



MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2014

Dated: November 28, 2014

Introduction

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with El Tigre Silver Corp.'s ("ELS" or "the Company") unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2014 and related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). In addition, the following should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2013 and the related Management Discussion and Analysis. All figures are in Canadian dollars unless otherwise noted. This Management Discussion and Analysis has been prepared as of November 28, 2014 and includes certain statements that may be deemed "forward-looking statements". Investors are directed to the section "Risks and Uncertainties" and to page 22 for a statement on forward-looking information included within this MD&A.

Highlights

The Company has a cash position of \$85,985 at September 30, 2014 and \$146,000 as of the date of this MD&A. The Company has significant on-going cash requirements to meet its overhead and maintain its mineral interests. To fund operations in the short term, subsequent to September 30, 2014, related parties have exercised 525,142 options totaling \$104,810 and loaned the Company \$140,000. In order to continue operations, the Company will need to raise additional capital through debt or equity in the short term or realize the Company's VAT receivable of \$168,000 in Mexico. The long term continuation of the Company's business is dependent on its ability to obtain necessary financing to satisfy liabilities as they come due, complete development activities and ultimately achieve profitable operations. While the Company has been successful in raising capital in the past, there is no assurance it will be successful in closing further financing transactions in the future. If the Company is unable to obtain adequate financing, the Company will need to curtail exploration operations, reduce general operation expenses, and may be required to reduce the size of its mineral concessions in Mexico.

During the nine months ended September 30, 2014, the Company:

- Issued 6,000,000 units of the Company for gross proceeds of \$1,500,000 (See *Liquidity and Capital Resources*).
- Received strong assay results from its recently completed extensive underground and surface sampling program (See *Exploration Results*).

Overview

ELS, a Canadian exploration company listed on the TSX-V, is focused on its 100% owned El Tigre Silver and Gold Property (or the "**Property**") in Sonora, Mexico. The Property is located in the Sierra El Tigre of north-eastern Sonora State, 90 kilometres south-southeast of the border towns of Agua Prieta, Mexico and Douglas, Arizona, USA. The Property is comprised of 8 Mexican Federal mining concessions totalling 215 square kilometres, covering the principal historical mines and prospects of the Sierra Madre Gold-Silver Belt district (the "**District**"). The concessions are 100% held by El Tigre through its wholly owned subsidiary, Pacemaker Silver Mining SA de CV and its wholly owned subsidiary, Compănia Minera

Talaman SA de CV. The mining concessions are registered as “explótacion” concessions and are in good standing. The first claim currently expires in 2033 and the claims are renewable for a further 50 years. El Tigre also holds one additional 0.32 square kilometres claim, known as the San Juan Property, separate from the El Tigre Silver Property, also in the state of Sonora, Mexico.

Located at the northern end of the District, the Property covers the historic El Tigre Mine and Tailings as well as additional targets. Discovered in 1900 by the Lucky Tiger Combination Gold Mining Company (“**Lucky Tiger**”) of Kansas City, Missouri, the El Tigre Mine originally began as a gold producer but quickly shifted to silver when it was discovered that the silver was more plentiful than gold. From 1903 to 1938 mine production was estimated at 70-75 million ounces of silver and an estimated 325,000 to 350,000 ounces of gold. The El Tigre Mine’s reported production through 1927 was 1,198,447 tonnes averaging 1,308 grams of silver and 7.54 grams of gold per tonne with 0.4% copper, 1.1% lead and 1.4% zinc. This is equivalent to 50.4 million ounces of silver and 290,543 ounces of gold. The mine was shut down in 1938, due in large part to the silver market which had been low for the preceding three years, and remained dormant until 1981 when Anaconda Minerals commenced exploration on the Property. From 1981 to 1984, Anaconda Minerals Company (“**Anaconda**”) completed an extensive district scale exploration program including geological mapping, test work on the tailings as well as drilling 7,812 metres in 22 holes. In September 2011, El Tigre signed an option agreement with the Property’s surface landowner (the “**Owner**”) in order to develop the historical tailings and waste rock on the Property (See *Exploration Results – Acquisition of the Tailings Pile*). Under Mexican mining law, tailings are not part of the mineral estate of the concession and are owned by the surface landowner.

In accordance with the Canadian Securities Administrators National Instrument 43-101 (“**NI 43-101**”), *Standards of Disclosure for Mineral Projects*, the Company completed a NI 43-101 report, filed 15 August 2013, it is a Preliminary Feasibility Report which defines a reserve calculation of the tailings stockpile and defines a resource at the El Tigre Mine. Details of this NI 43-101 were reported in the Company’s news release date 5 July 2013(see *Exploration Results – Highlights of the Tailings PFS*).

Management and Board Changes

On October 21, 2014, the Board of Directors appointed fellow director, Wade Anderson, to the newly created role of co-CEO. Mr. Anderson’s responsibilities will include oversight of financial and capital markets activities as well as managing the execution of the Company’s strategic growth plan. Mr. Ross, as co-CEO will continue to be responsible for day-to-day operations. Mr. Anderson has been a chartered accountant for over 20 years and graduated from the University of Saskatchewan with a Bachelor of Commerce degree in 1987. He worked for an international accounting firm in Saskatoon, Saskatchewan and Toronto, Ontario performing assurance engagements for both private and public companies. His range of experience includes a number of large auditing engagements for public companies, which included chartered banks as well as one of the world’s largest uranium producers. For the last 15 years, Mr. Anderson operated an accounting firm specializing in owner-managed enterprises in western Canada. Currently, he serves as the chief financial officer for a privately held group of companies.

On October 17, 2014, the Company appointed three new directors to the Board: Mr. John Bluher, Mr. Patrick Avery and Mr. Ron Hodgson.

Mr. Bluher has significant experience working with corporate structuring, corporate boards and committees, risk management, and public company corporate governance. Since July of 2011 Mr. Bluher has been an Executive Vice President and Chief Operating Officer and co-Chairman of the Board of Directors for MusclePharm Corporation (“OTC:MSLP”) a company which has seen significant growth in the last 4 years. Prior to his role with MusclePharm Corporation Mr. Bluher was a managing director with a private equity firm, managing director and general counsel with Lehman Brothers Inc.’s investment management division. Bluher was also director of risk management at Janus Capital Inc. Mr. Bluher holds a Bachelor of Science and a J.D. degree from the University of Wyoming. He has served on the boards of ICI Mutual Insurance Company, the NASDAQ Chairman’s Advisory Board, Cherry Hills Founders Group, Inc., MusclePharm Corp., Targeted Medical Pharma, Inc. and Chairman of the Board of Directors for Safe Communications, Inc., and the University of Wyoming Foundation Board, and College of Law Advisory Board. Mr. Bluher is a frequent speaker at financial services industry meetings and conferences. Mr. Bluher is currently the Chairman of the Board and Chief Executive Officer of Northsight Capital, Inc. (OTCBB: NCAP). He is also a partner in Britlind Resources, LLC, a Texas based oil development and operating company and a partner in World Wide Lottery, Inc. a company delivering smart phone applications for delivery of content focused in gaming and lottery management.

