CENTENERA MINING CORPORATION
Form 51-102F1
MANAGEMENT DISCUSSION & ANALYSIS
For the period ended July 31, 2015

INTRODUCTION

This Management Discussion and Analysis ("MD&A") for Centenera Mining Corporation, formerly Artha Resources Corporation ("Centenera" or the "Company") for the nine month period ended July 31, 2015 has been prepared by management, in accordance with the requirements of National Instrument 51-102, as of September 9, 2015, and compares its financial results for the nine months ended July 31, 2015 to the nine months ended July 31, 2014. This MD&A provides a detailed analysis of the business of Centenera and should be read in conjunction with Cardero Argentina S.A.'s ("Cardero Argentina") audited financial statements and the accompanying notes for the years ended J October 31, 2014 and October 31, 2013, which are filed as attachments to the Company's information circular filed on April 28, 2015 under the Company's profile on the SEDAR website at www.sedar.com. The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars unless otherwise noted. The Company reports its financial position, results of operations and cash-flows in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Forward-Looking Statements

This MD&A contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian and U.S. securities legislation. These statements relate to future events or the future activities or performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. Information concerning mineral resource/reserve estimates and the economic analysis thereof contained in preliminary economic analyses or prefeasibility studies also may be deemed to be forward-looking statements in that they reflect a prediction of the mineralization that would be encountered, and the results of mining that mineralization, if a mineral deposit were developed and mined. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate, plans and similar expressions, or which by their nature refer to future events. These forward looking statements include, but are not limited to, statements concerning:

- the Company's strategies and objectives, both generally and in respect of its specific mineral properties or exploration and evaluation assets;
- the timing of decisions regarding the timing and costs of exploration programs with respect to, and the issuance of the necessary permits and authorizations required for, the Company's exploration programs;
- the Company's estimates of the quality and quantity of the resources and reserves at its mineral properties;
- the timing and cost of planned exploration programs of the Company and the timing of the receipt of result thereof;
- general business and economic conditions;
- the Company's ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations; and

- the Company's expectation that it will be able to add additional mineral projects of merit to its existing property portfolio.

Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Inherent in forward looking statements are risks and uncertainties beyond the Company's ability to predict or control, including, but not limited to, risks related to the Company's inability to raise the necessary capital to be able to continue in business and to implement its business strategies, to identify one or more economic deposits on its properties, variations in the nature, quality and quantity of any mineral deposits that may be located, variations in the market price of any mineral products the Company may produce or plan to produce, the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, to produce minerals from its properties successfully or profitably, to continue its projected growth, and other risks identified herein under "Risk Factors".

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results are likely to differ, and may differ materially, from those expressed or implied by forward looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove incorrect, including, but not limited to, assumptions about:

- the level and volatility of the price of commodities;
- general business and economic conditions;
- the timing of the receipt of regulatory and governmental approvals, permits and authorizations necessary to implement and carry on the Company's planned exploration;
- conditions in the financial markets generally;
- the Company's ability to attract and retain key staff;
- the accuracy of the Company's resource/reserve estimates (including with respect to size and grade) and the geological, operational and price assumptions on which these are based;
- the nature and location of the Company's mineral exploration projects, and the timing of the ability to commence and complete the planned exploration programs; and
- the ongoing relations of the Company with its regulators.

These forward looking statements are made as of the date hereof and the Company does not intend and does not assume any obligation, to update these forward looking statements, except as required by applicable law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations. See "Risk Factors – Insufficient Financial Resources/Share Price Volatility".

All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via www.sedar.com and readers are urged to review these materials.

DATE

This MDA reflects information available as at September 9, 2015.

RESULTS OF OPERATIONS

Nature of Business

Centenera is a publicly traded mineral exploration company, whose common shares are listed on the TSX Venture Exchange under the symbol "CT". The Company's principal business activity is the exploration and evaluation of mineral properties located in Argentina.

The head office and principal address of the Company is Suite 2300 – 1177 West Hastings Street, Vancouver, BC, V6E 2K3, Canada. The registered and records offices of the Company are located at Suite 415 – 1040 West Georgia Street, Vancouver, BC, V6E 4H1, Canada.

Business Highlights

Reverse Takeover Transaction ("RTO")

On June 18, 2015, the Company completed the acquisition of all of the issued and outstanding shares of Cardero Argentina. Cardero Argentina was a wholly owned subsidiary of Cardero Resource Corp. ("Cardero"), except as to one share owned by Hendrik van Alphen, and is a mineral exploration company with properties located in Argentina. As consideration for the acquisition, as well as for services provided by Cardero relating to the RTO, the Company paid to Cardero US$50,000 cash and issued 23,743,781 common shares to Cardero.

Prior to giving effect to the acquisition and concurrent financings, the Company's issued and outstanding share capital consisted of 10,318,308 common shares after giving effect to a 1 (new) to 10 (old) share consolidation completed by the Company in January 2015. As a result of the Company issuing 23,743,781 common shares, Cardero received an approximate 69.7% interest in the Company, prior to the concurrent financings.

