	T	110	-45	291	89	668,165	3,922,852	92.9 - 130.4	38	11.4
TR-12-002	T	135	-45	352	107	668,165	3,922,852	92.9 - 162.0	69	21.1
TR-12-003	T	135	-70	317	97	668,165	3,922,852	156.0 - 193.0	37	11.3
TR-12-004	T	70	-45	362	110	668,165	3,922,852	*Not Sampled*		
TR-12-005	T	110	-80	391	119	668,165	3,922,852	*Not Sampled*		
TR-12-006	T	160	-70	452	138	668,165	3,922,852	*Not Sampled*		
TR-12-007	O	110	-45	331	101	668,739	3,923,883	44.7 - 66.4	21.7	6.6
								186.0 - 213.5	27.5	8.4
TR-12-008	O	110	-70	400	122	668,739	3,923,883	66.6 - 93.4	26.8	8.2
TR-12-009	O	*vert.*	-90	534	163	668,739	3,923,883	42.9 - 50.4	7.5	2.3
								76.3 - 111.8	35.5	10.8
TR-12-10	P	110	-45	332	101	668,756	3,923,931	*Not Sampled*		
TR-12-11	P	*vert.*	-90	583	178	668,756	3,923,931	63.7 - 149.3	85.6	26.1
TR-12-12	R	70	-45	384	117	668,813	3,924,069	*Not Sampled*		
TR-12-13	R	110	-45	308	94	668,813	3,924,069	170.5 - 192.3	21.8	6.6
TR-12-14	N	110	-45	291	89	668,719	3,923,836	*Not Sampled*		
TR-12-15	N	*vert.*	-90	541	165	668,719	3,923,836	*Not Sampled*		
TR-12-16	P	290	-70	601	183	668,756	3,923,931	300.9 - 344.9	44	13.4
								573.5 - 599.3	25.8	7.9
								161.5 - 263.9	102.4	31.2
TR-12-17	O	110	-45	397	121	668,676	3,923,900	294.2 - 313.7	19.5	5.9
								168.7 - 177.5	8.8	2.7
								187.0 - 196.1	9.1	2.8
ND-12-01	NED	*vert.*	-90	120	37	669,844	3,923,914	*Not Sampled*		
ND-12-02	NED	340	-50	132	40	669,844	3,923,914	*Not Sampled*		
ND-12-03	NED	*vert.*	-90	21	6	669,846	3,923,914	0 - 10.3	10.3	3.1
ND-12-04	NED	60	-45	111	34	669,829	3,923,916	*Not Sampled*		
				7,251	**2,210**				**590**	**180**

Table 2. Thor Drill Hole Assays ≥ 0.10% Total REO

Note: Assay intervals are sample lengths; true widths of any mineralized zones have yet to be determined.

			Mineralization ≥ 0.10% TREO			% of HREO	
Drill Hole #	from (ft.)	to (ft.)	length (ft)	length (m)	% TREO	in TREO	Comments
TR-12-002	138.0	142.0	4.0	1.2	0.11	11.9%	*South Zone*
TR-12-003	181.0	182.5	1.5	0.5	0.32	5.9%	*South Zone*
TR-12-007	44.7	66.4	21.7	6.6	0.12	10.1%	*Upper Zone*
		includes:	2.0	0.6	0.38	10.3%	
	186.0	213.5	27.5	8.4	0.17	4.3%	*Lower Zone*
		includes:	1.2	0.4	0.97	3.1%	
TR-12-008	66.6	93.4	26.8	8.2	0.57	14.5%	*Upper Zone*
		includes:	*2.4*	0.7	0.57	10.6%	
			1.4	0.4	**1.77**	17.1%	
TR-12-009	42.9	50.4	7.5	2.3	0.29	18.5%	*Upper Zone*
		includes:	1.7	0.5	0.83	18.5%	
	79.8	111.8	32.0	9.8	**1.05**	14.9%	*Upper Zone*
		includes:	16.5	5.0	**1.82**	15.0%	
			6.0	1.8	**3.28**	15.1%	
TR-12-011	63.7	117.0	53.3	16.2	0.21	17.1%	*Upper Zone*
		includes:	1.4	0.4	**0.96**	15.5%	
			2.0	0.6	0.48	18.3%	
			1.1	0.3	**1.04**	15.3%	
	124.6	145.5	20.8	6.3	0.24	13.6%	*Lower Zone*
		includes:	2.8	0.9	**0.95**	13.0%	
TR-12-16	300.9	307.8	6.9	2.1	0.10	6.1%	*Upper Zone*
	584.2	586.7	2.5	0.8	0.02	3.1%	*Lower Zone*
TR-12-17	298.2	303.7	5.5	1.7	0.19	4.1%	*Upper Zone*
ND-12-03	0.0	5.0	5.0	1.5	**1.04**	11.3%	*NED*