Mr. Avery has more than 30 years of experience in all phases of industrial businesses. He is Chief Executive Officer and Chairman of the Board of Directors of Great West Resources Inc. Mr. Avery has consulted with LDR Solution LLC, a consulting firm specializing in mining and manufacturing in natural resources and agricultural areas, since March 2013. From February 2011 through March 2013, Mr. Avery served as the President, Chief Executive Officer, Treasurer and Secretary of Prospect Global Resources, Inc. (PGRX), a Nevada corporation listed on The NASDAQ Capital Market. From August 2010 to February 2011, Mr. Avery served as president and chief executive officer of Prospect Global Resources Inc., a Delaware corporation and wholly owned subsidiary of Prospect Global Resources, Inc. From July 2009 to September 2010, Mr. Avery was vice president of energy and commodities for Broe Company where he managed grain, fuel and fertilizer businesses. Mr. Avery served as president of Intrepid Potash from April 2007 to February 2009 where he led all aspects of mining, manufacturing, logistics and sales. His key efforts at Intrepid Potash included re-vamping older facilities and significant growth in all key operational and sales metrics. From May 1996 to March 2007, Mr. Avery served in several senior positions at JR Simplot including, SVP, Mining, Manufacturing and Sales, and SVP, Retail Operations. During his time at JR Simplot, Mr. Avery oversaw mining and manufacturing at over 10 complex facilities, and ran logistics and sales functions in facilities spanning 13 western states. Mr. Avery performed undergraduate studies at the University of Colorado and performed graduate work in engineering from Loyola Marymount University. He received his MBA from the Graziadio School of Business at Pepperdine University. Mr. Avery was selected to serve as a director due to his extensive mining resource and business experience.

Mr. Hodgson is a successful businessman in Alberta having opened Ron Hodgson Chevrolet Buick GMC in 1978. As well as owning a total of three dealerships, Mr. Hodgson has partnered in various businesses over the past 36 years including a steel company, brewery, radio station, metal fabricating company, a security company, and three race tracks. Mr. Hodgson was a part owner and director of the NHL Edmonton Oilers for ten years. Mr. Hodgson is also the longest serving member of the Royal Alex Hospital Board and founding chairman of the NAIT Foundation. In 2013, Mr. Hodgson was named Philanthropist of the year for the City of St. Albert.

On October 17, 2014, Mr. Stuart Ross, Mr. Jeffery Wilson and Mr. Ken Booth resigned from the Board of Directors. Mr. Ross continues in his position as co-CEO.

On April 1, 2014, Lisa Dea was appointed as Chief Financial Officer of the Company. Ms. Dea, CPA, CA has over 19 years of experience in the finance, securities and accounting fields. Previously, Ms. Dea was the Vice President, Finance and Chief Financial Office of a TSX listed, mid-tier producing silver company where she oversaw all aspects of finance and legal as well as implemented structure, controls, governance and fiscal policy. Ms. Dea was the VP Finance and CFO of a TSX listed mining company, for 5 years and was responsible for the overall financial management of the Company, including overseeing Polaris' debt and capital market activities, managing banking relationships with US, Canadian and International banks and internal and external public reporting. During her career, she completed numerous debt and equity financings, and oversaw the implementation of the financial controls, processes and corporate financing strategies required to bring projects from development stage to large-scale commercial production. Ms. Dea also spent eleven years at Deloitte & Touche LLP, achieving the position of Senior Manager. Ms. Dea obtained her Chartered Accountants designation in 1997 and holds a BComm from the University of British Columbia. .

Exploration Results

In the first three quarters of 2014, the Company completed an extensive underground and surface sampling exploration program at the Property, which commenced in 2013. This program concentrated on the main El Tigre vein district consisting of the El Tigre Viejo canyon, Gold Hill area and the Espuelas Canyon area in the area of the Southern vein system, and the Protectora vein at the Northern vein area, a total of 173 underground and 393 surface samples were collected as channel samples from outcrops as well as 25 stream samples and 27 regional samples.

The sampling program continued into 2014 where a total of 110 surface and 57 underground samples were collected. Assay results from four samples of underground backfill material ranged from 1.28 gpt Au to 4.32 gpt Au and 262 gpt Ag to 468 gpt Ag.

This ongoing program is concentrated on the main El Tigre vein in the area of the Southern vein system. On May 30, 2014 assay results from the El Tigre Viejo canyon and Gold Hill area were reported; on June 9, 2014 assay results from the Espuelas canyon area were reported; and on June 16, 2014 assay results from the Protectora vein area were reported and the latest results were reported August 9, 2014.

The current results assisted in understanding the grade of the historical backfill material encountered in the upper levels of the existing mine workings and helped to form the conclusion that the El Tigre vein system within the mineral resource area still has unmined material with significant silver and gold intercepts. This mineralization is defined both by narrower (high Ag/Au ratio) veins within a broader (low Ag/Au ratio) zone of alteration/stockwork.

The Company will continue to map and sample this material underground to better understand the grade and quantity of material residing within the mine workings by continuing to rehabilitate the historic mine workings as a part of the exploration strategy.

Both the fall 2013 and the spring 2014 programs were done with the intention of providing data from underground that could be used to add to the database that supports the Company's current resource calculation.

All of the Company's press releases can be viewed at www.sedar.com.

In 2013, the Company conducted a drill program targeting the Stockwork Zone that runs parallel to the main El Tigre vein located on the Property. The drill program consisted of 38 holes and 4,862 meters drilled. The 2012 and 2011 drill programs drilled 2,293 metres in 12 holes and 2,313 metres in 10 holes, respectively. These exploratory drilling programs were looking for both high-grade and low-grade silver-gold mineralization and have defined a number of exploration targets: the El Tigre-Seitz-Kelly vein and stockwork mineralization; disseminated gold within silicified rhyodacite on Gold Hill; Fundadora-Aguila veins and breccia pipes; Provenir Canyon vein target; and the main El Tigre vein target.

Work in 2013 also focused on obtaining horizontal channel samples where a portable diamond blade rock saw cuts a two inch (5 cm) wide slot in the rock, this is then broken out by a hammer for sampling. These particular samples produce results similar to a horizontal drill hole and will assist in defining any surface mineralization that would connect with any underlying drill intercepts. This channel sampling has been completed on several road cuts in the Gold Hill area on the Property. These horizontal diamond saw cuts have also been completed in the underground at the Level 4 tunnel and sampling of the Johnny Cross Cut tunnel within the El Tigre Mine. In 2013, the Company also advanced the metallurgical studies and engineering of the proposed tailings processing facility on the Property.

