IRON SOUTH MINING CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND 2014

Introduction

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the condensed consolidated interim financial statements of Iron South Mining Corp. ("Iron South" or "the Company") for the six months ended June 30, 2015 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures are in Canadian dollars unless otherwise noted. This MD&A has been prepared as of August 26, 2015.

Company Overview

The Company was incorporated on April 11, 2000 and was transitioned under the Business Corporations Act (BC) on June 17, 2004. The address of the Company's registered office is Suite 709 – 837 West Hastings Street, Vancouver, BC, Canada V6C 3N6. The Company remained without a business asset until March 2003, when the Company negotiated a number of agreements to option and acquire interests in various mineral concessions located in Argentina. In December 2003, the Company completed its initial public offering and commenced trading on the TSX Venture Exchange ("TSX-V") under the symbol "AMS". In December 2008, the Company consolidated its outstanding common shares on a 10 for 1 basis and changed its name to Panthera Exploration Inc. (formerly Amera Resources Corporation) trading on the TSX-V under the symbol "PNX". In January 2012, the Company changed its name to Iron South Mining Corp. (formerly Panthera Exploration Inc.) trading on the TSX-V under the symbol "IS".

The Company is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. The Company's material mineral property interests are located in the Argentina. As of the date of this MD&A, the Company has not earned any production revenue, nor found any proven reserves on any of its properties. The Company is a reporting issuer in British Columbia and Alberta.

The Company's technical disclosure in this MD&A has been reviewed by Brian McEwen, P.Geol., Director of the Company, and is also a Qualified Person under NI 43-101.

Argentina

Iron South, Rio Negro

On October 21, 2011, the Company entered into an option agreement with a private company to earn a 100% interest in the 74,796 ha Fierro iron ore project ("Fierro Project" or "Property"). The Fierro Project is immediately adjacent to the producing Minera Sierra Grande iron mine, owned by Metallurgical Corporation of China Ltd. The project is road accessible year round, in an area of flat topography at an elevation of approximately 300 m and within 30 km of a deep sea port.

At the Minera Sierra Grande mine, the iron ore consists of oolitic magnetite and hematite iron formation that occurs within the Silurian Sierra Grande Formation. The deposit is defined within a strike length of 3.2 km, with widths ranging from 5 to 15 m and depth up to 1,100 m. It has a historical non NI 43-101 compliant mineral resource of 199 Mt (million tonnes) at 57.5% iron oxide[1] at the South Deposit and was projected to produce over 1 Mt of 68%+ Fe magnetite concentrate in 2012.

The Company believes there is potential for the discovery of an economic iron deposit within the Fierro Project. The Property covers the mapped extensions of the Minera Sierra Grande mine horizon, including an estimated 60 km strike extent of the Sierra Grande Formation to the north and east of the mine. The prospective horizon is largely covered by modern sediments within the Property. Earlier exploration by the property vendor has included 725 line km of ground magnetic surveys, prospecting, preliminary geological mapping and rock sampling.

[1]Metallurgical Corporation of China Ltd. Global Offering Prospectus, September 11, 2009.

Results are available for 41 rock grab samples. Fifteen of these samples collected from the iron formation exposures on the Fierro Project assayed from 40% to 72% Fe2O3. Additional results are pending. Five zones of outcropping iron mineralization and 32 high-priority magnetic targets have been identified by the property vendor within the current Fierro claim group including:

300 Zone: This is the most advanced showing identified to date. Iron formation with an estimated width of 6 to 10 m outcrops discontinuously along 300 m before disappearing below younger cover sediments to the south and younger volcanics to the north. Magnetic data suggests the iron formation may have a total strike extent of up to 2 km. High grade saw channel sampling of outcropping iron bands on this target have assayed 79.2% Fe_2O_3 over 7 m and 80.1% Fe_2O_3 over 5 m from two separate samples 150 m apart as shown in the table below:

Sample*	Length m	SiO_2 %	Al_2O_3 %	Fe_2O_3 %	CaO %	MgO %	K_2O %	MnO %	TiO_2 %	P_2O_5 %	Cr_2O_3 %	As %	Ba %	S %
Cut 1	7.0	5.91	4.53	79.2	3.01	0.34	0.16	0.07	0.12	2.54	0.01	0.004	0.05	0.027
Cut 2	5.0	6.32	4.70	80.1	2.79	0.45	0.16	0.09	0.11	2.42	0.02	0.001	0.06	0.016

* Each sample is averaged from 1.0 m continuous saw-cut channel samples.

Gonzales Zone: This zone contains sub-cropping iron formation that is partially exposed over 400 m with possible strike extent of 1.5 km as indicated by ground magnetic data.

Results: The Company has completed a program of detailed ground magnetometer surveying covering approximately 6,423 ha on priority target areas. The program confirmed the magnetic response of known exposures of oolitic iron formation at 300 Zone and Gonzales Target and indicated the possible presence of covered extensions which would significantly increase the size of these zones. Furthermore, the survey outlined six new magnetically anomalous areas that are believed to represent covered extensions of the iron formations.

Future Work: A series of diamond drill holes have been recommended by consulting geophysicist, John Kieley, P.Geo. to test known iron mineralization at the 300 Zone as well as magnetic anomalies associated with iron mineralization at the Gonzales and Rosales zones. Other targets identified by the survey will require ground follow-up mapping and sampling.

On October 21, 2011, the Company entered into an option agreement with a private company whereby the Company would have the right to earn a 100% interest in the Fierro Property. The agreement received approval from the TSX Venture Exchange (TSX-V) on April 4, 2012. On April 4, 2013, the option agreement was amended to provide for a one year extension of the Company’s first year’s required expenditures on the property in consideration of the issuance of an additional 83,332 common shares of the Company. On April 4, 2014, the option agreement was further amended to accelerate the earn-in provisions such that the Company earned an immediate 100% interest in the property resulting in the Optionor waiving the remaining work commitments in exchange for accelerating and completing the issuance of 1,166,666 common shares.

On the commencement of commercial production, the Property will be subject to a 2% Net Smelter Royalty (“NSR”) of which 1% can be purchased for $2,000,000 at any time.

Selected Annual Financial Information

The following selected consolidated financial information is derived from the audited consolidated financial statements and notes thereto.

	Years Ended December 31,		
	2014 $	2013 $	2012 $
Total revenue	Nil	Nil	Nil
Net loss for the year	(44,907)(1)	(117,208)(3)	(526,614)
Loss per share – basic and diluted	(0.01)(5)	(0.02)(5)	(0.08)(5)
Total assets	345,438(2)	177,328(4)	245,333

(1) Decrease compared to 2013 resulting primarily from a decrease in general exploration of $12,611, management fees of $34,500, legal and professional fees of $8,937 and rent, parking and storage of $7,706.

(2) Increase compared to 2013 resulting primarily from an increase in exploration and evaluation assets of $175,000.

(3) Decrease compared to 2012 resulting primarily from a decrease in general exploration of $115,359, management fees of $140,558, share-based compensation of $37,759, fines and penalties of $21,050, office and sundry of $24,568, rent, parking and storage of $16,069 and write-off of exploration and evaluation assets of $27,893.

(4) Decrease compared to 2012 resulting primarily from a decrease in short term investments of $100,000 partially offset by an increase in exploration and evaluation assets of $50,000.

(5) On December 22, 2014, the Company received approval by the TSX Venture Exchange and the Company's shareholders for the consolidation of the Company's issued and outstanding common shares on the basis of three (3) pre-consolidation shares for one (1) post-consolidation share. Comparative periods have been retrospectively restated.

Results of Operations – For the Six Months Ended June 30, 2015 Compared To The Six Months Ended June 30, 2014

During the six months ended June 30, 2015, loss from operating activities was $18,764 which remains consistent with $15,490 in loss from operating activities for the six months ended June 30, 2014.

Other items

During the six months ended June 30, 2015, other expenses increased by $7,403 to $7,375 compared to other income of $28 for the six months ended June 30, 2014. The increase in other items is largely due to:

- An increase of $5,400 in finance expense for the six months ended June 30, 2015 compared to $Nil for the six months ended June 30, 2014. The increase is due to arrangement fees payable as consideration for working capital loans received by the Company during the six months ended June 30, 2015.

- An increase of $2,016 in interest expense for the six months ended June 30, 2015 compared to $Nil for the six months ended June 30, 2014. The increase is due to accrued interest on working capital loans received by the Company during the six months ended June 30, 2015.

The net loss and comprehensive loss for the six months ended June 30, 2015 was $26,139 or $0.00 per basic and diluted share compared to a net loss and comprehensive loss of $15,462 or $0.00 per basic and diluted share for the six months ended June 30, 2014.