The mineralized intervals encountered in the Thor drilling are hosted by an apparently widespread biotite‑rich granite/syenite unit. Independent studies of core samples from the drilling program by outside consultants and university researchers suggest the REE mineralization may have formed as part of the rock body itself. Petrographic studies (by Dr. Virginia Gillerman, Economic Geologist with experience in REE‑mineralization) indicate that the mineralization encountered in the drilling is associated with abundant biotite‑rich zones (or layers) within the alkali granite/syenite host unit and occurs as small, indistinct “veins” of apatite‑monazite (REE‑bearing phosphate minerals) that follow grain boundaries. There is little or no evidence of open ‑space fracture filling, and it is suggested that the REE minerals may have been emplaced from within the rock itself while the rock was still in a plastic, slightly molten state.

A new host rock/mineralization model for the Thor REE Project is being prepared. This new model will assist in a second‑pass drilling program planned to target a possible REE ‑bearing rock system of significant size. Surface and geophysical work to date indicate

the Lopez Trend and other untested targets on the Thor property remain widely open on strike and to depth. Elissa is supporting ongoing petrographic work and university research in an effort to advance an understanding of the REE mineralization. Elissa's team of experienced consulting geologists now think that the known Lopez Trend represents part of the eastern limb of a very large, perhaps overturned, fold with the nose and similarly sized western limb of the fold, known as the Santos Trend, being concealed by shallow alluvial cover. If so, the total strike length of units equivalent to the REE-bearing host exposed along the Lopez Trend could be 20,000 feet (6 km) or more.

On February 14, 2013, the Company announced the Thor project would be part of a high resolution combined radiometric-aeromagnetic survey. The helicopter-flown program was conducted by Precision GeoSurveys Inc. of Vancouver, Canada, surveyed in detail about 75% of the 14.8 sq. km area (9 sq. miles) of the Thor property block, covering all currently identified trends and outlying areas of known or suspected heavy and light rare earth element (REE) mineralization. The results of this survey will generate further future REE drill targets and offers support to the hypothesis that the Lopez Trend on the Thor project may be the eastern folded edge of a possibly very much larger lithologically controlled REE-bearing system. The results of the survey are being studied by our Company consulted geologists.

QA/QC procedures: Intervals of drill core selected for sampling were split in half by independent contract personnel using a rock saw. One split was bagged, labeled and sent by commercial carrier to Activation Laboratories ("Actlabs") in Ancaster, ON. Actlabs is an internationally renowned, ISO-accredited analytical laboratory with expertise in REE assays. To monitor laboratory QA/QC, Elissa geologists randomly inserted standard or blank samples into the sample sequence sent to the lab. Drill core, including splits of the core sent for assay, is currently stored in a secure warehouse in the town of Henderson, about 40 miles (60 km) from the project site.

Cautionary note: The sample or assay intervals reported are down-hole core lengths. The actual width of any mineralization represented by these intervals is uncertain at this time but it is probably less than the lengths reported.