As a result of these activities on August 15, 2013 the Company filed an NI 43-101 technical report ("**Technical Report**") that is dated June 1, 2013. The Technical Report defines a resource in the hard rock portion of the Company's concessions and includes a PFS and reserve calculation on the Tailings Stockpile (see *Exploration Results -Highlights of Tailings PFS*)

The Company believes that the Property hosts a classic Mexican caldera-related, epithermal low sulphidation vein system that extends 5.3 kilometres along strike. Based on the extensive strike length and width of the system, the Company believes that the exploration potential is excellent and that additional undiscovered silver mineralization exists in faulted off extensions of known veins as well as

presently unknown, blind, high-grade silver-gold veins. The original mine workings covered 1.5 kilometres of strike length so there exists considerable exploration potential.

The Property is located on the western slope of the Sierra El Tigre at elevations of between 1,500 and 2,000 metres above sea level. The area has rugged relief with several cliff-forming formations. Vegetation ranges from upper Sonoran yucca-ocotillo through manzanita-oak-pinyon-chaparral to pine forests at the highest elevations. Human activity is limited to prospecting, game hunting, cattle ranching and local forestry.

The climate is typical of the Sonoran Desert with rain, sometimes torrential, falling primarily in June to September. Temperatures are elevation dependent. In the lowlands near La Angostura Reservoir, summer temperatures can rise to 50 degrees Celsius and temperatures as low as 0 degrees Celsius are rare. At the elevation of the El Tigre Property campsite, summer temperatures seldom exceed 40 degrees Celsius and winter temperatures can fall to minus 5 degrees Celsius. Winter precipitation is minimal and generally falls as rain with occasional snow in the higher elevations.

On August 1, 2013, the Company received approval from the Mexican Secretary of Environment and Natural Resources for the environmental plan that will allow the development and construction of the El Tigre tailings recovery project (the “**Tailings Project**”). This permit was the hurdle for the Company prior to the commencement of construction and it can now proceed with its plans as outline in the PFS.

Highlights of the Tailings PFS

The PFS on the Tailings Project, prepared by Hard Rock Consulting, LLC (“HRC”), is intended to provide a comprehensive technical and economic analysis of development options for the reprocessing of the tailings material. This study included detailed assessments of realistically assumed mining, processing, metallurgical, economic, legal, environmental, social, and other relevant factors needed to demonstrate the economic viability of the project. All data and interpretations are based on information available prior to the effective date of the PFS report of June 1, 2013. The projected Internal Rate of Return from the reprocessing of the tailings is robust throughout a range of silver prices, increasing from 28% at a silver price of US\$20 per ounce to 100% at US\$35 per ounce.

Table 1 -After-Tax Project Economics at Selected Silver Prices (US\$)

Silver Equiv Price	Maximum Cash Injection	Net Present Value @ 8%	Internal Rate of Return	Payback Period	Payback Multiple
\$15.60	(\$4,802,000)	(\$1,370,000)	0.2%	9.16	1.0
20.00	(4,432,000)	4,289,000	28.0%	2.79	3.1
25.00	(4,011,000)	10,719,000	52.9%	1.50	5.9
30.00	(3,715,000)	17,149,000	76.5%	1.61	9.0
35.00	(3,733,000)	23,579,000	99.9%	1.33	11.8

The El Tigre Project contains 1.3 million tonnes of proven and probable tailings material grading 83.0 g/t silver and 0.279 g/t gold. HRC's economic analysis of the base case utilized a silver price of US\$25.00/oz and a gold price of US\$1,289/oz at a silver to gold equivalency ratio of 51.57:1. Metallurgical recoveries for gold and silver averaged 93% and 78%, respectively, with projected mining costs of US\$0.90 per tonne processed; processing costs of US\$22.80 per tonne processed, and G&A costs of US\$5.60 per tonne processed in a typical year. The mineral reserve estimate for the El Tigre Project is presented in Table 2.

Table 2 – Mineral Reserve Estimate -- Tailings Material

Classification	Tonnes ⁽²⁾	Ag Eq ⁽⁴⁾	Ag	Au	Contained Metal (x 000) ⁽²⁾		
	(x 000)	gpt	gpt	gpt	Ag Eq ⁽⁴⁾	Ag	Au
	(x 000)	gpt	gpt	gpt	t. oz.	t. oz.	t. oz.
Proven ^{(1),(3)}	855	101.3	84.2	0.285	2,786	2,316	7.834
Probable ^{(1),(3)}	439	96.7	80.6	0.267	1,364	1,138	3.773
Proven + Probable	1,294	99.8	83.0	0.279	4,151	3,454	11.607

*Notes:

⁽¹⁾ Proven and probable reserves are based on assumed silver and gold prices of US\$25/oz. and US\$1,289/oz., respectively, metallurgical recoveries for gold and silver were assumed at 93% and 78%, and a mining, processing and G&A cost of US\$29.30 per tonne processed.

⁽²⁾ Mineral reserve tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.

⁽³⁾ All reserves are stated above a 50 gpt Ag Equivalent cut-off

⁽⁴⁾ Silver Equivalent stated using a ratio of 60:1 and ounces calculated using the following conversion rate: 1 troy ounce = 31.1035 grams. Metallurgical recoveries are not accounted for in the silver equivalent calculation.

- Ore is processed in a 400 ton per day mill and agitated cyanide leach plant with Merrill-Crowe recovery circuit over a 10 year operating life.
- Base case three year trailing average prices of US\$25 per Ag ounce and US\$1289 per Au ounce would generate an After Tax Net Present Value at 8% of approximately \$10.7 million.
- A Base case After-Tax Rate of Return of approximately 52.9%.
- Projected salable production of 2.63 million ounces of silver and 10,500 ounces of gold

Overall initial and sustaining capital investment of \$6.2 million, with a maximum envisioned cash Injection of \$4.0 million, with the remaining amounts provided by cash flow from operations.

Resources of the El Tigre Vein System

The mineral resource estimate for in-situ material is based on 9,468 metres (29,351 feet) drilled in 61 diamond core holes conducted in three phases over three years. The mineral resources for the in-situ portion of the El Tigre Project, are estimated by HRC to be 9.875 million tonnes grading an average of 0.630 g/t Au and 39.7 g/t Ag classified as indicated mineral resources with an additional 7.042 million tonnes grading an average of 0.589 g/t Au and 36.1 g/t Ag classified as inferred mineral resources. The base case estimated mineral resource is based on a 50 g/t silver equivalent ("**AgEq**") cut-off.

The mineral resources are reported at a cut-off grade to reflect reasonable prospects for economic extraction. HRC considers that significant portions of the El Tigre Project are amenable to open pit extraction. The "reasonable prospects for economic extraction" requirement referred to in NI 43-101

was tested by designing a series of conceptual open pit shells using CAE Mining's Maxipit Software. HRC selected parameters to represent a reasonable expectation reflecting the intent that the resource captured within the pit shell meets the test of reasonable prospect for economic extraction and can be declared a mineral resource. The mineral resource is not inclusive of the mineral reserves.