Because Cardero obtained control of the Company, the transaction is considered a purchase of the Company's operations by Cardero Argentina (which prior to the RTO was a wholly owned subsidiary of Cardero) and is accounted for as a reverse acquisition. As Cardero Argentina is deemed to be the acquirer for accounting purposes, its assets and liabilities and operations since incorporation are included in the consolidated financial statements at their historical carrying value. Accordingly, the Company's historical results of operations are ignored and the Company's current results of operations are included in the financial statements of the Company from the date of the RTO onwards. In conjunction with the RTO, the Company changed its financial year-end from December 31 to October 31

Termination of Aguilar Option Agreement

Prior to the Company completing the RTO with Cardero Argentina the Company entered into an option/joint venture agreement made effective September 18, 2012 (the "option Agreement") with Teck

Argentina Ltd. ("Teck") to acquire a 100%interest in the Aguilar property located in Jutuy Province, Argentina. The Option Agreement included a liability to the Company of US$600,000 relating to firm expenditure commitments and the Company's obligation to complete a minimum of 4,000 meters of diamond drilling or combination RC/diamond drilling on the Aguilar property prior to October 31, 2015.

On April 23, 2015, the Company and Teck entered into a termination agreement whereby the Company agreed to pay Teck US$40,000, on or before June 15, 2015 (later amended), and to issue to Teck 1,500,000 units (the "Settlement Units") on or before May 15, 2015 (issued). Each Settlement Unit consists of one common share of the Company and one-half of one common share-purchase warrant, with each whole warrant entitling Teck to purchase one common share of the Company at a price of $0.18 per share with a maturity date of May 19, 2017. On June 18, 2015, the Company paid US$10,000 to Teck and entered into a Convertible Promissory Note (the "Promissory Note") in the amount of US$30,000. The Promissory Note is due June 18, 2017 and the Company shall pay Teck at least 2% of the gross proceeds of any financing, up to US$30,000, in the interim period as payment towards the outstanding indebtedness as well as simple interest at a rate of 5% per annum. The Company can prepay the indebtedness in whole or in part at any time.

The Company may prepay the Promissory Note in whole or in part at any time and from time to time, without notice, bonus or penalty; provided that with any partial prepayment of the Promissory Note, the Company shall then pay all interest which has accrued on the Promissory Note and remains unpaid. The conversion terms of the Promissory Note are as follows:

> "Conversion Price" means the price per security at which the Financing Securities are offered pursuant to a Financing;
>
> "Financing" means each private placement of Financing Securities of the Company conducted by the Company in Canada or the United States prior to the earlier of the Maturity Date and the repayment of the Indebtedness in full; and
>
> "Financing Securities" means the equity securities being offered and issued by the Company pursuant to a Financing.

As far in advance as reasonably possible prior to a Financing, and in any case at least 10 business days prior to the closing of the Financing, the Company shall send to Teck a written notice of the Financing containing all relevant details of the Financing and accompanying documentation. Upon receipt of such notice, Teck may, in its sole discretion elect to convert all (but not part) of the Promissory Note into Financing Securities at the applicable Conversion Price by delivering written notice to the Company prior to the closing of the Financing.

Any conversion made will be made on the same terms and conditions as that offered to the subscribers under the Financing.

Concurrent Financings

In connection with the RTO, the Company completed private placements for gross aggregate proceeds of $1,000,000, including a bridge financing of $50,000 at a price of $0.08 per unit (the "Bridge Financing Units") to cover certain costs associated with the transaction and a concurrent private placement of $950,000 at a price of $0.10 per unit (the "Concurrent Financing Units"). Each Bridge Financing Unit consists of one common share of the Company and one-half of one share-purchase warrant, each whole warrant entitling the holder to purchase one common share of the Company at a price of $0.12 per share

for a period of 24 months from the closing of the bridge financing. Each Concurrent Financing Unit consists of one common share of the Company and one whole share-purchase warrant, each warrant entitling the holder to purchase one common share of the Company at a price of $0.15 per share for a period of 24 months from the closing of the concurrent financings.

Share Consolidation

In January 2015, prior to the RTO the Company completed a consolidation of its common shares by issuing one new common share for every ten existing common shares.

Debt Settlement Agreements

Prior to the RTO, the Company entered into debt settlement agreements with a number of related party and arms-length creditors. Pursuant to such agreements, with a settlement cut-off date of December 31, 2014, the Company settled $713,109 of outstanding debts for consideration of the issuance of 911,388 common shares (issued April 17, 2015) and cash payments totaling $46,468.

Additional details can be reviewed in the news releases published on SEDAR at www.sedar.com.

Exploration Properties

As a result of the RTO, the Company has the following mineral property interests:

Mina Angela Project, Argentina

The Mina Angela property is located in Chubut province in southern Argentina. The property was explored by several companies between 1951 and 1978 and production commenced in 1978. The underground mine was operated by Cerro Castillo SA until 1992 producing more than 150,000 ounces of gold. The mineralized system remains open at depth. Government records from 1983 until the mine closed in 1992 show mining production was 1.04 million tonnes for this period with average grades of: 4.0 g/t gold; 48.4 g/t silver; 2.0% lead; 0.4% copper; 4.6% zinc.

Despite past production, the property remains largely under-explored. There is high potential for extension of ore reserves along the down-dip extensions of the vein systems at Mina Angela, Mina Camila and the Sahuel Prospects. There are several additional identified targets, with the opportunity for new discoveries. The property is ideally located, with proximity to national transportation infrastructure.