Note: The rare earth contents described above refer to the combined content of all the lanthanide elements + yttrium. Assay results from the laboratory report values in ppm (parts per million) for each of these 15 elements. Following common convention, Elissa has converted these values to oxide-equivalents and expressed as rare earth oxide (REO) values in percent (%).

Qualified Person: The technical information described above, has been reviewed and approved by Mel Klohn, PGeo, Director of Elissa Resources, and a Qualified Person as defined in the current National Instrument 43-101.

South Standby Property

In 2013, the Company staked mineral exploration property in South Dakota, USA. On February 24, 2014, the Company entered into an exclusive option purchase agreement to acquire mineral claims in the same area of interest as the claims staked in the prior year.

The terms of the option to acquire 100% undivided interest in the property are aggregate cash payments of US$170,000 and issuing an aggregate of 800,000 common shares of the Company during the four year option period as follows:

Upon execution of the agreement, 300,000 shares issued and a cash payment of US$30,000. (Paid and Issued)
On first anniversary a cash payment of US$35,000.
On second anniversary a cash payment of US$45,000.
On third anniversary a cash payment of $60,000.
On fourth anniversary, 500,000 shares issued.
Upon the exercise of the option, the company issues a 2.5% NSR Royalty to the owner. The company has the right to purchase 2% of the NSR Royalty at a price of US$1,000,000 per 1%.

During the period ended September 30, 2014, the Company decided not to pursue the South Standby project claims and the project was written off.

Capitalized Expenditures on Mineral Properties for the Current Fiscal Year

(a) Schedule of increases in deferred costs:

Name	Opening Balance	Foreign exchange adjustment	Increase (Decrease)	Write-off	Ending Balance
Thor REE	$1,666,408	$88,365	$38,189	$0	$1,792,962
South Standby	59,446	1,710	40,212	(101,368)	0
Total	$1,725,854	$90,075	$168,476	$(101,368)	$1,792,962

(b) Schedules of acquisition, exploration and development expenses:

Acquisition costs:

	Acquisition costs, beginning	Foreign exchange adjustment	Incurred (recovered) during period	Properties written-off	Acquisition, end of period
Thor REE	$279,795	$14,836	$0	$0	$294,631
South Standby	0	0	40,212	(40,212)	0
Total	$279,795	$894	$40,212	$(40,212)	$294,631

Exploration expenses:

	Thor REE	South Standby	Total
Exploration, Beginning of period	$1,386,613	$59,446	$1,446,059
Foreign exchange adjustment	73,529	1,710	75,239
Geological Consulting	3,304	0	3,148
Staking and maintenance fees	21,280	0	0
Reclamation	13,605	0	0
Write-off	0	(61,156)	(61,156)
Exploration, End of period	$1,498,331	$0	$1,394,194

As of the date of this report, the Company has not planned an exploration program for 2014 for any of the currently held properties. Weakness in the overall junior mining financial markets at this time has limited the Company's ability to attract new capital. Management has therefore decided to conserve the treasury until such time as either new capital becomes available to support future exploration, or other suitable opportunity becomes available.

Proposed Transactions

In the normal course of business, as an ongoing part of the exploration process, the Company investigates mineral properties which are submitted to the Board of Directors for consideration. However, the Company continues to evaluate, review and negotiate a number of other prospective mineral projects in Canada, the USA and the other suitable mining jurisdiction globally.

Critical Accounting Estimates and Judgments

Critical accounting estimates used in the preparation of the consolidated financial statements include the Company's estimate of impairment of resource properties, rates of amortization for equipment, determination of environmental obligations, useful life and recoverability of long-lived assets, accounts payable and accrued liabilities, assumptions used in the determination of the fair value of share-based payments and valuation allowance for deferred income tax assets. These estimates involve considerable judgment and are, or could be, affected by significant factors that are beyond the Company's control.