This updated mineral resource estimate is based on a 3D geologic model constructed using geologic and assay data from 9,468 metres of drilling in 61 drill holes. The assay data has been examined for the presence of high grade outlier data which could potentially adversely impact the grade estimation. Based on this analysis, all gold and silver assays were capped at 12.5 g/t and 290.0 g/t, respectively. The capped assay data were then composited into 2.0m downhole lengths for use in grade estimation. Block grades were estimated using a single indicator ordinary kriging interpolation method and are presented in Table 3.

Table 3 - Mineral Resource Estimate – In-Situ Material

Indicated Resources							
Cutoff	Tonnage	AgEq	Ag	Au	Contained Metal (x1000 ounces)		
					AgEq	Ag	Au
gpt	Tonnes(x1000)	gpt	gpt	gpt	t.oz.	t. oz.	t. oz.
100	1,500	126.4	67.6	0.980	6,097	3,259	47
75	4,203	99.8	53.6	0.771	13,486	7,241	104
50	9,875	77.8	39.7	0.630	24,713	12,614	200
30	15,538	63.6	32.4	0.527	31,794	16,202	263
Inferred Resources							
100	516	122.0	63.8	0.974	2,024	1,058	16
75	2,322	92.0	49	0.719	6,868	3,658	54
50	7,042	71.0	36.1	0.589	16,075	8,173	133
30	13,520	56.0	26.4	0.493	24,342	11,476	214

*Notes:

- ⁽¹⁾ Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves.
- ⁽²⁾ Indicated and Inferred Mineral Resources captured within the pit shell meet the test of reasonable prospect for economic extraction and can be declared a Mineral Resource
- ⁽³⁾ Pit optimization is based on assumed gold and silver prices of US\$1,350/oz. and US\$22.50/oz., respectively, metallurgical recoveries for gold and silver were assumed at 75%, and a mining, processing and G&A cost of US\$7.15 per tonne.
- ⁽⁴⁾ Mineral resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.
- ⁽⁵⁾ The Mineral Resource is not inclusive of the Mineral Reserves.
- ⁽⁶⁾ Silver Equivalent stated using a ratio of 60:1 and ounces calculated using the following conversion rate: 1 troy ounce = 31.1035 grams. Metallurgical recoveries are not accounted for in the silver equivalent calculation.

The mineral resources and mineral reserve estimates are reported in accordance with Canadian Securities Administrators NI 43-101 and were estimated in compliance with generally accepted Canadian Institute of Mining, Metallurgy and Petroleum "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resource will be converted into mineral reserves.

Acquisition of the Tailings Pile

In September 2011, the Company optioned the surface land and tailings in order to develop the extensive surface tailings from the former Lucky Tiger mine. The tailings are located on the Company's Property in Sonora, Mexico. Under the terms of the option agreement (the "Option Agreement") with the Owner of the property, the Company through its wholly owned Mexican subsidiary, Pacemaker Mining SA de CV ("Pacemaker"), will have up to two years to evaluate the tailings and design a procedure to extract the contained silver (the "Option"). In September 2012, the Company negotiated a one-year extension to this Option Agreement. In order to maintain its Option, the Company paid the Owner \$20,000 USD upon signing of the Option Agreement and agreed to spend \$30,000 USD in engineering work during the two year term, which was completed in 2013. At any time during the initial two-year phase, if the Company decides to proceed with the Option, the Owner will receive a further payment of 100,000 common shares of the Company and \$20,000 USD. The Owner will also receive a royalty of 10% of net profit on the tailings project, which will be calculated as gross proceeds from the sale of mineral, metals and concentrates net of all costs including, smelting, refining, penalties, assay cost, arbitrage, shipping, insurance, trade tax, foreign tax, exploration, engineering, depreciation and amortization and generally all costs to obtain the minerals from the tailings. The Company amended the Option Agreement ("Amended Option Agreement") in 2013 whereby the Owner will receive a payment of \$40,000 USD upon exercise of the Option in lieu of the 100,000 common shares in the original Option Agreement for a total payment of \$60,000 USD. Concurrently with the signing of the Amended Option Agreement, the Company exercised its Option and paid \$60,000 USD through a cash payment of \$45,000USD and the forgiveness of a \$15,000 USD promissory note to the Company. In the third quarter of 2014, the Company negotiated an extension of the required commencement date for production to 2019.

Core Drilling

El Tigre geologists had identified a large target area of low-grade gold mineralization in the wall rocks of the El Tigre vein on Gold Hill. This zone is associated with the original discovery of exposed high-grade-gold mineralization, which led to the development of the District in 1903. The first production from the District was from Gold Hill, which averaged over one ounce per ton gold. As these gold ores were depleted, mining attention turned to the deeper, high-grade silver deposits that produced averages of 30 to 40 ounces silver per ton.

The drilling program that was developed for 2012 was directed at the southern 1.2 kilometres of the El Tigre vein system. The program was completed in June of that year with 12 holes completed for a total of 2,293 metres. A subsequent drill program was conducted in 2013 with 38 holes drilled for a total of 4,862 metres.

Assays for the 12 holes that were previously reported in several press releases are available on SEDAR. The results, thus far, have successfully identified several wide zones of disseminated gold mineralization

associated with the El Tigre vein system, and it has also indicated very high grades of silver and gold within the El Tigre vein.

On 12 April 2012 the Company reported positive assays from a rock sampling and auger drilling program at its El Tigre silver project. The sampling and auger drilling program was initiated to test mine rock that was accumulated at the main haulage level of the El Tigre mine. This main haulage level is known as the 700 level and the material is referenced as the 700 level dump. The 700 level dump was created during the 35 year underground mining operation and consists of mineralized rock that was discarded by the miners in a sorting process as the mineralized ore was transported from the mine to the mill. The result of this sorting process was such that the average production grade of the mine was reported to be 40 ounces of silver per ton. Sampling of the 700 level dump was conducted over the top and front face of the dump and spaced every 10 to 20 meters. Each sample consisted of 10 kilograms of representative material at each site. The average silver assay of the 44 samples was 230 g/tonne (6.7 oz/ton), which was within a range of 16.3 to 937 g/tonne. Gold averaged 0.89 g/tonne (0.026 oz/ton) within a range of 0.064 to 5.3 g/tonne.

Three auger holes were also drilled into the 700 level dump in a line 15 meters apart along the top edge. The holes were 1.5, 3.0 and 4.5 meters deep with each sample representing a 1.5 meter interval. The average silver assay of the 9 auger samples was 259 g/tonne (7.5 oz/ton) within a range of 124 to 465 g/tonne. Gold averaged 0.71 g/tonne (0.021 oz/ton) within a range of 0.26 to 1.26 g/tonne.