In 1996 Lonrho Mining acquired equity in Cerro Castillo and conducted a detailed exploration program in 1997 and 1998 including 3,500 meters of drilling which targeted anomalies identified using geophysics and soil geochemistry. Exploration by Lonrho in 1998 discovered a new vein system, the Sahuel Prospect. Geophysics indicates the vein has a potential strike length of 1.6 kilometers. Significant drill intercepts include 1.36 meters @ 40.65g/t gold and 2 meters @ 6.69g/t gold. Lonrho estimated the down-dip extension of ore at Mina Angela to extend for another 150 meters; at Mina Camila, for about 250 meters; and, at Sahuel, for 400 meters. In 1998 Lonrho withdrew from South American mineral activities.

A qualified person (within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"), has not verified the aforesaid technical information. Furthermore, a qualified person has not done sufficient work to classify the historical estimate as current mineral

resources or mineral reserves and the Company is not treating the historical estimate as current mineral resources or mineral reserves.

The Company entered into an acquisition agreement in April 2004, pursuant to which, the Company acquired a 100% interest in 44 mineral concessions in Chubut Province, Argentina, subject to a 1% NSR to the vendor, in consideration of aggregate cash payments to the vendor of USD 400,000(paid). The Company now owns the property 100%.

Organullo Project, Argentina

The Organullo property is located in Salta province, which is a mining-friendly jurisdiction in northern Argentina. The property has an exploration history of almost a century. It was initially explored and mined on a small scale at the Julio Verne Mine in the 1930's, producing copper, bismuth and gold. Mining activity involved excavation of more than 450 meters of workings on 3 levels. Few details of production are available, but concentrates were reported to average 12.5% bismuth and 8.2% copper with gold ranging between 10-20 g/t and sampling on several subsequent exploration programs confirmed the high gold grades found underground. Previous explorers include Fabricaciones Militares (in Partnership with the United Nations), Triton Mining Corporation, Northern Orion Exploration, Newmont Overseas Exploration (Chile), Newmont Peru, Artha and Cardero. Cardero, through its wholly owned subsidiary Cardero Argentina, acquired Organullo in 2004.

Organullo is a large property with widespread and intense alteration indicative of a productive high sulphidation epithermal gold deposit. This property lies along a regional northerly-trending fault linear that controls the localization of mineralization and volcanoes in the region. The Julio Verne Mine is characterized by structure-controlled Cu-Bi mineralization. Associated argillic to advanced argillic alteration extends from the mine eastwards to the Organullo Ridge. Mineralization on the ridge is associated with faulting, quartz veins and silicified rock. The geological relationships suggest that this is near the top of the system with large volumes of underlying rock yet to be explored. The system appears to be large with more than 7 kilometers exposed in a north-south direction. Width is unknown and while some previous workers assumed a long, narrow system, it could extend to the east and west where recent cover hides all the potential. Historical drilling results support the interpretation of a potential bulk-mineable epithermal gold deposit. Reverse circulation drilling returned 200 meters grading 0.47 g/t gold and 189 meters grading 0.66 g/t gold, both from surface. Diamond drilling supports this with an intersection grading 0.66 g /t gold from 19 to 110 meters.

In 2012, a report completed by GeoRes (an Australian consulting firm) entitled "Organullo Exploration Targets & Pit Optimization" dated June 6, 2012, is authored by Robin Rankin. The work resulted in potential exploration target tonnages and grades of gold at Organullo which were reported at lower and upper ranges in southern and northern areas and in total. GeoRes determined two common strike and dip directions, each characteristic of a specific exploration target area. Block models were built for the two target areas (north area and south area). Block sizes were defined to emphasise the narrow vein orientation and were consequently much narrower in the X (east-west) directions than in the Y (north-south) and Z (vertical) directions. Gold grades were estimated into each model's blocks using parameters adapted to the common vein direction in each area. Raw drillhole data was composited to exactly 2.0 meters downhole. No limits were applied to either input data or output estimates and the estimation was unconstrained by geology. Block estimation was done using an inverse distance squared algorithm. Grade estimation search distances of up to 100 meters in the plane of the veins adequately fills the blocks between drill holes and extended beyond them. Following this evidence, increasing the scan distances by simple multiples produced reasonable figures for ranges of exploration targets. Scan distances of 200 meters and 300 meters were used for lower and upper ranges of exploration targets.

Targets were reported for a variety of gold grade lower cut-off values. Tonnages assumed a constant density of 2.6 t/m3. At a lower gold cut-off of 0.5 g/t the total exploration targets ranged from a lower 19.8 Mt at 0.94 g/t gold (600,000 ounces gold) to an upper 31.6 Mt at 0.92 g/t gold (940,000 ounces gold).

It should be noted that these potential exploration target quantities and grades are conceptual in nature, that insufficient exploration and geological modelling has been done to define mineral resources, and that it is uncertain if further exploration will result in the determination of a mineral resource. A qualified person (within the meaning of NI 43-101, has not verified the aforesaid technical information. Furthermore, a qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves and the Company is not treating the historical estimate as current mineral resources or mineral reserves.