Mineral properties
The Company's recorded value of its mineral properties is in all cases on historical costs that the Company expects to be recovered in the future. The Company's recoverability evaluation is based on market conditions for minerals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale. The Company is in an industry that is exposed to a number of risks and uncertainties, including exploration risk, development

risk, commodity price risk, operating risk, ownership risk, and political risk, funding and currency risk, as well as environmental risk.

Share-based payments
The factors affecting share-based payments include estimates of when stock options might be exercised and the stock price volatility. The timing for exercise of options is out of the Company's control and will depend, among other things, upon a variety of factors including the market value of the Company's shares and financial objectives of the holders of the options. The Company has used historical data to determine volatility in accordance with Black-Scholes modeling, however, the future volatility is inherently uncertain and the model has its limitations. While these estimates can have a material impact on the share-based payments and hence results of operations, there is no impact on the Company's financial condition.

Critical Accounting Policies

The Company's significant accounting policies under IFRS are presented in Note 3 of the consolidated financial statements for the year ended December 31, 2014.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Financial Instruments

The Company has not entered into any specialized financial agreements to minimize its investment risk, commodity risk and currency risk.

The Company has classified its cash as held-for-trading; and accounts payable and accrued liabilities as other financial liabilities.

The carrying values of cash and accounts payable and accrued liabilities approximate their fair values because of the short-term maturity of these financial instruments.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

The Company manages credit risk, in respect of cash, by purchasing highly liquid, short-term investment-grade securities held at a major Canadian financial institution in accordance with the Company's investment policy. Concentration of credit risk exists with respect to the Company's cash as substantially all amounts are held with a single major

Canadian financial institution. The Company's concentration of credit risk and maximum exposure thereto is as follows:

	2014	2013
Cash – Canada	$ 356,149	$ 32,636
Cashable – Savings	0	709,092
Cash – US	27,310	33,714
	$ 383,459	$ 775,442

(b) Liquidity risk

The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. As at September 30, 2014, the Company had a cash balance of $383,459 (December 31, 2013 - $775,442) to settle current liabilities of $Nil (December 31, 2013 - $50,327). Accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(c) Market risk

The Company is not exposed to any material interest rate risk.

(d) Foreign currency risk

The Company is exposed to foreign currency risk with respect to cash, and transactions during the period, exploration expenditures, and accounts payable and accrued liabilities as a portion of these amounts are denominated in US dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

Related Party Transactions

The Company incurred costs of $63,000 (September 30, 2013 - $63,000) for management fees, $36,000 (September 30, 2013 - $36,000) for accounting fees, and $5,055 (September 30, 2013 - $45,495) for rent paid to a company controlled by a director and officer of the Company.

The Company incurred legal fees of $8,918 (September 30, 2013 - $6,747) paid to a law firm of which the Corporate Secretary of the Company is an employee.

The above transactions were in the normal course of operations.

Other MD&A Requirements
For the Period Under Review

(a) Summary of Securities Issued During the Period:

During the period ended September 30, 2014, 300,000 common shares were issued at a value of $7,500.

(b) Summary of Options Granted During the Period:

None.

Outstanding Share Data:

(a) Share Capital:

Authorized: Unlimited common shares without par value
Issued: 32,105,517 common shares

(b) Summary of Options, Warrants and Convertible Securities:

Options:

1,575,000 stock purchase options with an exercise price of $0.10 per share expiring October 7, 2015.

525,000 stock purchase options with an exercise price of $0.27 per share expiring April 19, 2016.

325,000 stock purchase options with an exercise price of $0.21 per share expiring January 6, 2017.

100,000 stock purchase options with an exercise price of $0.21 per share expiring February 1, 2017.

Warrants:

12,264,750 with an exercise price of $0.30 expiring March 4, 2016.