Five drilling programs have been conducted to test various targets and veins on the El Tigre property. The first two drilling programs were completed prior to ETS' acquisition of the Project. In the 1980's Anaconda (Cobre de Hercules) completed 22 HQ and NQ diamond core holes and in 1995 Minera de Cordillaras completed a four-hole Reverse Circulation (RC) drilling program for a total of 890 meters on behalf of a third party interest. The final three programs were completed by ETS in 2011, 2012, and 2013. A summary of the drilling campaigns on the El Tigre property is shown in Table 4. Figure 1 shows the spatial distribution of the holes from these drill campaigns in the area of the mineral resource estimation of the in-situ material contained within the Technical Report.

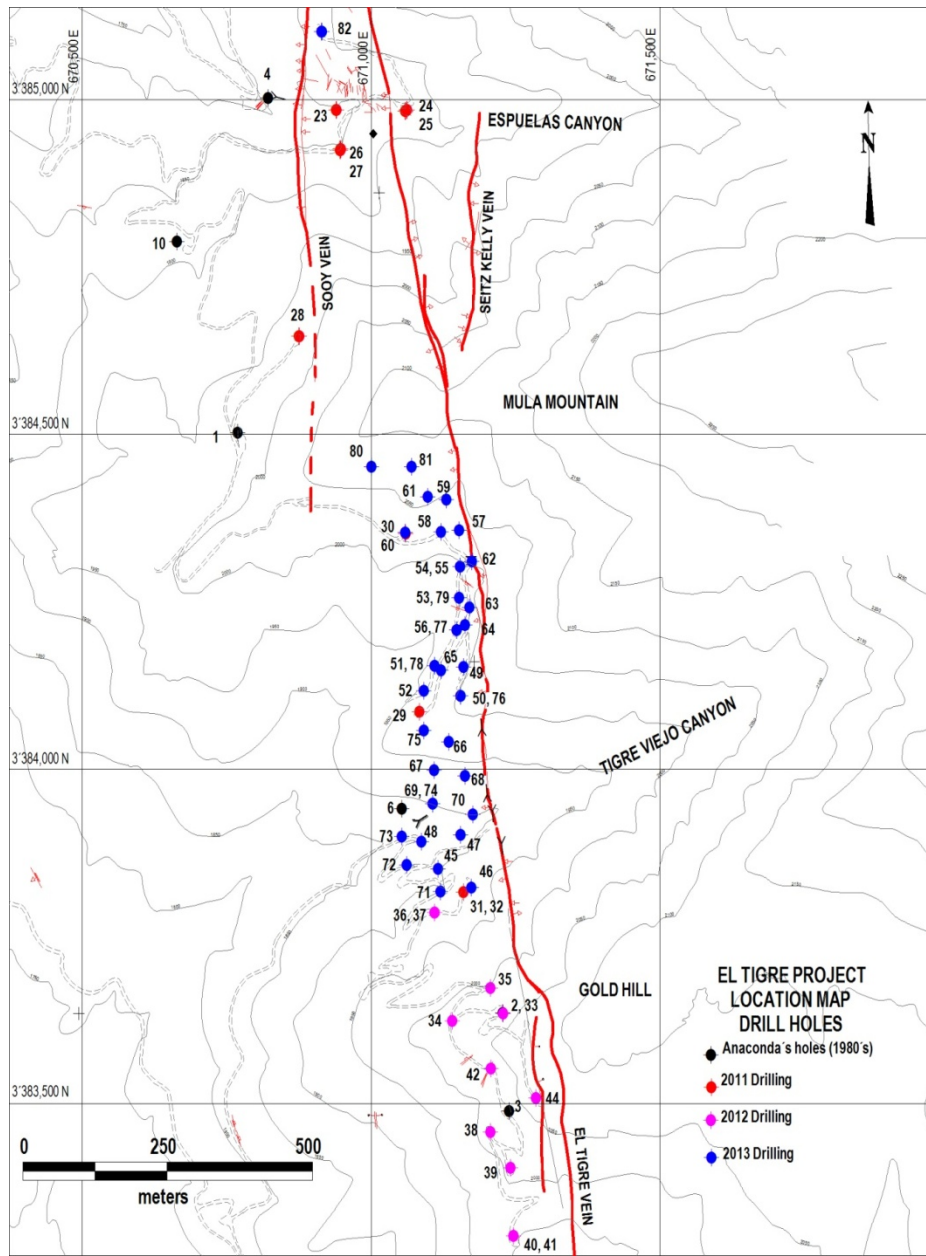
Table 4: El Tigre Drill Program Summary

Company	Year	Core Holes	Total Meters
Anaconda*	1982-83	22	7,812.65
Minera de Cordillaras**	1995	4 (RC)	890.00
El Tigre Silver	2011	10	2,313.35
El Tigre Silver	2012	11	2,235.77
El Tigre Silver	2013	38	4,861.90
Totals			17,223.67

* Subset of drilling used in the estimation of mineral resources

** Drill program not used in the mineral resource estimation

Figure 1: Drill Location Map of the Gold Hill and Mula Mountain area.



*Notes:

The map is contained entirely within the El Tigre concessions.

El Tigre Silver Corp conducted an additional two drilling campaigns on the material within the historical tailings impoundment. The first program was conducted in 2011 and consisted of 46 straight stem auger holes totalling 315.4 meters. The second campaign included 7 core holes completed in 2013 for 129.9 meters.

Aerial Survey

The Company contracted Photosat Information, Ltd (Photosat) of Vancouver, British Columbia, to generate a series of base maps for the Project. Using data from the Geoeye satellite, Photosat produced 100 km² of digital imagery with a 0.5-meter pixel resolution as well as a 45 km² of topographic coverage with a 10- cm vertical accuracy and 0.5 m x 0.5 m pixel size Digital Terrain Model (DTM). Contour maps with 1m, 5m and 10m contour intervals were produced in Map info formats. All Project work completed by CSGM following receipt of the digital products from Photosat was completed using the World Geodetic System (WGS) 84, UTM zone 12 projections in meters.

Exploration

The Company has control of a large group of concessions that are being explored for new areas of gold and silver mineralization. For instance, just east of the main El Tigre district are two linear aster spectral anomalies parallel to the known veins. These anomalies suggest high-level expressions of undiscovered veins at depth. Furthermore, there is a one-kilometre long zone extending from the southern vein district to the northern veins that have never been explored with drilling.

Further removed to the south and on trend with the main district are two areas that contain mineralized structures with gold and silver anomalies. These two zones are being actively explored as time permits.

Results of Operations

The loss for the three and nine months ended September 30, 2014 was \$588,011 and \$1,629,332, respectively, which compares to a loss of \$584,105 and \$2,497,716 in the same three and nine month periods of 2013. The main fluctuations in costs are as follows:

(Rounded to '000)						
Exploration and Evaluation – Resource Property Expense		Three Months Ended			Nine Months ended	
		September 30 2014		September 30 2013	September 30 2014	September 30 2013
	\$	299,000	\$	286,000	\$	720,000
Variance (decrease)	\$	13,000			\$	(988,000)

Exploration expenditures have increased slightly for the three month period ending September 30, 2014 over the same period for 2013 and has decreased significantly for the nine month period ended September 30, 2014 over the comparative period. In 2013, the Company had a drilling program in place for the first four months of the year, which accounts for the overall higher expense in the 2013 period.

(Rounded to '000)

Shareholder relations

	Three Months ended		Nine Months ended	
	September 30 2014	September 30 2013	September 30 2014	September 30 2013
	\$ 39,000	\$ 31,000	\$ 132,000	\$ 142,000
Variance (decrease)	\$ 8,000		\$ (10,000)	

Shareholder relations expense has remained fairly consistent for the three and nine months periods ended September 30, 2014 and 2013.

(Rounded to '000)								
Wages and management fees	Three Months ended				Nine Months ended			
		September 30 2014		September 30 2013		September 30 2014		September 30 2013
	\$	153,000	\$	117,000	\$	401,000	\$	350,000
Variance increase	\$	36,000			\$	51,000		

Wages, and management fees increased during the three and nine months ended September 30, 2014 due to hiring a new CFO and an additional accounting related employee.

(Rounded to '000)

Professional fees

	Three Months ended		Nine Months ended	
	September 30 2014	September 30 2013	September 30 2014	September 30 2013
	\$ 43,000	\$ 18,000	\$ 164,000	\$ 63,000
Variance increase	\$ 25,000		\$ 101,000	

The Company pays professional fees to lawyers, auditors, consultants and Clearline Chartered Accountants, for legal, financial advising and accounting services rendered. The total professional fees are higher compared to the prior periods due to a non-recurring expense relating to a settlement of accounting fees for past services and the engagement of a financial advisory consultant.

(Rounded to '000)								
Travel	Three Months ended				Nine Months ended			
		September 30 2014		September 30 2013		September 30 2014		September 30 2013
	\$	6,000	\$	4,000	\$	18,000	\$	22,000
Variance (decrease)	\$	2,000			\$	(4,000)		

The Company continues to reduce travel costs where possible, to conserve its cash resources in order to focus its financial resources on the 2014 exploration program.

(Rounded to '000)								
Transfer agent and filing fees	Three Months ended				Nine Months ended			
		September 30 2014		September 30 2013		September 30 2014		September 30 2013
	\$	6,000	\$	1,000	\$	29,000	\$	18,000
Variance increase	\$	5,000			\$	11,000		

Transfer agent fees increased in the three and nine month period ended September 30, 2014 due to additional OTC market related fees.

Financial Data for Last Eight Quarters

The following table sets out selected unaudited quarterly financial information of the Company and is derived from the unaudited interim condensed interim consolidated financial statements prepared by management. The Company's interim financial statements are prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

(Rounded to '000)								
Three Months Ended	Sep-14	Jun-14	Mar-14	Dec-13	Sep-13	Jun-13	Mar-13	Dec-12
Total Revenues	-	-	-	-	-	-	-	-
Loss from continuing operations	(588,000)	(572,000)	(469,000)	(512,000)	(584,000)	(824,000)	(1,090,000)	(600,000)
Income (loss) for the period	(588,000)	(572,000)	(469,000)	(512,000)	(584,000)	(824,000)	(1,090,000)	(600,000)
Loss per share (Basic and diluted)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.02)	(0.01)
Total assets	4,560,000	5,167,000	5,673,000	4,775,000	4,651,000	4,996,000	5,917,000	6,376,000
Working capital	180,000	669,000	1,289,000	265,000	330,000	643,000	1,479,000	2,060,000

The quarterly loss has been fairly consistent for the last five quarters ending September 30, June 30 and March 31, 2014 and December 31 and September 30, 2013. Prior to this the Company was engaged in a drilling and assay analysis program, which accounted for the higher losses in the quarters ended June 30, and March 31, 2013.

Liquidity and Capital Resources

Working Capital, Operating, Financing and Investing Activities

At September 30, 2014, the Company had cash of \$85,985(December 31, 2013 – \$192,059), current assets of \$325,820(December 31, 2013 - \$474,814)and working capital of \$179,731 (December 31, 2013 - \$265,358). Cash used in operating activities during the three and nine month ended September 30, 2014 totalled \$531,722 and \$1,587,270 respectively (three and nine months ended September 30, 2013 - \$374,613 and \$2,357,861).

Cash used in investing activities during the three and nine month period ended September 30, 2014 totalled \$Nil (three and nine months ended September 30, 2013 - \$Nil and \$27,039).

Cash raised in financing activities during the three and nine month period ended September 30, 2014 totalled \$Nil and \$1,481,196 respectfully (nine months ending September 30, 2013 - \$691,950). Financing activities for the nine month period ended September 30, 2014 were as follows:

- the Company issued 6,000,000 units of the Company for gross proceeds of \$1,500,000. Each unit consists of one common share and one-half common share purchase warrant. Each whole warrant entitles the holder to acquire an additional common share of the Company for a period of 24 months from date of issue at a price \$0.38 per share, provided that, if over a period of 20 consecutive trading days after the expiry of the hold period on the warrants, the daily volume weighted average trading price of the common shares of the Company on the TSX Venture Exchange (or such other stock exchange on which such shares are listed) is greater than \$0.50 then at the Company's discretion, it may, within 10 days of such 20 day period, accelerate the expiry date of the warrants to a date 30 days after the date of the notice.

As in many exploration companies, actual future funding requirements may vary from those planned due to a number of factors, including the progress of exploration and development activity and foreign exchange fluctuations. Management believes it will be able to raise equity capital as required in the long term, but recognizes the risks attached thereto. Historically the capital requirements of the Company have been met by equity subscriptions. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing may be favourable.

Contractual Obligations, Commitments and Contingencies

In the nine months ended September 30, 2014, the Company entered into an agreement with Conseil Advisory Services Inc. ("**Conseil**"), whereby Conseil will advise the Company on various financing alternatives and assist in negotiations with potential financing sources. For its services, the Company will pay Conseil a daily fee of \$1,500 USD for work completed, a success fee of 1.5%, subject to a minimum of \$100,000 USD, of the value of the transaction, 50% payable upon an accepted term sheet and 50% upon the closing of the transaction, and will grant Conseil 200,000 options to acquire common shares of the Company. If Conseil provides an acceptable formal term sheet to the Company from any potential financing source and the Company ultimately decides on any alternative source of financing, then the options, detailed above, shall immediately become fully vested and El Tigre shall at that time pay to Conseil a "drop dead" fee equal to 50% of the success fee plus the accrued daily fee.

On August 28, 2014, the Company entered into an agreement with Wealthcorp LLC (“Wealthcorp”) to provide financial advisory services to assist the Company with identifying financing alternatives. The funds raised from any potential financing will be used to complete the construction of a production facility and to provide funding to continue the Company’s planned exploration program to expand the initial resource. The Company will pay Wealthcorp a monthly work fee of US\$20,000, a cash success fee of 1.5% and compensation warrants equal to 5% of the aggregate number of shares or units sold under any financing transaction in excess of \$5 million (collectively the “Compensation”). The Compensation is due and payable upon closing of any transaction. The agreement with Wealthcorp is for an initial term of 12 months and renews automatically on the anniversary date on a month to month basis thereafter. The agreement can be terminated at any time with 30 days notice, however the Company is obligated to pay Wealthcorp any fees due for the first 12month term.

During year ended December 31, 2013, through its wholly owned subsidiary, Pacemaker Silver Mining, S.A. de C.V., the Company entered into a consulting agreement with a third party (the “**Consultant**”), whereby, the Consultant will identify and introduce lending agencies to provide debt financing of up to \$4,450,000 USD. The Company will pay the Consultant a success fee of 1.5% for every \$1,000,000 USD or a portion there of accepted by the Company. In the event that the transaction is not concluded, the Company will pay a maximum penalty of 222,500 Mexican Pesos (\$19,000 Canadian Dollars) to the Consultant. As at June 30, 2014, the Company is not able to determine the amount payable to the Consultant.

Mexican Tax Reform

In late 2013, a new Income Tax Law was enacted in Mexico (“Mexican Tax Reform”), which became effective January 1, 2014. Key provisions of the Mexican Tax Reform that may affect the Company consist of:

- Imposes a new 7.5% mining royalty. This royalty is deductible for tax purposes and is calculated as 7.5% of a royalty base which is computed as taxable revenues (except interest and inflationary adjustment), less allowable deductions for income tax purposes (except interest, inflationary adjustment, depreciation and mining fees), less prospecting and exploration expenses of the year;
- Imposes a new environmental duty of 0.5% of gross income arising from the sale of gold and silver;
- Corporate income tax rate to remain at 30%, eliminating the scheduled reduction to 29% in 2014 and to 28% in 2015;
- Elimination of the Business Flat Tax (“IETU”);
- Elimination of the option for depreciation of capital assets on an accelerated basis;
- Elimination of 100% deduction on exploration expenses for locating and quantifying new deposits in pre-operating periods. These exploration costs will be amortized on a straight - line basis over 10 years;
- Reduction of deductibility for various employee fringe benefits; and

- Imposes a 10% withholding tax on dividends distributed to resident individuals or foreign residents (including foreign corporations). According to the Mexico - Canada tax treaty, this dividend withholding tax rate may be reduced to 5%.

The Company has taken the position that the new 7.5% mining royalty is an income tax in accordance with IFRS for financial reporting purpose, as it is based on a measure of revenue less certain specified costs. On substantial enactment, a taxable temporary difference arises, as property, plant and equipment and mining assets have book basis but no tax basis for purposes of the royalty. The effect of the new Mexican tax law on the Company is immaterial.

In addition to the above, the Mexican Tax Reform abolishes the tax consolidation regime and consolidated groups will effectively be de-consolidated on a go forward basis. Existing groups are now required to assess the tax impact of deconsolidation using a mechanism established by transition rules specified in legislation for which the final applied rules are expected to be released in the next few months. The Company is reviewing the impact and will communicate the financial impact when it is finally determined in the applied Mexican tax rules.

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is in the business of mineral exploration and has no source of operating revenue. Operations are financed through the issuance of capital stock. Capital raised is held in cash in an interest bearing bank account until such time as it is required to pay operating expenses or resource property costs. The Company is not subject to any externally imposed capital restrictions. Its objectives in managing its capital are to safeguard its cash and its ability to continue as a going concern, and to utilize as much of its available capital as possible for exploration activities. The Company's objectives have not changed during the nine months ended June 30, 2014.

It is necessary for the Company to arrange for additional financing to meet its on-going exploration and overhead requirements in the immediate term. Management believes it will be able to raise equity capital as required in the short and long term, but recognizes the risks attached thereto. There can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing may be favourable.

Related Party Transactions

The Company's related parties consist of directors, executive officers and companies owned by directors and / or executive officers as follows:

Related parties	Nature of transactions
A company owned or controlled by Stuart R. Ross, President and CEO	Management fees
A company owned or controlled by Grant T. Smith, former CFO	Professional fees
Steven Craig, the former VP of Exploration	Consulting fees
Ken Booth, former Director	Stock-based compensation
Jeffrey Wilson, former Director	Stock-based compensation
Wade Anderson, Director	Stock-based compensation

Related party transactions not disclosed elsewhere in the financial statement are as follows:

RELATED PARTY DISCLOSURE

Name and Principal Position		Remuneration or Fees ⁽¹⁾	Included in Accounts Payable
A company owned or controlled by the President and CEO – management fees	2014 \$	162,000 \$	3,900
	2013	162,000	-
A company owned or controlled by the former CFO – management and professional fees	2014	19,589	-
	2013	59,975	-
The former VP of Exploration – consulting fees	2014	-	-
	2013	140.113	-

(1) Amounts disclosed were paid or accrued to the related party during the nine month periods ended September 30, 2014 and 2013.

These transactions were in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on its results of operations or financial condition including, without limitation, such considerations as liquidity and capital resources.

Financial Instruments

Fair Value – The carrying values of receivables and accounts payable and accrued liabilities approximate their fair values due to their short term to maturity. Cash is measured on the Statement of Financial Position at Level 1 of the fair value hierarchy.

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

Currency risk – Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. To manage this risk the Company maintains only the minimum amount of foreign cash required to fund its on-going exploration expenditures. The Company is not exposed to significant foreign currency risk, as a 5% shift in foreign exchange rates would result in an impact of \$1,000. At September 30, 2014 the Company held currency totalling the following:

Canadian (Dollars)	US (Dollars)	Mexican (Pesos)
\$73,402	\$2,993	\$43,287

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. The Company's primary exposure to credit risk is on its bank accounts. The Company's bank accounts are held with major banks in Canada accordingly the Company believes it not exposed to significant credit risk.

Liquidity risk - Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. This is a significant risk.

Market risk - Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. Market risk is comprised of commodity price risk and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. The Company is not exposed to significant market risk.

Interest rate risk - Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is nominally exposed to interest rate risk.

Price risk - Price risk is the risk that the value of a security will decline in the future. The Company is not exposed to price risk.

Critical accounting judgements and key sources of estimation uncertainty

The following are the critical judgments and areas involving estimates that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognized in the consolidated financial statements.

a) Critical judgements in applying accounting policies

Determination of functional currency

In accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, management determined that the functional currency of the Company and its wholly owned subsidiaries is the Canadian dollar.

Useful life of equipment

As discussed in note 3 of the audited consolidated financial statements for the years ended December 31, 2013 and 2012, the Company reviews the estimated useful lives of its equipment at the end of each reporting period. There were no material changes in the lives of equipment for the nine month period ended September 30, 2014.

Going concern evaluation

The consolidated financial statements have been prepared under the assumptions applicable to a going concern. If the going concern assumption were not appropriate, then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the consolidated statement of financial position classifications used and such adjustments could be material.

The Company reviews the going concern assessment at the end of each reporting period. There were no material changes to the assessment as at September 30, 2014.

