ARGENTIUM RESOURCES INC.
Management's Discussion and Analysis
Quarter Ended June 30, 2015
Dated August 14, 2015
(Form 51-102F1)

This Management Discussion and Analysis ("MD&A") is provided for the purpose of reviewing the second quarter period ended June 30, 2015. The MD&A was prepared as of August 14, 2015 and should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements and corresponding notes for the period ending June 30, 2015. The unaudited interim condensed consolidated financial statements are prepared in accordance with International Accounting Standard 34-Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances. All monetary amounts are expressed in Canada dollars unless otherwise indicated.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

Management's Assessment of Internal Control Over Financial Reporting ("ICFR")

Management is responsible for establishing and maintaining adequate internal control over the Company's financial reporting. The internal control system was designed to provide reasonable assurance to the Company's management regarding the preparation and presentation of the financial statements.

As the Company is a Canadian Stock Exchange ("CSE") Issuer (as defined under under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) ("NI 52-109"), the Company and Management are not required to include representations relating to the establishment and/or maintenance of disclosure controls and procedures ("DC&P) and/or ICFR, as defined in NI 52-109.

Description of Business

Argentium Resources Inc. (the "Company") is a mineral exploration company focused on the acquisition and exploration of mineral resources.

The Company is a reporting issuer in the Province of Ontario and its common shares trade on the CSE under the symbol AOK.

Argentium has been unable to continue exploration of its mineral properties and as such has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amount shown for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration and development, and upon future profitable production or proceeds from disposition of such properties

The profitability and operating cash flow of the Company is affected by various factors, including the market price of minerals under exploration, operating costs, interest rates, regulatory and environmental compliance, general and administrative costs, the level of exploration and development expenditures and other discretionary costs. While the Company seeks to manage the level of risk associated with its business, many of the factors affecting these risks are beyond the Company's control.

1.1 Corporate Activities

The Company's management has spent the last year primarily in a care and maintenance mode while it has sought various financing options. One of the difficulties facing the company was the maturity of the Debenture, as further described below.

On November 29, 2010, the Company entered into an agreement with RX Exploration Inc., now known as US Silver and Gold Inc. (the "Debenture Holder") for debentures (the "Debentures") with a principal amount equal to $1,901,300 (the "Principal"), without interest, and granted the Debenture Holder a security interest in assets comprising the Sill Lake assets. The Debentures had a maturity date of November 29, 2013.

On November 29, 2013, the Company defaulted on the Debentures when it failed to repay the Principal to the Debenture Holder.

On April 9, 2014, the Company entered into a second agreement with the Debenture Holder to provide the Company a period of forbearance in order to afford the Company an opportunity to find a financing or funding solution and to repay the Debenture Holder (the "Forbearance"). The Debenture Holder agreed to forebear temporarily from enforcing its rights and remedies under the Debenture, subject to certain conditions, until no later than June 15, 2014 (the "Forbearance Deadline").

The Company was unsuccessful in obtaining the financing required and on June 15, 2014, the Company was in default of its obligations under the Debentures when it failed to repay the Principal to the Debenture Holder on or before the Forbearance Deadline.

Letter of Intent

Argentium entered into a Letter of Intent on May 3, 2013 with Taku Gold Corp ("Taku"). Taku paid a $50,000 deposit to Argentium as part of the execution of the letter of intent. As of June 30, 2013, certain conditions under the LOI were not met. Per a demand promissory note dated September 1, 2013 the full principal amount of $50,000 was due in full to Taku on or before June 30, 2014. At August 14, 2015 the full principal amount of $50,000 is still owed to Taku in relation to this transaction.

Impairment of Assets

As a result of non-payment of the Debenture, the Company anticipates that it will no longer have rights to the claims known as the Sill Lake properties. As such, the assets values of $1,431,122 previously recorded in 2010 plus the acquisition costs of $34,000 for a total of $1,465,122 were fully impaired and the impairment charge was included in the expenditures for the year ended December 31, 2014.