(c) List of Directors and Officers:

Paul McKenzie,	Director and CEO, President, Vancouver, B.C.
Mel Klohn,	Director, Spokane Valley, Washington, USA
Daniel Frederiksen,	Director, and CFO, Vancouver, B.C.
G. Arnold Armstrong,	Director and Chairman, Vancouver, B.C.
J. Garry Clark,	Director, Thunder Bay, Ontario
Kerry Suffolk,	Director, Vancouver, B.C.
Shauna Hartman	Corporate Secretary, Surrey, B.C.

Risk factors

The principal activity of the Company is mineral exploration which is inherently risky. There is intensive government legislation from state, provincial, federal, municipal and aboriginal governments, surrounding the exploration for and production of minerals from our and any mining operations. Exploration and development is also capital intensive and the Company currently has no source of income. Only the skills of its management and staff in mineral exploration and exploration financing serve to mitigate these risks, and therefore constitute one of the main assets of the Company.

The Company has its cash deposited with a large, federally insured, commercial bank which it believes to be creditworthy. Federal deposit insurance covers deposit balances up to $100,000. Therefore, the majority of the Company's cash on deposit exceeds federal deposit insurance available.

Title

Title to mineral properties, as well as the location of boundaries on the grounds may be disputed. Moreover, additional amounts may be required to be paid to surface right owners in connection with any mining development. At all of such properties where there are current or planned exploration activities, the Company believes that it has either contractual, statutory, or common law rights to make such use of the surface as is reasonably necessary in connection with those activities. Although the Company believes it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to its properties will not be challenged or impaired.

Successful challenges to the title of the Company's properties could impair the development of operations on those properties.

The Company's properties include unpatented mining claims, patented mining claims, and mineral rights on private lands. The Company's properties on unpatented mining claims, is land owned and administered by the U.S. government. A valid unpatented mining claim is an interest in real property that can be bought, sold, mortgaged, devised, leased and taxed, but it is always subject to the paramount title of the U.S. and the rights of third parties to use the surface of the claim in a manner that does not unreasonably interfere with the claimant's activities. Unpatented mining claims are mining claims located and staked on available federal public domain land in accordance with the U.S. General Mining Law of 1872, with dimensions not to exceed 600 feet by 1500 feet for lode claims (which constitute the great majority of the Company's unpatented mining claims), or 20 acres for placer claims. The process of locating an unpatented mining claim is initiated by the locator. Unpatented mining claims can be staked without any invitation from or grant by the federal government or any state government. A valid unpatented mining claim must include a discovery of valuable minerals. Prior to discovery, however, a mining claimant has a possessory right to conduct mineral exploration and development activities on the claim. The locator of a valid unpatented

mining claim has the right to explore for, develop and mine minerals discovered on the claim, subject to compliance with the annual maintenance requirements of the U.S. Federal Land Policy and Management Act of 1976, which currently requires timely payment of an annual maintenance fee in order to maintain an unpatented mining claim. Unpatented mining claims are unique property interests, and are generally considered to be subject to greater title risk than private real property interests because the validity of unpatented mining claims is often uncertain. This uncertainty arises, in part, out of the complex federal and state laws and regulations that supplement the U.S. General Mining Law of 1872. Also, unpatented mining claims and related rights, such as rights to use the surface, are always subject to possible challenges by third parties or contests by the federal government. The validity of an unpatented mining claim, in terms of both its location and its maintenance, is dependent on strict compliance with a complex body of federal and state statutory and decisional law. In addition, there are few public records that definitively control the issues of validity and ownership of unpatented mining claims.

In recent years, the U.S. Congress has considered a number of proposed amendments to the General Mining Law, as well as comprehensive reform legislation. Although no such legislation has been adopted to date, there can be no assurance that such legislation will not be adopted in the future. If ever adopted, such legislation could, among other things, impose royalties on production from currently unpatented mining claims located on federal lands. If such legislation is ever adopted, it could have an adverse impact on earnings from the Company's operations, and it could reduce estimates of the Company's present resources and the amount of the Company's future exploration and development activity on federal lands.