Review of asset carrying value and impairment assessment

In accordance with our policy (as stated in note 3k of the consolidated financial statements), each asset or cash generating unit is evaluated every reporting period to determine whether there are any indications of impairment. If such an indication exists, which is often judgemental, a formal estimate of recoverable amount is performed and an impairment loss is recognized to the extent that the carrying value exceeds the recoverable amount. The recoverable amount of an asset or cash generating unit is measured at the higher of fair value less costs to sell or value in use.

Contingencies

Contingencies can be either possible assets or liabilities arising from past events which, by their nature, will only be resolved when one or more future events not wholly within our control occurs or fails to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

b) Key sources of estimation uncertainty

Decommissioning liability

The estimated costs are reviewed annually by management including changes in the discount rate, estimated timing of decommissioning costs, or cost estimates.

Share based payments

Management assesses the fair value of stock options granted in accordance with the accounting policy stated in note 3 of the consolidated financial statements. The fair value of stock options granted is measured using the Black-Scholes option valuation model ("BkS"), which was created for use in estimating the fair value of freely tradable, fully transferable options. The Company's stock options have characteristics significantly different from those of traded options, and changes in the highly subjective input assumptions can materially affect the calculated values. The fair value of stock options granted using BkS do not necessarily provide a reliable measure of the fair value of the Company's stock option awards.

Income taxes

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

Additional Disclosure for Venture Issuers without Significant Revenue

Consistent with other companies in the mineral exploration industry, El Tigre has no source of operating revenue. The Company's December 31, 2013 Annual Audited Consolidated Financial Statements provide a breakdown of the general and administrative expenses for the period under review and an analysis of the capitalized and expensed exploration and development costs incurred on its mineral properties.

Disclosure Controls and Procedures

The Chief Executive Officer and Chief Financial Officer ("CFO") are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's consolidated financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this Management Discussion and Analysis.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and work load will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial reports, the integrity and reputation of senior accounting personnel, and candid discussion of those risks with the Audit Committee.

Capital Stock

The Company has had an unlimited number of common shares authorized with 61,697,109 outstanding on September 30, 2014 and 62,165,109 as of the date of this MD&A.

As at September 30, 2014, options to purchase 4,437,500 common shares and warrants to purchase 12,109,920 common shares were outstanding. As of the date of this MD&A, options to purchase 3,912,358 common shares and warrants to purchase 12,100,000 common shares were outstanding.

Investor Relations Activities

With respect to investor and public relations, the Company provides information from its corporate offices to investors and brokers directly.

Qualified Person

Pursuant to NI 43-101, Zachary J. Black, SME-RM (No. 4156858RM) of Hard Rock Consulting, LLC is the Qualified Person responsible for the technical disclosure in this MD&A.

Forward Looking Statements

Certain statements contained in the following MD&A and elsewhere constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below. Aside from factors identified in the annual MD&A, additional important factors, if any, are identified here.

The table below sets forth the significant forward-looking information included in this MD&A:

Forward-looking Information	Key Assumptions	Most Relevant Risk Factors
Continued exploration of mineral properties	The exploration and drilling will reveal mineral resources increasing the value of the property	There is no certainty that this exploration will result in a proven resource #
The ability to raise capital in the future to continue on-going operations	The Company will be able to raise capital as required	The Company has disclosed that this will be difficult and failure to raise these funds will materially impact the Company's ability to continue as a going concern#

Cautionary Note

This document contains “forward-looking information” which may include, but is not limited to, statements with respect to the future financial or operating performance of the Corporation, its subsidiaries and its projects, the future supply, demand, inventory, production and price of minerals, the estimation of reserves and resources, the realization of reserve estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters.

Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of resources; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the resource industry; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be

other factors that cause actions, events or results to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Risk and Uncertainties

Companies operating in the mining industry face many and varied kinds of risks. The operations of the Company are speculative due to the high-risk nature of its business which is the acquisition, exploration, development and eventual operation of mineral properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical. Following are the risk factors most applicable to the Company:

Exploring and developing mineral resource projects bears a high potential for all manner of risks. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. Moreover, even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed.

Due to the Company's material properties being located in Mexico, substantial portion of its business is exposed to various degrees of political, economic, and other risks and uncertainties, which may cause disruption to mineral exploration activities. Furthermore, Mexico's status as a developing country may make it more difficult for the Company to obtain required financing for its project. The Company must be able to utilize available financing sources to finance its growth and sustain its exploration capital requirements. There can be no assurances that the Company will continue to obtain additional financial resources through either the debt or equity markets.

In addition, the Company requires consultants and employees to work in Mexico to carry out its planned exploration and development programs. It may be difficult from time to time to find or hire qualified people in the mining industry who are situated in Mexico, or obtain all the necessary services or expertise in Mexico, or to conduct operations on its project at reasonable rates. Furthermore, the Company is highly dependent upon its senior management and other key personnel and the loss of any such individuals could have a materially adverse effect on the business of the Company.

In Mexico, acts of civil disobedience are common; in recent years, many mining companies have been the targets of actions to restrict access to legally entitled mining concession or property. Such acts of civil disobedience often occur with no warning and can result in significant direct and indirect costs.

Although the Company has taken steps to verify the title to mineral properties 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 or transfers and title may be affected by undetected defects.

At present the principal activity of the Company is the exploration and development of gold and silver resource properties. The feasible development of such properties is highly dependent upon the price of the gold and silver. A sustained and substantial decline in these commodity prices could result in the write-down, termination of exploration and development work or loss of its interests in identified resource properties.

The Mineral reserve and resource estimates previously reported under NI 43-101 are estimates and as such, there is uncertainty to the actual volume and grades until the reserves are actually mined and processed. Variability in these estimates could affect the level of production and capital and operating costs. While the Company has had independent geological consultants conduct a review of the estimates of mineral reserves and resources, this should not be construed as a guarantee that such estimates are accurate. If such estimates prove to be materially overstated, that could have a material and adverse effect on the Company's business and results of operations. There are no assurances that current estimated reserves and resources will be commercially mined in the future or mined in the method set out in the NI 43-101 report. The Company has engaged independent technical consultants to assist in preparing mineral reserves and resources, and project engineering, as required. There is no guarantee the work performed by the Company, or the consultants, will prove correct and free of defects.

Inferred mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty, which may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgrade to proven and probable mineral reserves as a result of continued exploration.

Exploration and development projects are subject to the environmental laws and regulations of the country within which the Company is conducting its operations. As such laws are subject to change, which may detrimentally affect the project and the Company, making it more expensive to operate. Further, various non-governmental organizations dedicated to environmental protection monitor, amongst others, the mining industry. These organizations have in the past commenced actions with the regulatory agencies or the courts to prevent or delay mining activities.

In the course of exploration and development of mineral properties, certain risks, and in particular, unexpected or unusual geological formation may occur. It is not always possible to fully insure against such risks.