Option Agreement

In 2014, the Company's claims associated with the Sill Lake property lapsed and the Company failed to renew its rights to renew under the claims. On April 30, 2014, the Company entered into an Option Agreement with Shoreline Resource Management Inc. who was the legal and beneficial owner of these claims and what is referred to in the Option Agreement as the "Property". The terms of the Option Agreement required a $10,000 payment on signing as well as several other proposed payments. It is unlikely that the Company will be in a position to satisfy the other conditions under the Option Agreement and as such, may not regain control of the Sill Lake claims. No commitments under the Option Agreement have been accrued for in the results for the three months ended June 30, 2015 nor for the year ended December 31, 2014.

Other

The Company's management continues to explore other options to increase shareholder value including exploiting the Company's current Nye County, Nevada assets or acquiring additional assets that would be complementary to its property portfolio.

On May 8, 2015 a temporary order by the Ontario Securities Commission was applied against the management of the Company that prevents the trading and acquisition of the Company's shares. This was a result of failure to abide to the Ontario securities law for continuous disclosure. The order was subsequently lifted as the Company filed its results for the year ended December 31, 2014 on May 22, 2015.

1.2 Overall Performance

In summary the Company's financial condition has decreased over the past six months ended June 30 2015. Working capital decreased by $7,020 from ($2,821,281) at December 31, 2014 to ($2,822,423) at June 30, 2015. The decrease is mainly attributable to:

(a) working capital of $14,032 used in expense of general operations
(b) accrued director fees from 2014 and the first half of 2015 of $48,000, and
(c) partially offset by gains on debt forgiveness of $55,012.

1.3 Selected Annual Information

The following table provides selected financial information.

	Quarter ended 30-June-15	Year Ended 31-Dec-14	Year Ended 31-Dec-13	Year Ended 31-Dec-12
	$	$	$	$
Revenue	Nil	Nil	Nil	Nil
Income (loss) for the period	(1,142)	(1,672,699)	(273,729)	(1,113,352)
Net income (loss) for the period	(1,142)	(1,672,699)	(273,729)	(1,113,352)
Net income (loss) per share (1)	(0.000)	(0.036)	(0.006)	(0.024)
Total assets	1,614,191	1,608,292	3,035,685	3,044,794
Current liabilities	(2,836,751)	(2,823,832)	(2,578,525)	(2,313,905)
Long-term debt	Nil	Nil	Nil	Nil
Dividends per share	Nil	Nil	Nil	Nil

Notes: (1) basic and diluted

1.4 Subsequent Events

Joint Venture Agreement

In July and August 2015, the Company plans receive sufficient advances from a Director to fund the following transaction. Should the Company fail to receive the funds required for this transaction, the Company will have to seek alternative financing to complete the transaction. There is no assurance that the Company will be able to complete the transaction.

On July 1, 2015 the Company entered into a Joint Venture Agreement (“JV Agreement” or “JV”) with a related party, TrueClaim Resources Inc. (“TrueClaim”). The JV Agreement was formed for the mining of certain Arizona Properties (“Property”) of which TrueClaim is the legal and beneficial owner and legal and beneficial owner of all mineral interests and mining rights on this Property. The JV Agreement stipulates Argentium shall control all recovery operations on the Property for the benefit of TrueClaim and Argentium.

Argentium will pay $180,000 for an 80% interest in the Property. Argentium is deemed to earn an additional 10% interest in the Property on commencement of silver production and has a right to purchase the remaining 10% for $2,000,000 or $200,000 per 1%. The transaction will be accounted for as an asset acquisition in the third quarter of 2015.

Under the terms of the Agreement, Argentium is appointed as initial Operator of the recovery efforts and for such services is entitled to a management fee charged to the JV.

Argentium and TrueClaim are considered related parties as the Company’s President and Chief Executive Officer is also a Director of the Board of TrueClaim.

Capital structure and other proposed changes

On July 20, 2015 the Company issued an information circular giving notice of the annual and special meeting of shareholders of the company to be held on Thursday, August 20, 2015. The purpose of the meeting includes the following special considerations:

- Management believes that the current number of outstanding Common Shares are inconsistent with the size, assets and structure of the Company. Management proposes to reduce the number of shares in the Company in order to increase its flexibility with respect to potential business transactions, including any equity financings, if determined by the Company to be necessary. Further, should the Company proceed as requested, and, in accordance with the requirements of the Canadian Securities Exchange (the “CSE”), Management proposes amending the Corporation’s name to “Northern Sphere Mining Corp.” subject to the Corporation proceeding with the Consolidation.