Despite a long history of exploration, the extent of gold-mineralization at Organullo is not known. Many of the historic drill holes are thought to have been drilled in the wrong orientation due to misinterpretation of the structural setting. Generally insufficient drill testing, low drill recoveries and poorly defined alteration geometries leave significant questions as to the nature, distribution and volume of gold bearing rocks on the property. Much of the property outside the central zone near Julio Verne Mine is underexplored. Further work on outlining property-scale alteration and background geochemistry will assist in determining whether the currently outlined mineralization is the main potential resource on the property or may be peripheral to a larger porphyry style system. The historical Julio Verne Mine is small and is of less immediate interest to modern operators. The drilled area likely represents less than 20% of the defined area of alteration and in itself could be of interest to a serious explorer or mid-tier producer. With alteration in the remainder of the property extending at least 7 kilometers along strike and otherwise obscured under recent cover, the exploration target could be much larger.

Pursuant to an agreement dated October 1, 2004 between the Company and an Argentinean individual, the Company purchased a 100% interest in eight minas in Salta Province, Argentina, in consideration of the issuance of 70,000 common shares. The Organullo property is in good standing.

In conjunction with the RTO described above, an updated NI 43-101 technical report entitled “2015 Technical Report on the Organullo Property” was filed on SEDAR with an effective date of April 17, 2015. The report recommends a two-phase exploration program, focusing on the Organullo Ridge area and the west side of the Organullo valley.

Phase I of the program is planned for 2015-2016 and will comprise a review of data, prioritization of targets and 1,200 meters of drilling split equally between exploration targets and confirmatory infill drilling. The budget for Phase I is $342,000. Phase II, if warranted by favorable results from Phase I, is planned for 2016-2017 and will comprise a more intensive 3,300 meter drill program, focused on infill drilling and resource definition. A budget of $1,154,000 has been estimated for Phase II.

Crosby Property, Argentina

The Crosby property is located in northern Jujuy province, Argentina. Pursuant to a property option agreement made September 18, 2009 with Davcha Resources International Limited, the Company acquired an option to acquire the exploration permits, licences and applications comprising the Crosby property.

The Crosby property is transected by same northwest trending anticlinal structure that hosts Silver Standard's producing Pirquitas Mine, which is expected to produce 9.0-10.0 million ounces of silver and 10-12 million pounds of zinc in 2015. The Crosby property is positioned contiguous with the Pirquitas Mine.

Qualified Person and Quality Control/Quality Assurance

Keith Henderson, EurGeo, PGeo., the Company's President and Chief Executive Officer and a director and a qualified person as defined by NI 43-101, has supervised the preparation of the scientific and technical information that forms the basis for the mineral property disclosure in this MD&A and has approved the disclosure herein. Mr. Henderson is not independent of the Company, as he is an officer and director of the Company.

Risk Factors

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties. Due to the nature of the Company's proposed business and the present stage of exploration of its mineral properties the following risk factors, among others, will apply:

Resource Industry is Intensely Competitive: The Company's business is the acquisition, exploration and development of resource properties. The resource industry is intensely competitive and the Company will compete with other companies that have far greater resources.

Resource Exploration and Development is Generally a Speculative Business: Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting both from the failure to discover mineral deposits and from finding mineral deposits which, though present, are insufficient in size and grade at the then prevailing market conditions to return a profit from production. The marketability of natural resources which may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Fluctuation of Prices: Even if commercial quantities of resource deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the product produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. Commodity prices have experienced significant movement over short periods of time, and are 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 exploration and production methods. The supply of commodities is affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has, or has the right to acquire, an interest may be mined at a profit.

Permits and Licenses: The operations of the Company will require consents, approvals, licenses and/or permits from various governmental authorities. There can be no assurance that the Company will be able

to obtain all necessary consents, approvals, licenses and permits that may be required to carry out exploration, development and production operations at its projects.

Acquisition of Mineral Claims under Agreements: The agreements pursuant to which the Company has the right to acquire or maintain interests in a number of its properties provide that the Company must make a series of cash payments and/or share issuances over certain time periods, expend certain minimum amounts on the exploration of the properties or contribute its share of ongoing expenditures. Failure by the Company to make such payments, issue such shares or make such expenditures in a timely fashion may result in the Company losing its interest in such properties. There can be no assurance that the Company will have, or be able to obtain, the necessary financial resources to be able to maintain all of its property agreements in good standing, or to be able to comply with all of its obligations thereunder, with the result that the Company could forfeit its interest in one or more of its mineral properties.

No Assurance of Profitability: The Company has no history of earnings and due to the nature of its business there can be no assurance that the Company will ever be profitable. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares or, possibly, from the sale or optioning of a portion of its interest in its resource properties. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercial deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there can be no assurance that any such funds will be available on favorable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Uninsured or Uninsurable Risks: The Company may become subject to liability for pollution or hazards against 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 and production activities.

Government Regulation: Any exploration, development or production operations carried on by the Company will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, resource taxes and labour standards. In addition, the profitability of any commodity is affected by the market for those commodities which is influenced by many factors including changing production costs, the supply and demand, and the rate of inflation, the inventory of commodity producing corporations, the political environment and changes in international investment patterns.

Recent Market Events and Conditions: Since 2008, the U.S. credit markets have experienced serious disruption due to a deterioration in residential property values, defaults and delinquencies in the residential mortgage market (particularly, sub-prime and non-prime mortgages) and a decline in the credit quality of mortgage backed securities. These problems have led to a slow-down in residential housing market transactions, declining housing prices, delinquencies in non-mortgage consumer credit and a general decline in consumer confidence. These conditions caused a loss of confidence in the broader U.S. and global credit and financial markets and resulting in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by the U.S. and foreign governments, concerns about the

general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially. In addition, general economic indicators have deteriorated, including declining consumer sentiment, increased unemployment and declining economic growth and uncertainty about corporate earnings.

While these conditions appear to have improved slightly over the last two years, unprecedented disruptions in the credit and financial markets have had a significant material adverse impact on a number of financial institutions and have limited access to capital and credit for many companies. These disruptions could, among other things, make it more difficult for the Company to obtain, or increase its cost of obtaining, capital and financing for its operations. The Company's access to additional capital may not be available on terms acceptable to it or at all.

General Economic Conditions: The recent unprecedented events in global financial markets have had a profound impact on the global economy. Many industries, including the gold and base metal mining industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's growth and profitability. Specifically:

- the global credit/liquidity crisis could impact the cost and availability of financing and the Company's overall liquidity

- the volatility of commodity prices may impact the Company's future revenues, profits and cash flow

- volatile energy prices, commodity and consumables prices and currency exchange rates impact potential production costs

- the devaluation and volatility of global stock markets impacts the valuation of the Common Shares, which may impact the Company's ability to raise funds through the issuance of Common Shares

These factors could have a material adverse effect on the Company's financial condition and results of operations.

Exploration and Mining Risks: Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations of the grade of ore mined,

fluctuations in the price of gold or other minerals produced, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Short term factors, such as the need for orderly development of ore bodies or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in geological resources, grades, stripping ratios or recovery rates may affect the economic viability of projects.

Environmental Matters: Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted and which may well be beyond the capacity of the Company to fund. The Company's right to exploit any resource property is and will continue to be subject to various reporting requirements and to obtaining certain government approvals and there can be no assurance that such approvals, including environment approvals, will be obtained without inordinate delay or at all.

Insufficient Financial Resources: The Company does not presently have sufficient financial resources to undertake by itself the exploration and development of all of any significant exploration and development programs. The development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing or other means. There can be no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its properties. In particular, failure by the Company to raise the funding necessary to maintain in good standing the various option agreements it has entered into could result in the loss of the rights of the Company to such properties.

Financing Risks: The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. There can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

Dilution to the Company's Existing Shareholders: The Company will require additional equity financing be raised in the future. The Company may issue securities on less than favourable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

Increased Costs: Management anticipates that costs at the Company's projects will frequently be subject to variation from one year to the next due to a number of factors, such as the results of ongoing exploration activities (positive or negative), changes in the nature of mineralization encountered, and revisions to exploration programs, if any, in response to the foregoing. In addition, exploration program costs are affected by the price of commodities such as fuel, rubber and electricity and the availability (or otherwise) of consultants and drilling contractors. Increases in the prices of such commodities or a scarcity of consultants or drilling contractors could render the costs of exploration programs to increase significantly over those budgeted. A material increase in costs for any significant exploration programs

could have a significant effect on the Company's operating funds and ability to continue its planned exploration programs.

Dependence Upon Others and Key Personnel: The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability to design and carry out appropriate exploration programs on its resource properties; (ii) the ability to produce resources from any resource deposits that may be located; (iii) the ability to attract and retain additional key personnel in exploration, marketing, mine development and finance; and (iv) the ability and the operating resources to develop and maintain the properties held by the Company. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance of success with any or all of these factors on which the Company's operations will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities. This is especially true as the competition for qualified geological, technical personnel and consultants is particularly intense in the current marketplace.

Price Fluctuations and Share Price Volatility: In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual and extreme fluctuations in price will not occur.

Surface Rights and Access: Although the Company acquires the rights to some or all of the resources in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its resource tenures. In such cases, applicable laws usually provide for rights of access to the surface for the purpose of carrying on exploration activities, however, the enforcement of such rights can be costly and time consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or land owners, it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right at law to access the surface and carry on exploration activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out exploration activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction.

Title: Although the Company has taken steps to verify the title to the resource properties in which it has or has a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to resource properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

U.S. PFIC Status: The Company may be a "passive foreign investment company" under the U.S. Internal Revenue Code, which may result in material adverse U.S. federal income tax consequences to investors in Common Shares that are U.S. taxpayers: Investors in the Company's common shares that are U.S. taxpayers should be aware that the Company expects it will be in the current year, a "passive foreign investment company" under Section 1297(a) of the U.S. Internal Revenue Code (a "PFIC"). If the Company is or becomes a PFIC, generally any gain recognized on the sale of its common shares and any

"excess distributions" (as specifically defined) paid on its common shares must be rate ably allocated to each day in a U.S. taxpayer's holding period for the common shares. The amount of any such gain or excess distribution allocated to prior years of such U.S. taxpayer's holding period for the common shares generally will be subject to U.S. federal income tax at the highest tax applicable to ordinary income in each such prior year, and the U.S. taxpayer may be required to pay interest on the resulting tax liability for each such prior year, calculated as if such tax liability had been due in each such prior year.

Alternatively, a U.S. taxpayer that makes a "qualified electing fund" (a "QEF") election with respect to the Company generally will be subject to U.S. federal income tax on such U.S. taxpayer's pro rata share of the Company's "net capital gain" and "ordinary earnings" (as specifically defined and calculated under U.S. federal income tax rules), regardless of whether such amounts are actually distributed by the Company. U.S. taxpayers should be aware, however, that there can be no assurance that the Company will satisfy record keeping requirements under the QEF rules or that the Company will supply U.S. taxpayers with required information under the QEF rules, in event that the Company is a PFIC and a U.S. taxpayer wishes to make a QEF election. As a second alternative, a U.S. taxpayer may make a "mark-to-market election" if the Company is a PFIC and its common shares are "marketable stock" (as specifically defined). A U.S. taxpayer that makes a mark-to-market election generally will include in gross income, for each taxable year in which the Company is a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the common shares as of the close of such taxable year over (b) such U.S. taxpayer's adjusted tax basis in the common shares.

The above paragraphs contain only a brief summary of certain U.S. federal income tax considerations. Investors should consult their own tax advisor regarding the PFIC rules and other U.S. federal income tax consequences of the acquisition, ownership, and disposition of common shares of the Company.

SELECTED ANNUAL INFORMATION

The following selected financial data have been prepared in accordance with IFRS unless otherwise noted and should be read in conjunction with the Company's financial statements. The following table sets forth selected annual financial information appears below.

Financial Year Ended	October 31, 2014	October 31, 2013	October 31, 2012
Loss and comprehensive loss for the year	($1,567,626)	($638,417)	($209,385)
Exploration and evaluation assets	Nil	879,514	1,562,116
Total assets	240,863	1,764,484	2,749,061
Working capital (deficiency)	(215,816)	790,249	1,087,520
Net loss per share	5.60	2.44	0.58

SUMMARY OF QUARTERLY RESULTS

The table below sets out the quarterly results for the past eight quarters:

Quarter Ended	July 31, 2015[(1)]	April 30, 2015[(2)]	January 31, 2015[(2)]	October 31, 2014[(2)]
(Loss) and comprehensive (loss) for the period	($1,078,985)	$1,575	$20,896	($548,988)
Basic and diluted loss per common share	(0.10)	0.01	0.26	(6.86)
Exploration and evaluation assets	557,175	Nil	Nil	Nil
Total assets	1,346,800	191,654	241,232	240,862
Working capital	525,536	83,303	130,498	(215,816)

Quarter Ended	July 31, 2014(2)	April 30, 2014(2)	January 31, 2014(2)	October 31, 2013(2)
Loss and comprehensive loss for the period	($74,486)	($40,827)	($393,723)	($516,163)
Basic and diluted loss per common share	(.21)	(0.11)	(1.09)	(1.43)
Exploration and evaluation assets	663,951	681,918	690,449	879,514
Total assets	1,270,185	1,325,890	1,358,428	1,746,484
Working capital	516,869	565,890	592,388	790,249

(1) Includes the accounts of the Company and its subsidiaries.
(2) Includes the accounts of Cardero Argentina only.

Financial Results of Operations

During the nine month period ended July 31, 2015, the Company incurred a net loss of $1,056,513 (2014 – $509,602).

The following discussion explains the variations in key components of these numbers but, as with most junior mineral exploration companies, the results of operations are not the main factor in establishing the financial health of the Company. Of far greater significance are the mineral properties in which the Company has, or may earn, an interest, its working capital and how many shares it has outstanding. Quarterly results can vary significantly depending on whether the Company has abandoned any properties or granted any stock options.

On June 18, 2015, the Company completed the acquisition of all of the issued and outstanding shares of Cardero Argentina. Cardero Argentina was a wholly owned subsidiary of Cardero, except as to one share owned by Hendrik van Alphen.

Because Cardero obtained control of the Company, the transaction is considered a purchase of the Company's operation by Cardero Argentina and is accounted for as a reverse acquisition. As Cardero Argentina is deemed to be the acquirer for accounting purposes, its assets and liabilities and operations since incorporation are included in the consolidated financial statements at their historical carrying value. The Company's results of operation are included from the date of the transaction onwards.

Nine Months ended July 31, 2015 compared to nine months ended July 31, 2014

The Company's general and administrative costs were $157,446 (2014 - $53,967), and reviews of the major items are as follows:

- Consulting fees increased to $23,806 (2014 - $Nil), primarily due to increased activity of the Company as a result of RTO;
- Office and general costs of $13,887 (2014 - $9,278), increased primarily as a result of the RTO;
- Professional fees of $32,091 (2014 - $20,485), increased due to Company's overall activities;
- Salaries and benefits of $40,071 (2014 - $18,896), which includes salaries, benefits and directors fees increased due to activities of the Company as a result of the RTO; and
- Stock based compensation of $27,149 (2014 - $Nil) increased as a result of options issued during the current period.

Other items showed a loss of $899,194 (2014 - $455,635). Due to their nature, these transactions relate to events that do not necessarily generate comparable effects on the Company's operating results. Significant areas of change include:

- Expenses related to RTO of $965,775 (2014 - $Nil). The acquisition of the Company by Cardero Argentina was accounted for as a share-based payment. The fair value of the outstanding shares and warrants of the Company was determined to be $1,072,494 based on their market value immediately prior to the RTO. The Company also incurred an additional $178,458 of transaction costs that were attributable to the RTO. The excess of the purchase price and related costs over the fair value for the net assets acquired was recognized in the statement of comprehensive loss. The determination and allocation of the purchase price is summarized below:

Share-based payment – acquisition of the Company	$	1,072,494
Costs directly associated with RTO		178,458
	$	1,250,952
Allocation of purchase price:		
Net working capital deficiency	$	(249,823)
Exploration and evaluation asset		535,000
Charge related to public company listing		965,775
	$	1,250,952

Three Months ended July 31, 2015 compared to three months ended July 31, 2014

The Company's general and administrative costs were $105,953 (2014- $19,705), and reviews of the major items are as follows:

- Consulting fees increased to $23,806 (2014 - $Nil), primarily due to increased activity of the Company as a result of RTO;
- Office and general costs of $10,068 (2014 - $4,084), increased primarily as a result of the RTO;

- Professional fees of $16,934 (2014 - $7,136), increased due to Company's overall activities;

- Salaries and benefits of $21,998 (2014 - $6,299), which includes salaries, benefits and directors fees increased due to activities of the Company as a result of the RTO; and

- Stock based compensation of $27,149 (2014 - $Nil) increased as a result of options issued during the current period.

Other items showed a loss of $973,032 (2014 - $54,781). Due to their nature, these transactions relate to events that do not necessarily generate comparable effects on the Company's operating results. Significant areas of change include:

- Expenses related to RTO of $965,775 (2014 - $Nil). The acquisition of the Company by Cardero Argentina was accounted for as a share-based payment. The fair value of the outstanding shares and warrants of the Company was determined to be $1,072,494 based on their market value immediately prior to the RTO. The Company also incurred an additional $178,458 of transaction costs that were attributable to the RTO. The excess of the purchase price and related costs over the fair value for the net assets acquired was recognized in the statement of comprehensive loss. The determination and allocation of the purchase price is summarized below:

Share-based payment – acquisition of the Company	$	1,072,494
Costs directly associated with RTO		178,458
	$	1,250,952
Allocation of purchase price:		
Net working capital deficiency	$	(249,823)
Exploration and evaluation asset		535,000
Charge related to public company listing		965,775
	$	1,250,952

LIQUIDITY AND CAPITAL RESOURCES

The Company has no revenue generating operations from which it can internally generate funds. To date, the Company's ongoing operations have been predominantly financed by the sale of its equity securities by way of private placements and the subsequent exercise of share purchase warrants issued in connection with such private placements as well as loans and convertible debentures. However, the exercise of warrants/options is dependent primarily on the market price and overall market liquidity of the Company's securities at or near the expiry date of such warrants/options (over which the Company has no control) and therefore there can be no guarantee that any existing warrants/options will be exercised. When acquiring an interest in mineral properties through purchase or option the Company will sometimes issue common shares to the vendor or optionee of the property as partial or full consideration for the property interest in order to conserve its cash.

The Company expects that it will operate at a loss for the foreseeable future, and that it will require additional financing to fund to the acquisition of a resource property and to continue its operations (including general and administrative expenses) beyond 2015. Additional financing will be required for the Company to maintain its existing level of operations and / or acquire, explore or develop any resource property.

As at July 31, 2015, the Company reported cash of $281,470 compared to $5,786 as at October 31, 2014. The Company had a working capital (deficit) of $525,536 as at July 31, 2015 compared to working capital deficit $215,816 as at October 31, 2014. The increase in cash on hand and working capital was the result of cash used in operating activities of $262,540 and cash used for investing activities of $8,651 and the increase in cash from financing activities of $546,875. During the period the Company received $13,524 in cash as a result of the RTO and a private placement of 9,500,000 units at $0.10 per unit (each unit consisting of one common share and one common share purchase warrant). Of the $950,000 in aggregate gross proceeds from the offering, $400,000 was paid for by way of a guarantee received by the Company pursuant to Section 64(3)(a)(ii) of the *Business Corporations Act* (British Columbia). As such, this $400,000 amount of outstanding proceeds is recorded by the Company as an account receivable. The guarantee was delivered to the Company pursuant to a side letter agreement between the Company and KF Business Ventures, LP (the "Subscriber") dated April 17, 2015, as amended (the "Side Letter Agreement"). The Side Letter Agreement provides, among other things, that the $400,000 payment made by the guarantee shall be substituted by money paid by the Subscriber to the Company in a series of tranches consisting of $100,000 on November 15, 2015, $150,000 on January 15, 2016 and $150,000 on March 15, 2016. Furthermore, the Side Letter Agreement provides that, until such time as the payment substitution is made, the certificates representing the purchased securities paid for by the guarantee will be kept in escrow, and that, until such time as payment by money for such securities is received by the Company, the Subscriber (i) will have no entitlement to dividends or distributions paid on the securities, (ii) will exercise any voting rights attached to the securities as directed by management of the Company, and (iii) will not sell, transfer or encumber the securities.