Cash Flow

Operating Activities

Cash outflow from operating activities was $25,054 for the six months ended June 30, 2015 compared to $118 for the six months ended June 30, 2014. The decrease in cash outflows is primarily due to changes in non-cash working capital balances due to timing of receipt and payment of cash compared to the prior period.

Financing Activities

Cash inflow from financing activities was $27,000 for the six months ended June 30, 2015 compared to $21,603 for the six months ended June 30, 2014. Proceeds from the issuance of loans payable were $27,000 for the six months ended June 30, 2015 compared to $21,603 for the six months ended June 30, 2014.

<u>Results of Operations – For the Three Months Ended June 30, 2015 Compared To The Three Months Ended June 30, 2014</u>

During the three months ended June 30, 2015, loss from operating activities was $3,955 which remains consistent with $4,667 in loss from operating activities for the three months ended June 30, 2014.

Other items

During the three months ended June 30, 2015, other expenses increased by $1,231 to $1,231 compared to $Nil for the three months ended June 30, 2014. The increase in other items is largely due to:

- An increase of $1,231 in interest expense for the three months ended June 30, 2015 compared to $Nil for the three months ended June 30, 2014. The increase is due to accrued interest on working capital loans received by the Company during the period.

The net loss and comprehensive loss for the three months ended June 30, 2015 was $5,186 or $0.00 per basic and diluted share compared to a net loss and comprehensive loss of $4,667 or $0.00 per basic and diluted share for the three months ended June 30, 2014.

<u>Cash Flow</u>

Operating Activities

Cash outflow from operating activities was $11,043 for the three months ended June 30, 2015 compared to $5,082 for the three months ended June 30, 2014. The decrease in cash outflows is primarily due to changes in non-cash working capital balances due to timing of receipt and payment of cash compared to the prior period.

<u>Balance Sheet</u>

At June 30, 2015, the Company had total assets of $347,845 compared with $345,438 in total assets at December 31, 2014. This increase is primarily due to an increase in cash during the six months ended June 30, 2015.

<u>Selected Quarterly Financial Information</u>

	2015		2014				2013	
	Jun. 30 $	Mar. 31 $	Dec. 31 $	Sept. 30 $	Jun. 30 $	Mar. 31 $	Dec. 31 $	Sept. 30 $
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Loss	(5,186)	(20,953)	(21,847)	(7,598)	(4,667)	(10,795)	(36,633)	(15,368)
Net Loss per Common Share Basic and Diluted	(0.00)(1)	(0.00)	(0.00)(1)	(0.00)(1)	(0.00)(1)	(0.00)(1)	(0.01)(2)	(0.00)(2)

(1) Due to rounding, quarterly net loss per common share does not add to total annual net loss per common share of 0.01 for the year ended December 31, 2014.

(2) On December 22, 2014, the Company received approval by the TSX Venture Exchange and the Company's shareholders for the consolidation of the Company's issued and outstanding common shares on the basis of three (3) pre-consolidation shares for one (1) post-consolidation share. Comparative periods have been retrospectively restated.

<u>Liquidity and Capital Resources</u>

The Company has experienced recurring operating losses and has accumulated operating deficit of $16,090,478 at June 30, 2015 (December 31, 2014 - $16,064,339) and shareholders' equity of $264,748 at June 30, 2015 (December 31, 2014 – $290,887). In addition, the Company had a working capital deficiency of $75,745 at June 30, 2015 (December 31, 2014 – $49,606). Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. The Company presently does not have adequate resources to maintain its core activities for the next fiscal year or sufficient working capital to fund all its planned activities. The Company will continue to rely on successfully completing additional equity financing to maintain its core activities and further exploration of its existing and new properties in the Americas and Argentina.

There can be no assurance that the Company will be successful in obtaining the required financing. The failure to obtain such financing could result in the loss of the Company's interest in one or more of its mineral claims.

The Company's cash position at June 30, 2015 was $5,182, an increase of $1,946 from the December 31, 2014 balance of $3,236.

The Company does not know of any trends, demand, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, its liquidity either materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in liquidity are substantially determined by the success or failure of the exploration programs.

Loans Payable

At June 30, 2015, the Company had the following loans payable:

	June 30, 2015		
	Maturity	Currency	Fair value
Unsecured, non-interest bearing	On demand	United States dollar	$11,241
Unsecured, non-interest bearing	On demand	Canadian dollar	$12,000
Unsecured, 12% annual interest rate (1)	On demand	Canadian dollar	$7,000
Unsecured, 12% annual interest rate (2)	On demand	Canadian dollar	$20,000
Unsecured, 12% annual interest rate (3)	On demand	Canadian dollar	$15,000
			$65,241

At December 31, 2014, the Company had the following loans payable:

	December 31, 2014		
	Maturity	Currency	Fair value
Unsecured, non-interest bearing	February 4, 2015	United States dollar	$10,441
Unsecured, non-interest bearing	March 3, 2015	Canadian dollar	$12,000
Unsecured, 12% annual interest rate (3)	September 17, 2015	Canadian dollar	$15,000
			$37,441

(1) $7,000 Unsecured, 12% annual interest rate & finance expense

On January 13, 2015, the Company entered into a loan agreement with an arm's length lender. The principal amount of the loan is $7,000 and is to be used for working capital purposes and bears interest at the rate of 12% per annum. The principal balance of the loan, together with all accrued and unpaid interest thereon shall become due and payable in full on the maturity date. As additional consideration for providing the loan, the Company will pay to the lender an arrangement fee in an amount equal to 20% of the principal amount of the loan totalling $1,400. Such amount is payable at the election of the lender in cash or common shares, or a combination of both. Payment of all or any part of the arrangement fee in common shares is subject to TSX Venture Exchange approval.

(2) $20,000 Unsecured, 12% annual interest rate & finance expense

On March 10, 2015, the Company entered into a loan agreement with an arm's length lender. The principal amount of the loan is $20,000 and is to be used for working capital purposes and bears interest at the rate of 12% per annum. The principal balance of the loan, together with all accrued and unpaid interest thereon shall become due and payable in full on the maturity date. As additional consideration for providing the loan, the Company will pay to the lender an arrangement fee in an amount equal to 20% of the principal amount of the loan totalling $4,000. Such amount is payable at the election of the lender in cash or common shares, or a combination of both. Payment of all or any part of the arrangement fee in common shares is subject to TSX Venture Exchange approval.

(3) $15,000 Unsecured, 12% annual interest rate & finance expense

On September 17, 2014, the Company entered into a loan agreement with a private company. The principal amount of the loan is used for working capital purposes and bears interest at the rate of 12% per annum. The principal balance of the loan, together with all accrued and unpaid interest thereon shall become due and payable in full on the maturity date. As additional consideration for providing the loan, the Company will pay to the Lender an arrangement fee in an amount equal to 20% of the principal amount of the loan totalling $3,000. Such amount is payable at the election of the Lender in cash or common shares, or a combination of both. Payment of all or any part of the arrangement fee in common shares is subject to TSX Venture Exchange approval.

All loans payable are payable on demand and may be repaid in whole or in part at any time, without notice or penalty.

Contractual Commitments

As of June 30, 2015 and December 31, 2014, the Company had no contractual commitments.

Capital Stock

At June 30, 2015, the authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

As at June 30, 2015, an aggregate of 8,171,525 common shares were issued and outstanding. At the date of this report, 8,171,525 common shares were issued and outstanding.

The following summarizes information about the stock options outstanding as at the date of this report:

Number of Shares Outstanding	Exercise Price	Expiry Date
100,000	$0.54	July 29, 2017
100,000		

The Company did not have any warrants outstanding as at the date of this report.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Subsequent Event

On July 3, 2015, the Company received a USD$5,330 refund of a reclamation bond posted during fiscal 2010.

Critical Accounting Estimates and New Accounting Standards and Interpretations

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the period. Actual results may differ from these estimates. Reference should be made to the Company's significant accounting policies contained in Note 2 of the Company's condensed consolidated interim financial statements for the six months ended June 30, 2015. These accounting policies can have a significant impact on the financial performance and financial position of the Company.

Share-based Payment Transactions

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Fair value is determined at the issue date using the Black-Scholes pricing model. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve. Share-based compensation expense relating to deferred share units is accrued over the vesting period of the units based on the quoted market price. As these awards can be settled in cash, the expense and liability are adjusted each reporting period for changes in the underlying share price.

Exploration, Evaluation and Development Expenditures

Exploration and evaluation expenditures are expensed as incurred, until the property reaches development stage. The development stage begins once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable. All direct costs related to the acquisition of resource property interests are capitalized. Development expenditures incurred subsequent to a development decision, which increase or extend the life of existing production, are capitalized and will be amortized on the unit-of-production method based upon estimated proven and probable reserves.

Mineral property acquisition costs include cash costs and the fair market value of common shares, based on the trading price of the shares issued for mineral property interests, pursuant to the terms of the related property agreements. Payments related to a property acquired under an option or joint venture agreement are made at the sole discretion of the Company, and are recorded as mineral property acquisition costs upon payment.

Exploration and evaluation assets are classified as intangible assets.

Restoration, Rehabilitation, and Environmental Obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the legal or contractual obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight line method. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss. Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as of June 30, 2015 and December 31, 2014.

Impairment

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which

New Accounting Standards and Interpretations

The International Accounting Standards Board has issued new and amended standards and interpretations which have not yet been adopted by the Company. The Company has not yet begun the process of assessing the impact that the new and amended standards and interpretations will have on its financial statements or whether to early adopt any of the new requirements. The following is a brief summary of the new and amended standards and interpretations:

IFRS 9 – Financial Instruments

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after January 1, 2018.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 is effective for annual periods beginning on or after January 1, 2017. IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, Revenue, IAS 11, Construction Contracts, and a number of revenue-related interpretations. The new standard will apply to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. IFRS 15 is not expected to have a material impact on amounts recorded in the financial statements of the Company.

Financial Risk Management

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Fair Values

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, interest payable and loans payable. The fair value of cash, receivables, accounts payable and accrued liabilities, interest payable and loans payable approximates their carrying values due to the immediate or short-term maturity of these financial instruments.

The following table outlines the Company's financial assets and liabilities measured at fair value by level within the fair value hierarchy described below. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

At June 30, 2015 the Company's financial instruments measured at fair value are as follows:

	Carrying amount June 30, 2015	Level 1 $	Level 2 $	Level 3 $
		Fair value June 30, 2015		
Recurring measurements				
Financial Assets				
Cash	5,182	5,182	-	-

At December 31, 2014 the Company's financial instruments measured at fair value are as follows:

	Carrying amount December 31, 2014	Level 1 $	Level 2 $	Level 3 $
		Fair value December 31, 2014		
Recurring measurements				
Financial Assets				
Cash	3,236	3,236	-	-

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

(b) Financial Instrument Risk Exposure

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 and accounts receivable. The Company has reduced its credit risk by depositing its cash with financial institutions that operate globally.

As the majority of the Company's receivables are with the government of Canada in the form of sales tax, the credit risk is minimal. Therefore, the Company is not exposed to significant credit risk and overall the Company's credit risk has not changed significantly from the prior year.

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 has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares and warrants to fund exploration programs and anticipates to do so again in the future.

Market risk

(i) Currency risk

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuations in cash, accounts payable and loans payable usually denominated in US Dollars. The sensitivity of the Company's net and comprehensive loss due to changes in the exchange rate between the Canadian dollar and the US dollar is $1,143 for the six months ended June 30, 2015.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash bears no interest. The fair value of cash approximates its carrying values due to the immediate or short-term maturity of this financial instrument. Other current financial assets and liabilities are not exposed to interest rate risk because they are non-interest bearing or have prescribed interest rates.

(c) Capital Management

The Company's objectives of capital management are intended to safeguard the entity's ability to support the Company's normal operating requirements on an ongoing basis, continue the exploration of its exploration and evaluation assets and support any expansionary plans. The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, reserves and deficit. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's assets. To effectively manage the Company's capital requirements, management has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares to develop the project and anticipates doing so again in the future.

The Company is monitoring market conditions to secure funding at the lowest cost of capital. The Company is exposed to various funding and market risks which could curtail its access to funds. The Company is not subject to any external covenants. There were no changes to the Company's approach to capital management during the six months ended June 30, 2015.

Risk Factors and Uncertainties

The Company's operations and results are subject to a number of different risks at any given time. These factors, include but are not limited to disclosure regarding exploration, additional financing, project delay, titles to properties, price fluctuations and share price volatility, operating hazards, insurable risks and limitations of insurance, management, foreign country and regulatory requirements, currency fluctuations and environmental regulations risks. Exploration for mineral resources involves a high degree of risk. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. A number of the risks and uncertainties are discussed below:

History of losses: The Company has historically incurred losses as evidenced by its audited consolidated financial statements for the years ended December 31, 2014 and 2013. The Company has financed its operations principally through the sale of its equity securities. The Company does not anticipate that it will earn any revenue from its operations until its properties are placed into production, if ever.

If the Company is unable to place its properties into production, the Company may never realize revenues from operations, will continue to incur losses and you may lose the value of your investment.

Joint ventures and other partnerships: The Company may seek joint venture partners to provide funding for further work on any or all of its other properties. Joint ventures may involve significant risks and the Company may lose any investment it makes in a joint venture. Any investments, strategic alliances or related efforts are accompanied by risks such as:

1. the difficulty of identifying appropriate joint venture partners or opportunities;
2. the time the Company's senior management must spend negotiating agreements, and monitoring joint venture activities;
3. the possibility that the Company may not be able to reach agreement on definitive agreements, with potential joint venture partners;
4. potential regulatory issues applicable to the mineral exploration business;
5. the investment of the Company's capital or properties and the loss of control over the return of the Company's capital or assets;
6. the inability of management to capitalize on the growth opportunities presented by joint ventures; and
7. the insolvency of any joint venture partner.

There are no assurances that the Company would be successful in overcoming these risks or any other problems encountered with joint ventures, strategic alliances or related efforts.

Unexpected delays: The Company's minerals business will be subject to the risk of unanticipated delays including permitting its contemplated projects. Such delays may be caused by fluctuations in commodity prices, mining risks, difficulty in arranging needed financing, unanticipated permitting requirements or legal obstruction in the permitting process by project opponents. In addition to adding to project capital costs (and possibly operating costs), such delays, if protracted, could result in a write-off of all or a portion of the carrying value of the delayed project.

Potential conflicts of interest: Several of the Company's directors are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. Such a conflict poses the risk that the Company may enter into a transaction on terms which could place the Company in a worse position than if no conflict existed. The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interest which they many have in any project or opportunity of the Company. However, each director has a similar obligation to other companies for which such director serves as an officer or director. The Company has no specific internal policy governing conflicts of interest.

Competition with larger, better capitalized competitors: The mining industry is competitive in all of its phases. The Company faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, base and precious metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to maintain or acquire attractive mining properties on terms it considers acceptable or at all. Consequently, the Company's revenues, operations and financial condition could be materially adversely affected.

The Company does not intend to pay dividends: The Company has not paid out any cash dividends to date and has no plans to do so in the immediate future. As a result, an investor's return on investment will be solely determined by his or her ability to sell common shares in the secondary market.

Title Risk: Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Price Risk: The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's property has exposure to predominantly iron. The prices of this metal greatly affect the value of the Company and the potential value of its property and investments.

Financial Markets: The Company is dependent on the equity markets as its sole source of operating working capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

Political Risk: Exploration is presently carried out in Argentina and is currently being reviewed worldwide. This exposes the Company to risks that may not otherwise be experienced if all operations were domestic. Political risks may adversely affect the Company's potential projects and operations. Real and perceived political risk in some countries may also affect the Company's ability to finance exploration programs and attract joint venture partners, and future mine development opportunities.

Credit Risk: Credit risk is the risk of an unexpected loss of a third party to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on cash. The Company limits its exposure to credit loss by placing its cash with major financial institutions.

Liquidity Risk: Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company's cash is invested in bank accounts.

Interest Risk: The Company's bank accounts do not bear interest income. The fair value of cash approximates its carrying value due to the immediate or short-term maturity of this financial instrument.

Currency Risk: Business is transacted by the Company in a number of currencies. Fluctuations in exchange rates may have a significant effect on the cash flows of the Company. Future changes in exchange rates could materially affect the Company's results in either a positive or negative direction.

Community Risk: The Company has negotiated with the local communities on its mineral property concessions for access to facilitate the completion of geological studies and exploration work programs. The Company's operations could be significantly disrupted or suspended by activities such as protests or blockades that may be undertaken by such certain groups or individuals within the community.

Environmental Risk: The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in the countries in which the Company operates. Present or future laws and regulations, however, may affect the Company's operations. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and closing of mines. Programs may also be delayed or prohibited in some areas. Although minimal at this time, site restoration costs are a component of exploration expenses.

Disclosure Controls and Procedures and Internal Control over Financial Reporting

On November 23, 2007, the British Columbia Securities Commission exempted Venture Issuers from the requirement to certify disclosure controls and procedures, as well as, Internal Controls over Financial Reporting as of December 31, 2007, and thereafter. The Company is a Venture Issuer; therefore it files the venture issuer basic certificates. The Company makes no assessment relating to establishment and maintenance of disclosure controls and procedures as defined under National Instrument 52-109 as at June 30, 2015.

Additional Information

Additional information relating to the Company, including news releases, financial statements and prior MD&A filings, is available on SEDAR at www.sedar.com.

The Company maintains a website at www.ironsouthmining.com, and has not entered into any agreements with any investor relations firms.