- Shareholders are being asked to consider and, if deemed appropriate, to pass a special resolution (the “Name Change Resolution”) authorizing an amendment to the articles of the Corporation to amend the name of the Corporation to “Northern Sphere Mining Corp.” in the event that shareholder approval is not obtained for the Consolidation Resolution as described in point 1 above or in the event that the board of directors determine not to proceed with the Consolidation.

- Shareholders are being asked to consider and, if deemed appropriate, to approve a special resolution authorizing an amendment to the articles of the Corporation to provide that the board of directors of the Corporation may appoint one or more additional directors, who shall hold office for a term expiring not later than the close of the next annual meeting of shareholders, but the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual meeting of shareholders. The board of directors believes this amendment provides the Corporation with maximum flexibility to ensure that there is appropriate representation on the board of directors and its committees in between annual meetings of shareholders, with a view to best practices and applicable securities laws.

Additional detail related to the Company is available in the Management Information Circular dated July 20, 2015 and available on SEDAR.

1.5 Results of Operations Six Months Results

For the six month periods ended June 30, 2015 and 2014, the Company had no revenue. Exploration expenses for period were NIL, (June 30, 2014 - $34,000). The exploration costs expensed in the six months ended June 30, 2014 related to costs associated with the Sill Lake Property which was subsequently written off at December 31, 2014.

Expenses incurred during the period consist of:

i. Management and Director Fees of $48,000 (June 2014 – $NIL), relating to accrued fees for the Directors for 2015 and 2014.
ii. General and administrative of $15,388 (June 2014 – $8,350), primarily related to public company costs.
iii. Professional fees -$1,356 (June 2014 – $8,047) relating to accounting related services, including those of the CFO offset by a reversed accrual in June 2015.
iv. Interest expense of $NIL (June 2014 - $150,100), 2014 expenses relate to the accretion of interest on the long term debenture at an effective yield of 25% per annum.
v. Gain on the forgiveness of debt of $55,012 (June 2014 $NIL), relating to settlements on the forgiveness of trade payables.

1.6 Summary of Quarterly Results

Total assets as at the end of June 30, 2015 were $1,614,191 (June 30, 2014 - $3,037,699) and consisted of cash $NIL (June 30, 2014 - $4,508), Trade and other receivables of $NIL (June 30, 2014 - $1,867), prepaid expenses of $14,328 (June 30, 2014 - $339), mineral properties of $1,599,863 (June 30, 2014 - $3,030,985 which represent the value assigned the twelve (12) claims in Nevada acquired through the purchase of Solifor Inc., a Florida company and in 2014, the cost of 24 Sill Lake, Ontario unpatented mining claims, representing 88 claim units).

Total current liabilities as at June 30, 2015 were $2,836,751 (June 30, 2014 - $2,781,036) consisting primarily of trade payables of $745,431 (June 30, 2014 - $751,736), non-interest bearing advances from a director of $140,020 (June 30, 2014 - $90,020), a demand promissory note from Taku Gold Corp. of $50,000 (June 30, 2014 - $50,000) and a debenture payable to US Silver & Gold Inc. (formerly RX Exploration Inc.) of $1,901,300 (June 30, 2014 - $1,901,300), for the purchase of 15 Sill Lake, Ontario unpatented mining claims representing 68 claim units., which was due on November 30, 2013.

The Company has no sales and has never earned revenues with the exception of non-material interest revenue. Raising capital through sales of its common shares funds the Company's exploration operations.

Three months Ended June 30, 2015 Compared to Three months Ended June 30, 2014

Operating Revenues: The Company is a mineral exploration company and has no operating revenues.

Expenses: Expenses for the three months ended June 30, 2015 were $1,142 primarily for accrued director fees and general and administrative costs partially offset by gains on forgiveness of debt (June 30, 2014 - $82,259 for expenses for interest on the RX debenture, as well as general and administrative).