The Company has not entered into any long-term lease commitments nor is the Company subject to any mineral property commitments other than those outlined under note 4 in the Company's unaudited condensed interim consolidated financial statements for the nine months ended July 31, 2015.

The Company currently has no further funding commitments or arrangements for additional financing at this time (other than the potential exercise of options and warrants) and there is no assurance that the Company will be able to obtain additional financing on acceptable terms, if at all. There is significant uncertainty that the Company will be able to secure any additional financing in the current equity markets - see "Risk Factors - Insufficient Financial Resources/Share Price Volatility". The quantity of funds to be raised and the terms of any proposed equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise. Specific plans related to the use of proceeds will be devised once financing has been completed and management knows what funds will be available for these purposes.

OFF–BALANCE SHEET ARRANGEMENTS

There is no off-balance sheet arrangements to which the Company is committed.

RELATED PARTY TRANSACTIONS

During the three and nine months ended July 31, 2015, the Company entered into the following transactions with related parties and paid or accrued the following amounts, excluding share-based payment charges in connection therewith:

Name	Relationship	Purpose of transaction	Three Months Ended	Nine Months Ended
Keith Henderson	CEO, President & a Director of the Company	Wages and Salaries	$ 13,500	$ 13,500
Promaid Services Ltd.	Company controlled by the CFO of the Company	Consulting	$ 6,750	$ 6,750
Marval Office Management Ltd.	Company controlled by the Corporate Secretary of the Company	Consulting	$ 3,000	$ 3,000

During the period ended July 31, 2015, there were 3,200,000 stock options granted to related parties.

PROPOSED TRANSACTIONS

As at the date of this MD&A there are no proposed transactions where the Board of Directors or senior management believes that confirmation of the decision by the Board is probable or with which the Board and senior management have decided to proceed.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting year. Areas requiring the use of estimates in the preparation of the Company's consolidated financial statements the carrying value and the recoverability of the exploration ad evaluation assets included in the Consolidated Statement of Financial Position, the assumptions used to determine the fair value of share-based payments in the Consolidated Statement of Comprehensive Loss, and the estimated amounts of reclamation and environmental obligations. Management believes the estimates used are reasonable; however, actual results could differ materially from those estimates and, if so, would impact future results of operations and cash flows.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Please refer to note 2 of the accompanying Financial Statements for a comprehensive list of the accounting policies not yet adopted during the current period.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data

The fair value of cash and marketable securities are measured at Level 1 of the fair value hierarchy. The carrying value of receivables, exploration and evaluation advances, and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Financial Risk Factors

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash. Cash deposits are maintained with Canadian financial institutions of reputable credit and are redeemable on demand.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is engaged in ongoing evaluation of opportunities to improve its financial position which includes, but is not limited to, additional equity financings, obtaining exploration partners and/or the sale of assets. At July 31, 2015, the Company has working capital of $525,536.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no outstanding debt subject to interest. Accordingly, the Company does not believe it is exposed to significant interest rate risk.

Foreign Exchange Risk

The Company's exploration work is conducted in Argentina. The international nature of the Company's operations results in foreign exchange risk as transactions are denominated in foreign currency.

The Company's operating expenses are incurred primarily in Canadian dollars; its exploration programs are primarily in Argentina and are denominated in either United States dollars or Argentine Pesos. The fluctuation of the Canadian dollar will, consequently, have an impact upon the reported profitability of the Company and may also affect the value of the Company's assets and liabilities. The Company continuously monitors this exposure to determine if any mitigation strategies become necessary.

Price Risk

The Company is exposed to price risk with respect to commodity prices, particularly those included in its exploration and evaluation asset portfolio. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

MATERIAL PROCEEDINGS

The Company is not a party to any material proceedings.

INVESTOR RELATIONS

The Company currently does not engage any party for investor relations services.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure controls and procedures are controls and other procedures that are designed to provide reasonable assurance that all relevant information required to be disclosed in the Company's reports filed or submitted as part of the Company's continuous disclosure requirements is gathered and reported to senior management, including the Company's Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure and such information can be recorded, processed, summarized and reported within the time periods specified by applicable regulatory authorities.

Management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as at July 31, 2015 as required by Canadian securities laws. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that, as of July 31, 2015, the disclosure controls and procedures were effective. However, Management and the Board of Directors recognize that no matter how well designed the Company's control systems are, such controls can only provide reasonable assurance, not absolute assurance, of detecting, preventing and deterring errors.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have not been any changes in the Company's internal control over financial reporting or any other factors during the nine months ended July 31, 2015, that have materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

SHARE CAPITAL

(a) As of the date of this MDA, the Company has 43,557,089 issued and outstanding common shares. The authorized share capital is unlimited no par value common shares.

(b) As at the date of this MDA, the Company has 3,350,000 incentive stock options outstanding.

(c) As at the date of this MDA, the Company has 10,562,500 outstanding share purchase warrants.

APPROVAL

The Board of Directors of the Company has approved the disclosures in this MDA.

Additional information on the Company available through the following source: www.sedar.com.