Permits and Licenses

Although the Company either currently holds or has applied for or is about to apply for all consents which it requires in order to carry out its current drilling programs, the Company cannot be certain that it will receive the necessary permits and licenses on acceptable terms or at all, in order to conduct further exploration and to develop its properties. The failure to obtain such permits, or delays in obtaining such permits could adversely affect the operations of the Company. Government approvals and permits are currently and may in the future be required in connection with the operations of the Company. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from continuing its mining operations or from proceeding with planned exploration or development of mineral properties.

Exploration and Development Efforts May Be Unsuccessful

There is no certainty that the expenditures to be made by the Company in the exploration and development of its properties as described herein will result in discoveries of mineralized material in commercial quantities. Most exploration and development projects do not result in the discovery of commercially mineable ore deposits and no assurance can be given that any particular level of recovery of ore reserves will in fact be

realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. Estimates of reserves, mineable deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to ore reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

Lack of Cash Flow

None of the Company's properties have advanced to the commercial production stage and the Company has no history of earnings or cash flow from operations. The Company does not expect to generate material revenue from mining operations or to achieve self-sustaining commercial mining operations for several years.

The Company has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. Historically, the only source of funds available to the Company is through the sale of its securities. Future additional equity financing would cause dilution to current shareholders.

No Mineral Resources or Reserves in Production

The properties in which the Company has an interest or right to earn an interest are in the exploration or pre-development stages only and are without a known body of ore in commercial production.

Uncertainty of Obtaining Additional Funding Requirements

Programs planned by the Company may necessitate additional funding, which could cause a dilution of the value of the investment to the shareholders of the Company. The recuperation value of mining properties indicated in the balance sheet depends on the discovery of mineralization that can be profitably exploited and on the Company's capacity to obtain additional funds in order to realize these programs.

The Company's exploration activities can therefore be interrupted at any moment if the Company is incapable of obtaining the necessary funds in order to continue any additional activities that are necessary and that are not described in the exploration programs outlined in the Company's geological report for its properties.

Mineral Prices May Not Support Corporate Profit

The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of mineral resources are developed, a profitable market will exist for the sale of same. Factors beyond the control of the Company may affect the marketability of any substances discovered. The price of minerals is volatile over short periods of time, and is affected by numerous factors beyond the control of the Company, including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining techniques.

Competition

The mining industry is intensively competitive in all its phases. The Company competes with companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for the recruitment and retention of qualified employees.

Environmental Regulations

The current and future operations of the Company, including further exploration, development activities and commencement of production on its properties, requires permits from various Canadian and U.S. Federal, Provincial and State governmental authorities.

Such operations are subject to various laws governing land use, the protection of the environment, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, mine safety and other matters. There can be no assurance, however, that all permits which the Company may require for construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures, production costs, reduction in levels of production at producing properties, require abandonment or delays in development of new mining properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violation of applicable laws or regulations.

Uncertainty of Reserves and Mineralization Estimates

There are numerous uncertainties inherent in estimating proven and probable reserves and mineralization, including many factors beyond the control of the Company. The estimation of reserves and mineralization is a subjective process and the accuracy of any such estimates is a function of the quality of available data and of engineering and geological interpretation and judgment. Results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may justify revision of such estimates. No assurance can be given that the volume and grade of reserves recovered and rates of production will not be less than anticipated. Assumptions about prices are subject to greater uncertainty and metals prices have fluctuated widely in the past. Declines in the market price of base or precious metals also may render reserves or mineralization containing relatively lower grades of ore uneconomic to exploit. Changes in operating and capital costs and other factors including, but not limited to, short-term operating factors such as the need for sequential development of ore bodies and the processing of new or different ore grades, may materially and adversely affect reserves.

Foreign Operations

The Company's foreign activities are subject to the risk normally associated with conducting business in foreign countries, including exchange controls and currency fluctuations, limitations on repatriation of earnings, foreign taxation, laws or policies of particular countries, labour practices and disputes, and uncertain political and economic environments, as well as risk of war and civil disturbances, or other risk that could cause exploration or development difficulties or stoppages, restrict the movement of funds or result in the deprivation or loss of contract rights or the taking of property by nationalization or expropriation without fair compensation. Foreign operations could also be adversely impacted by laws and policies affecting foreign trade, investment and taxation. The Company currently has exploration projects located in the U.S.

Operating Hazards and Risks Associated with the Mining Industry

Mining operations generally involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Hazards such as unusual or unexpected formations and other conditions are involved.

Operations in which the Company has direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of precious and base metals, any of which could result in work stoppages, damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage. The Company may become subject to liability for cave-ins and other hazards for which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to

the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration activities.

Ability to Manage Growth

Should the Company be successful in its efforts to develop its mineral properties or to raise capital for other mining ventures it will experience significant growth in operations. If this occurs management anticipates that additional expansion will be required in order to continue development. Any expansion of the Company's business would place further demands on its management, operational capacity and financial resources. The failure to manage growth effectively could have a material adverse effect on the Company's business, financial condition and results of operations.

Lack of a Dividend Policy

The Company does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from the Company will remain subject to the discretion of the Company's board of directors and will depend on results of operations, cash requirements and future prospects of the Company and other factors.

Possible Dilution to Present and Prospective Shareholders

The Company's plan of operation, in part, contemplates the accomplishment of business negotiations by the issuance of cash, securities of the Company, or a combination of the two, and possibly, incurring debt. Any transaction involving the issuance of previously authorized but unissued common shares, or securities convertible into common shares, would result in dilution, possibly substantial, to present and prospective holders of common shares.

Dependence on Key Personnel

The Company strongly depends on the business and technical expertise of its management and key personnel. There is little possibility that this dependence will decrease in the near term.

As the Company's operations expand, additional general management resources will be required, especially since the Company encounters risks that are inherent in doing business in several countries.

Conflict of Interest

Certain directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Lack of Trading Volume

The lack of trading volume of the Company's shares reduces the liquidity of an investment in the Company's shares.

Volatility of Share Price

Market prices for shares of early stage companies are often volatile. Factors such as announcements of mineral discoveries, financial results, and other factors could have a significant effect on the price of the Company's shares.

Outlook and Investor Relations

The Company continues to be logged into the SEDAR electronic filing system for the purpose of reporting on a timely basis. The Company will keep its shareholders advised as to the status of exploration and development on all its properties through the issuance of timely press releases via Vancouver Stockwatch and mail outs respecting same. Additional information related to the Company is available on the Company's website at www.elissaresources.com.

Forward Looking Statements

Certain statements contained in this Management Discussion and Analysis constitute "forward-looking statements". These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. Information concerning the interpretation of drill results, mineral resource and reserve estimates and capital cost estimates may also be deemed as forward-looking

statements as such information constitutes a prediction of what mineralization might be found to be present and how much capital will be required if and when a project is actually developed. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Management Discussion and Analysis should not be relied upon. These statements speak only as of the date of this Management Discussion and Analysis. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by forward-looking statements contained in this Management Discussion and Analysis. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- the supply and demand for, deliveries of, and the level and volatility of prices of mineral commodities under exploration;
- the availability of financing for the Company's exploration and development projects on reasonable terms;
- the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the ability to attract and retain skilled staff;
- market competition;
- the accuracy of our resource estimate (including, with respect to size, grade and recoverability) and the geological, operational and price assumptions on which it is based; and
- tax benefits and tax rates.

These forward-looking statements involve risks and uncertainties relating to, among other things, risks related to international operations, actual results of current exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, as well as those factors discussed in the section "Risk Factors". Factors that could cause actual results to differ materially include, but are not limited to, the risk factors discussed in the section. The Company cautions that the foregoing list of important factors is not exhaustive. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.