Net earnings (loss): The Company incurred a net loss of $1,142 for the three months ended June 30, 2015 (June 30, 2014 - $82,259). Since the Company had no revenue, the net losses are attributable to the expenses noted above.

Summary of Quarterly Results to June 30, 2015

Description	June 30/15	Mar 31/15	Dec 31/14	Sep 30/14	Jun 30/14	Mar 31/14	Dec 31/13	Sep 30/13
	$	$	$	$	$	$	$	$
Sales/Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Income (Loss)	(1,142)	(5,878)	(1,465,393)	(6,808)	(116,259)	(84,239)	15,530	(94,257)
- Basic & Diluted Earnings per share	(0.000)	(0.000)	(0.031)	(0.000)	(0.003)	(0.001)	(0.000)	(0.008)

1.7 Liquidity

As at June 30, 2015, the Company had current assets in the amount of $14,328 (December 31, 2014 - $8,429) and current liabilities of $2,836,751 (December 31, 2014 - $2,823,832). As at June 30, 2015, the Company has a working capital deficiency of $2,822,423 (December 31, 2014 - $2,815,403). As a result, the Company has liquidity risk and is dependent on raising capital.

1.8 Capital Resources

For its long term business objectives, the Company will require funds for ongoing exploration work on its Nye County property, to work on any other mineral projects that it acquires, as well as to meet its ongoing day-to-day operating requirements and will have to continue to rely on equity and debt financing during such period. There can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company. The Company does not have any other commitments for material capital expenditures over either the near or long term or none are presently contemplated other than as disclosed above and/or over normal operating requirements.

1.9 Off-Balance Sheet Arrangements

At August 14, 2015, the Company had no off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

1.10 Transactions with Related Parties

Transactions with related parties are incurred in the normal course of business and are measured at the exchange amount. Related party transactions are disclosed in Note 7 of the financial statements.

1.11 Proposed Transactions

There are no other proposed or pending transactions as of June 30, 2015 other than those noted in Subsequent Events above.

1.12 Critical Accounting Estimates and Judgements

The preparation of financial statements in compliance with IFRS requires the Company's management to make certain estimates and assumptions that they consider reasonable and realistic. Despite regular reviews of these estimates and assumptions, based in particular on past achievements or anticipations, facts and circumstances may lead to changes in these estimates and assumptions which could impact the reported amount of the Company's asset, liabilities, equity or earnings. Actual results could differ from those estimates.

Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to impairment assessments of mineral properties, estimating the fair value of the debenture payable and the calculation of share based payments. The most significant judgments relate to the use of the going concern assumption in the preparation of the financial statements, recognition of deferred tax assets and liabilities, determination of the commencement of commercial production and the determination of the economic viability of a project.

1.13 Going Concern

The Financial Statements have been prepared on the basis of accounting principles applicable to a going concern, which assume the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future. Accordingly, it does not give effect to adjustments, if any, which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts that may differ from those shown in the Financial Statements.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, aboriginal claims, unregistered claims, and non-compliance with regulatory and environmental requirements.

The Company will require substantial additional funds to further explore and, if warranted, develop its exploration properties. The Company has limited consolidated financial resources and no current source of recurring revenue, however, additional funding will be required by the Company to carry out the completion of its planned exploration activities. Management plans to secure the necessary financing through a combination of the issue of new equity or debt instruments and the entering into joint venture arrangements. Nevertheless, there is no assurance that these initiatives will be successful.

There can be no assurance that the Company will be able to obtain adequate financing through these plans or otherwise in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and property development. The terms of any additional financing obtained by the Company could result in substantial dilution to the shareholders of the Company.

1.14 Changes in Accounting Policies including Initial Adoption

Basis of Preparation

The financial statements are presented in Canadian dollars.

The financial statements are prepared on the historical cost basis except historical cost basis except for certain non-current assets and financial instruments, which are measured at fair value

At the date of authorization of these financial statements, the IASB and IFRIC has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted these standards, amendments and interpretations. However, the Company is currently assessing what impact the application of these standards or amendments will have on the financial statements of the Company.

IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2018. The Company has yet to evaluate the impact of the new standard.

Principles of Consolidation

a) Subsidiaries

All entities, in which the Company has a controlling interest, specifically when it has the power to direct the financial and operational policies of these companies to obtain benefit from their operations, are fully consolidated.

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Solifor, Inc.

b) Transactions eliminated on consolidation

Intercompany balances and any unrealized gains and losses or income and expenses arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

Mineral Properties

Exploration and evaluation activities (IFRS 6)

All direct expenditures related to the acquisition continue to be capitalized, while exploration and evaluation costs, net of incidental revenues, are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration costs and the costs incurred to develop a property will be capitalized. On the commencement of commercial production, depletion of each mining property will be provided on a unit-of-production basis using estimated resources as the depletion base. All initial acquisition costs relating to the properties are capitalized with regular impairment analysis conducted to assess the viability of each property.

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of mineral properties and PPE, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an asset retirement obligation is recognized at its fair value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding asset retirement obligation is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

Ownership in mineral properties involves certain risks due to the difficulties in determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral interests. The Company has investigated the ownership of its mineral properties and, to the best of its knowledge, ownership of its interests are in good standing.

Investments

Financial instruments at fair value through profit or loss ("FVTPL") are classified as current assets and are stated at fair value, with any resultant gain or loss recognized in the income statement. Where the Company has the positive intent and ability to hold reclamation bonds to maturity, they are stated at amortized cost less impairment losses.

Other financial instruments held by the Company are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognized directly under other comprehensive income, except for impairment losses. When these investments are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognized in profit or loss. The fair value of financial instruments classified as FVTPL and available-for-sale is their quoted bid price at the balance sheet date.

Financial instruments classified as FVTPL or available-for-sale investments are recognized or derecognized by the Company on the date it commits to purchase or sell the investments respectively. Securities held-to-maturity are recognized or derecognized on the day they are transferred to or by the Company respectively.

Impairment losses for the different financial assets and liabilities are recognized as follows:

> *FVTPL:* An impairment loss on a financial asset or financial liability classified as held for trading is recognized in net income in the period in which it arises.
>
> *Available-for-sale financial assets:* When a decline in the fair value of an available-for-sale financial asset has been recognized directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognized directly in equity is transferred to profit or loss even though the financial asset has not been derecognized. The amount of the cumulative loss that is recognized in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.
>
> *Held-to-maturity securities:* The recoverable amount of the Company's investments in held-to-maturity securities and receivables carried at amortized cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). An impairment loss is recognized in net income and through the amortization process. Effective interest method: The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognized on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

The Company's financial instruments measured at fair value on the balance sheet consist of cash, reclamation bonds, accounts payable and accrued liabilities, restoration liabilities and promissory notes payable. Cash is measured at level 1 of the fair value hierarchy. The Company does not have any financial instruments at level 2 or 3 of the fair value hierarchy. The three levels of the fair value hierarchy as follows:

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

Debenture payable and Other Borrowings

Interest-bearing loans and other borrowings are recognized initially at fair value less related transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

Provisions

A provision is recognized in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Trade and Other Payables

Trade and other payables are stated at cost.

Share-based Compensation

Directors and officers of the Company will sometimes receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (“equity-settled transactions”).

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment.

Equity settled transactions

The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (“the vesting date”). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company’s best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share option reserve.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional dilution in the computation of earnings per share.

Loss Per Share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The "treasury stock method" is used for the assumed proceeds upon the exercise of the options and warrants that are used to purchase common shares at the average market price during the year. During the period ended June 30, 2015 and 2014 all the outstanding stock options and warrants were anti-dilutive.

Consolidated Balance Sheet

Assets and liabilities expected to be realized in, or intended for sale or consumption in, the entity's normal operating cycle, usually equal to 12 months, are recorded as current assets or liabilities.

Consolidated Statement of Cash Flows

The Company prepares its consolidated statement of cash flows using the indirect method.

1.15(b)(i) Additional Disclosure for Venture Issuers Without Significant Revenue

Additional disclosure concerning the Company's: (a) capitalized or expensed exploration and development costs; (b) expensed research and development costs; (c) deferred development costs; (d) general and administrative expenses; and (e) any material costs, deferred or expenses, not already referred to in (a) through (d), is provided in the Company's Consolidated Statement of Comprehensive Income (Loss) contained in its audited Consolidated Financial Statements for the year ended December 31, 2014, which can be accessed on SEDAR under the Company's profile page at www.sedar.com.

1.15(b)(ii) Disclosure of Outstanding Share Data

The Company's authorized share capital consists of unlimited common shares without par value.

Issued and outstanding: June 30, 2015 – 46,712,277;
Issued and outstanding: August 14, 2015 (date of this report) – 46,712,277

Warrants outstanding: June 30, 2015 – Nil
Warrants outstanding: August 14, 2015 – Nil

Options outstanding: June 30, 2015 – 454,167
Options outstanding: August 14, 2015 – 450,000

Dividend Policy

No dividends have been paid on any shares of the Corporation since the date of its incorporation, and it is not contemplated that any dividends will be paid in the immediate or foreseeable future.

Controls and Procedures

Management is responsible for the design of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards. Based on a review of its internal control procedures at the end of the period covered by this MD&A, management believes its internal controls and procedures, for the nature and size of the entity, are effective in providing reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

Management is also responsible for the design and effectiveness of disclosure controls and procedures to provide reasonable assurance that material information related to the Company, is made known to the Company's certifying officers. Management has evaluated the effectiveness of the Company's disclosure controls and procedures and has concluded that these controls and procedures are effective, for the nature and size of the entity, in providing reasonable assurance that material information relating to the Company is made known to them by others within the Company.

Litigation

There is no litigation pending, nor does management have knowledge of any potential litigation.

Risks Associated with Exploration and Mining Operations

The exploration of mineral properties involves a high degree of risk which cannot be avoided despite the experience, knowledge and careful evaluation of prospective properties by management. There can be no assurance commercial quantities of ore will be discovered on the Corporation's mineral properties. Even if such commercial quantities are subsequently discovered by the Corporation's exploration efforts, there can be no assurance such properties can be brought in to commercial production. Operations may be subject to disruption due to weather conditions, labour unrest or other causes beyond the control of the Corporation. Hazards such as unexpected formations, pressures, flooding, or other conditions over which the Corporation does not have control may be encountered and may adversely affect the Corporation's operations and financial results.

Environmental Risks

Environmental legislation is continuing to evolve such as will require strict standards and enforcement, increased fines and penalties for non-compliance, more stringent assessment of proposed projects and a greater degree of corporate responsibility. There can be no assurance that future changes to environmental legislation may not adversely affect the Corporation's operations.

Mineral Market

The market for minerals is subject to factors beyond the Corporation's control, such as market price fluctuation, currency fluctuation and government regulation. The effect of such factors cannot be accurately calculated. The existence of any or all such factors may restrict the access to a market, if same exists, for the sale of commercial ore which may be discovered.

Funding Requirements

In order to move forward with its exploration activities, the Corporation may require additional funding. There can be no guarantee that such funds will be available as and when required or, if available, be accessible on reasonable commercial terms.

Reliance on Management

The Corporation anticipates that it will be heavily reliant upon the experience and expertise of management with respect to the further development of the mineral properties. The loss of any one of their services or their inability to devote the time required to effectively manage the affairs of the Corporation could materially adversely affect the Corporation

Auditors, Transfer Agent and Registrar

The auditors of the Corporation are Parker Simone LLP, Chartered Accountants of Mississauga, Ontario. The Transfer Agent and Registrar for the Common Shares of the Corporation is Computershare of Vancouver, British Columbia

Forward Looking Statements

Certain statements contained in this document constitute “forward-looking statements”. When used in this document, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “propose”, “anticipate”, “believe”, “forecast”, “estimate”, “expect” and similar expressions used by any of the Company’s management, are intended to identify forward-looking statements. Such statements reflect the Company’s internal projections, expectations, future growth, performance and business prospects and opportunities and are based on information currently available to the Company. Since they relate to the Company’s current views with respect to future events, they are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments.