

NEVADA CLEAN MAGNESIUM INC.
Management's Discussion and Analysis
For the Year Ended October 31, 2015

Page 1 of 20

This management's discussion and analysis of Nevada Clean Magnesium Inc. (the "Company") contains analysis of the Company's operational and financial results for the year ended October 31, 2015. The following should be read in conjunction with the Company's consolidated financial statements for the years ended October 31, 2015 and 2014. All figures are in Canadian dollars unless otherwise stated.

DATE OF REPORT

February 29, 2016

JURISDICTION OF INCORPORATION AND CORPORATE NAME

The Company was incorporated under the *Company Act* (British Columbia) on March 24, 1966 as "Ft. Lauderdale Resources Inc.". The Company changed its name to Amcorp Industries Inc. on July 20, 1990, and to Molycor Gold Corporation on May 17, 1996 and to Nevada Clean Magnesium Inc. on April 16, 2012. The Company is a reporting issuer in the provinces of British Columbia and Alberta. The Company's common shares trade on the TSX Venture Exchange under the symbol "NVM". The Company has one wholly owned subsidiary, Nevada Moray Inc., incorporated in the State of Nevada. Nevada Moray Inc. manages the exploration work on the Company's Nevada properties. The Company's head office is located at #602 – 15216 North Bluff Road, White Rock, British Columbia V4B 0A7.

HIGHLIGHTS

In November 2014 the Company announced that the Company's Board of Directors, after an internal review and analysis, determined that the NI 43-101 Preliminary Economic Assessment of the Tami-Mosi Magnesium Project should be reviewed to consider additional potential project improvements. The original NI 43-101 Preliminary Economic Assessment was completed on September 15, 2011 and the Board believed that three potential opportunities which could significantly reduce operating costs and increase revenue on the Nevada Clean Tami-Mosi Project had been sufficiently proven and thus should be considered for inclusion in the amended NI 43-101 report, should the independent engineer and report writer determine the opportunities are available to the Company's operations.

On November 7, 2014, the Company announced a non-brokered private placement to raise gross proceeds of \$150,000, which is comprised of 3,000,000 units at a price of \$0.05 per unit. Each unit is comprised of one common share and one share purchase warrant which expire in three years. Each warrant entitles the owner to purchase one common share at a price of \$0.05 for the first two years and \$0.10 for the third year from the date of issuance. As at October 31, 2015, the Company had issued 5,790,000 units in conjunction with this private placement for proceeds of \$289,500, less \$1,500 in share issuance costs.

On December 19, 2014, the Company announced that its shareholders approved all special resolutions presented to them at the annual general and special meeting of the Company held on December 19, 2014.

On January 13, 2015, the Company announced it signed a License and Royalty Agreement with its director, James Sever, P. Eng., to use Mr. Sever's unique knowledge and concepts on the Company's Tami Mosi and other properties for the commercial production of magnesium. In consideration for the license, the Company will pay to Mr. Sever a royalty in the amount of USD\$0.003 per pound (USD\$0.00661 per kilogram) of magnesium produced and sold by the Company where the condenser concept has been utilized and USD\$0.0015 per pound of magnesium produced and sold from its properties without using the condenser concept. The initial term of the agreement ends on December 31, 2040, and is renewable.

In March, 2015, the Company announced the appointment of John Wardlow to the Technical Advisory Committee. On May 13, 2015, The Company announced the appointment of Barrie Fraser to the Technical Advisory Committee, and Jim Hock, Robin Guss, and Frank MacKinnon to the Financial Advisory Committee. On June 2, the Company announced the appointment of Michelle Borrromeo as Corporate Communications Consultant.

On June 3, 2015 and September 29, 2015 the Company granted a total of 4,150,000 stock options to directors, officers

NEVADA CLEAN MAGNESIUM INC.
Management's Discussion and Analysis
For the Year Ended October 31, 2015

Page 2 of 20

and consultants of the Company, exercisable at \$0.05 per share, vesting immediately and expiring in five years, for total stock based compensation expense of \$139,834.

On June 22, 2015, the Company entered into an agreement with ScanMag AS ("ScanMag") to form a technical joint venture with the following terms:

- \$5M USD total contribution from ScanMag to the Company, payable over 4 years, commencing with the first payment of \$2,000,000 within 12 months of signing, followed by 36 monthly payments of \$83,333 USD;
- 10% pre-financing equity in ScanMag dilutable to 2% undiluted interest;
- Upon receipt of \$5M USD total contribution, ScanMag will receive 12% of the Company's common shares;
- ScanMag will have the right to appoint one representative to the Company's board of directors;
- The Company and ScanMag will establish a separate technical development company for the purposes of testing of aspects of the magnesium processing proof of concept through to a 50-50 joint venture company to be based in Glomfjord, Norway;
- ScanMag will fund up to \$500,000 with an initial \$250,000 contribution to the joint venture, after which each party pays its proportional share;

Both the Company and ScanMag will be entitled to the data and findings developed in the joint venture.

On July 7, 2015, the Company announced that together with Scanmag AS and two of its partners, a Norwegian Technical Development Company has been formed for the mutual development of the technical process. As per the signed Joint Venture agreement announced June 22, 2015, the Company has contributed \$3,000 USD for administrative costs and the acquisition of 25% Meloy Innovation and Technology Centre AS, ("MITC"), a Norwegian technical development company formed by ScanMag As and two of ScanMag's partners, Meloy Naeringsutvikling AS and MNU Meloy Innova AS. Each partner will now have a 25% interest in the company, with the Company and ScanMag sharing 50/50 on all the intellectual property and the technical developments. Edward Lee, CEO is to be appointed to the board of MITC representing the Company.

The Company is also pleased to announce MITC has also received a 1,500,000 NOK grant from Innovation Norway (a state-owned company and a national development bank.) through a collaborative application from the ScanMag and NCM team. MITC is now well funded starting with 3,000,000 NOK (\$375,000 USD) of which includes ScanMag's initial contribution. These funds will enable the Company to begin and complete Phase 1 and 2 of the development programs. The Company will be responsible for future development phase funding on a 50/50 contribution basis with ScanMag to MITC but not until the Company has received the initial payment of \$2 Million USD as stated in the Joint Venture agreement. The Company will provide technical process development and continued support for the ScanMag magnesium facility to be built in Glomfjord, Norway.

On July 14, 2015, the Company announced a non-brokered private placement to raise gross proceeds of \$150,000, which is comprised of 3,000,000 units at a price of \$0.05 per unit. Each unit is comprised of one common share and one share purchase warrant which expire in three years. Each warrant entitles the owner to purchase one common share at a price of \$0.05 for the first two years and \$0.10 for the third year from the date of issuance.

On July 30, 2015, the company announced it closed the first tranche of its non-brokered private placement previously announced on July 14, 2015 for gross proceeds of \$50,000 comprising of 1,000,000 units of the Company;

On September 11, 2015, the company announced it closed the second tranche of its non-brokered private placement previously announced on July 14, 2015 for gross proceeds of \$20,000 comprised of 400,000 units ("Units") of the Company. In connection with the second tranche of the financing, the Company will paid a finder's fee equivalent to \$1,500 in cash or stock and the accumulated total from the two tranches collectively raised \$70,000 which issued a total of 1,400,000 Units;

On September 23, 2015, the company announced Meloy Innovation and Technology Center AS ("MITC") under the

NEVADA CLEAN MAGNESIUM INC.
Management's Discussion and Analysis
For the Year Ended October 31, 2015

Page 3 of 20

supervision of ScanMag AS and the technical assistance from James Sever, P. Eng., president and director of NCM. The development began with using a Thermo Gravimetric Analyzer ("TGA") unit. Once received, the first of a two phase program commenced. It would include confirmation testing of the dolomite from the intended ore body as well as assessment of potential reductants. There is particular interest in the performance of one alternate material, which is being assessed as an alternative reductant to the more expensive ferro silicon.

Upon a successful outcome, the companies will proceed with designing and development of the pilot program. This will be comprised of the fabrication of multiple pilot furnaces and installation of the necessary supporting auxiliary equipment to operate at a small production level. The pilot facility will be designed to allow for the incremental installation of additional equipment to bring the plant to full scale production.

On October 6, 2015, the company announced it contracted Lindon Acres Enterprises Ltd. ("Lindon") of Fort St John, British Columbia, to build a bench scale pilot furnace with the technical assistance from James Sever, P. Eng., the company president and director of NCM. The fabrication of the bench pilot furnace will provide the opportunity to identify and correct potential design flaws when the commercial pilot furnaces are designed and constructed.

Lindon Acres Enterprises Ltd. will be issued a total of 2 million shares of common stock of NCM as compensation for the services rendered and expenses incurred in the construction of the furnace. The shares will be issued as follows:

1. 500,000 at the time of completed procurement of materials.
2. 500,000 at the time of completed furnace shell fabrication
3. 1,000,000 at the time of total furnace construction with complete instrumentation.

Completed furnace construction is expected to coincide with the completion of the materials testing program and the process testing program is to begin shortly thereafter.

On October 27, 2015, the company announced James Sever, P. Eng., President and director, accepted the additional appointment of Chief Operating Officer and William Pfaffenberger, Ph.D. was added to the Financial Advisory Committee.

OUTLOOK

The outlook for the Company is positive; however the mining and metals investment sector for junior companies has never been so difficult to raise monies. The investment communities' shows interest in well planned and solid projects with a bright economic future such as ours but are nervousness to investing into pre-revenue generating companies due to the volatile global financial sector. The demand and uses for magnesium continues to expand and there is strong demand for a second producer within the USA. In light of this, Management continues to endeavor to source funding and maintain a steady path for proceeding with the development of the Company's largest asset, being the Tami – Mosi magnesium project located in Nevada, which is being led by a proven, technically focused management team dedicated to taking the magnesium project to full development.

SUBSEQUENT EVENTS

On November 4, 2015, the company announced it engaged The Haft Group of New York ("HG") for public and investor relations services. The Haft Group will assist the Company in initiating contact and communicating with brokers, analysts, corporate sources, private investors and other financial professionals. Other activities include building the investor database, developing a communications strategy focused on increasing and maintaining company awareness, dissemination of corporate information packages. The Haft Group contract duration is six months at a total cost of \$9000 USD and renewable for an additional six month term on the same basis if approved by both parties.

On December 2, 2015, the company provided an update on the construction of the bench scale pilot furnace being fabricated by Lindon Acres Enterprises Ltd. ("Lindon") located in Fort St John, British Columbia (Previously announced

NEVADA CLEAN MAGNESIUM INC.
Management's Discussion and Analysis
For the Year Ended October 31, 2015

Page 4 of 20

October 6, 2015). The materials procurement and furnace shell fabrication phases were completed and the furnace assembly is 60% complete and construction of the furnace was on track to be completed.

On December 23, 2015, the company announced it closed the third and final tranche of its non-brokered private placement (the "Offering") previously announced on July 14, 2015 for gross proceeds of \$82,000 comprising of 1,640,000 units ("Units") of the Company. The accumulated total from the three tranches collectively raised \$152,000 which issued a total of 3,040,000 Units.

On January 4th, 2016, the company announced it received approval from the TSX Venture Exchange for the engagement of The Haft Group of New York, NY ("HG") for consulting services.

On January 8, 2016, the company announced a non-brokered private placement of unsecured convertible notes (the "Convertible Note") in the principal amount of \$500,000. The Principal Amount of the Convertible Note will bear interest at 20% per annum, and any accrued but unpaid interest, will mature on the date that is one (1) year following the Closing Date (the "Maturity Date"). Each Convertible Note will be convertible into common shares (each, a "Share") of the Company at a price of \$0.05 per Share and any accrued but unpaid interest thereon will be convertible into Shares at the price per Share which is the greater of (i) \$0.05 and (ii) the Market Price (as defined in the policies of the TSX Venture Exchange (the "Exchange")) on the date of a conversion notice. The Company may, subject to regulatory acceptance, pay a finder's fee to certain arm's-length parties on the proceeds raised. It has yet to be determined if any insiders will be participating in the offering. The securities issued will be subject to a 4 month hold period from the date of issue of, as the case may be, the Convertible Notes, or the Shares.

On January 13, 2016, the company announced it engaged Zimtu Capital Corp. ("Zimtu") of Vancouver, BC for corporate consulting services. Zimtu is to provide business development, strategic planning, marketing, financial services, research and communication products to the Company, as well as access to its co-operative marketing programs. The term of the contract is a monthly fee of \$5,250 for 12 months.

On January 15, 2016, the company announced it closed the first tranche of the non-brokered private placement of unsecured convertible notes (the "Convertible Note") announced on January 8, 2016 in the amount of \$50,000 comprised of 1,000,000 Shares. No finder's fees were paid in connection with the first tranche of the financing.

On February 10, 2016, the company announced that Phase 1 & 2 of the materials testing program being conducted in Norway was very successful. An effective, low cost heat transfer medium was found, that would enable efficient recovery of previously lost high grade heat from the magnesium production residue without interacting with the unreacted furnace charge.

James Sever, P.Eng. President and Chief Operating Officer of the NCM reported the materials testing program conducted at the Molab research facility in Norway successfully identified this attribute through the use of the Thermo-gravimetric analyzer ("TGA"). Various heat transfer mediums were assessed and the interaction of each heat transfer material with the reductant and feed material was observed. Through this work a material was found that can convey the heat from the waste residue to the fresh furnace charge without interaction with the components of the charge. This should enable a reduction in cycle time and a reduction in energy needed to produce the magnesium. In other words, the productivity of each furnace will be increased while reducing the cost of production.

On February 11, 2016, the company announced it granted 1,600,000 incentive stock options pursuant to its Stock Option Plan for its directors, officers, advisors and consultants. The options are exercisable at a price of \$0.05 per share for a five-year term. Shares issued on the exercise of these stock options will be subject to a four-month holding period.

NEVADA CLEAN MAGNESIUM INC.
Management's Discussion and Analysis
For the Year Ended October 31, 2015

Page 5 of 20

MINERAL EXPLORATION PROJECTS

British Columbia, Canada Mineral Properties

Windpass and Sweethome Properties, British Columbia

Both properties are 100% owned and located 50 kilometres northeast of Barriere, BC. The properties consist of seven contiguous mineral leases totalling 389.34 hectares. The Windpass is believed to have produced 34,456 ounces of gold from 102,996 tonnes of milled over six year period from 1933-1939.

The Company has decided to no longer pursue exploration activities on these properties and an impairment has been recognized in the financial statements in the amount of \$625,951, bringing the carrying value to \$1.

Crowrea/Empress Property, British Columbia

The Crowrea Empress property is located near Summerland, British Columbia. The property originally consisted of 27 claims totalling approximately 10,494 hectares, with 2 claims dropped during the year ended October 31, 2012 and one other claim dropped during the year ended October 31, 2013, reducing the property to 24 claims totalling approximately 9,720 hectares.

The Crowrea Project is a mineral rich occurrence within a 650 meter northeast trending dyke zone, potentially extending another 400 meters. The discovery was contained in a trench which returned 0.209% MoS² over 38 meters. Subsequent drilling returned up to 0.273% MoS² over 39 meters in holes #95-03-09 and 4.6 meters grading 3.39% MoS² in Hole # 96-14-56. Diamond drilling entailing 30 holes returned significant values in 14 of the holes up to 10.6 meters grading 0.292% molybdenum. In April 2007, the Company acquired additional property consisting of 82 claim units totalling 1629.8 hectares (4027.5 acres) and adjoins the northwest border of the Crowrea Molybdenum property.

The Company completed drilling program in 2007 – 2008 on the Empress Molybdenum occurrence. The program started with 10 BQW drill holes being drilled in the central portion of a 730 X 360 meter area for molybdenum (and copper/gold) bearing mineralization. Together the 2007 and spring 2008 program consisted of 19 holes drilled totalling 3,493 meters (11,459 feet). Mineralization observed in core from all 19 holes consists of disseminated and fracture filling molybdenite-pyrite-chalcopyrite associated with secondary alteration of K-feldspar-magnetite-chlorite-biotite-sericite. From the October 14, 2008 news release the program returned significant results one of which included hole # Emp19-08 assaying 0.18% Mo over 15 meters near surface. The Company contracted Norm Tribe & Associates of Kelowna, B.C. to complete a NI 43-101 resource study on the Empress. The report was announced on January 28, 2009 and the results as follows:

	0.02% Mo cut-off	0.05% Mo cut-off
Indicated	3,996,155 tonnes @ 0.0605% Mo	1,703,000 tonnes @ 0.09% Mo
Inferred	3,498,000 tonnes @ 0.0619% Mo	1,657,498 tonnes @ 0.094% Mo

This project is a 50/50 joint venture with Goldrea Resources Corp.

The Company has decided to no longer pursue exploration activities on these properties and an impairment of \$256,820 was recorded at October 31, 2015.

NEVADA CLEAN MAGNESIUM INC.
Management's Discussion and Analysis
For the Year Ended October 31, 2015

Page 6 of 20

Nevada, USA Mineral Properties

Tami-Mosi Property, Nevada

The Company owns 100% interest in the unpatented mining claims located in the Schell Creek Range, 6.5 miles south-east of the town of Ely. The property consists of 81 unpatented mining claims totalling approximately 677 hectares and 4 quartz unpatented claims totalling approximately 33 hectares, and is subject to a 2% net smelter royalty in favour of the originating vendors.

On August 22, 2007 the Company announced the start of a drill program. The program consists of up to 25 holes, totalling 15,000 feet (4500 meters) in 25 reverse circulation rotary holes to test four target areas along a strike length of more than 3 miles (5000 meters) as identified by the geological mapping, outcrop sampling, a biogeochemical survey and a resistivity/spontaneous potential geophysical surveys. The drilling program tested alluvium-covered extensions of known surface mineralized zones. All assays were received for the program which consisted of 14 reverse circulation holes totalling 8,420 feet (2,567 meters) being drilled into the four identified gold bearing with minimum gold results. However in February 2008, the company announced the discovery of high grade manganese grading 35.2% Mn over 15 feet (4.60 meters) in hole # TM-07-003 during the Phase I drilling program.

An additional nine diamond drill holes were completed in May, 2008. The recognition of magnesium in the assays resulted in the discovery of the potential for magnesium development. The nine holes ranged from 27.5 meters (90 ft) grading 10.5% Mg (17.12% MgO), to 164.63 meters (540 ft) grading 11.4% Mg (18.60% MgO), reporting Mg values over 2,600 meter (8,500 ft) strike length. Most of the drill holes ended in mineralization. The deposit remains open to the north along strike and to depth.

The Company engaged Teck Cominco Global Discovery Labs to analyze a 9.2 meter (30 ft.) section of hole # TM 07-13 from 270 – 300 feet (82.3 m – 91.5 m), for purity of the dolomite. Hole # TM 07-13 averaged 11.4% Mg (18.6% MgO) over 164.4 meters (540 ft.). Results returned a high purity form of dolomite that is virtually identical with the National Bureau of Standards (NBS), Standard 88B.

SAMPLE	SiO ₂	TiO ₂	Al ₂ O ₃	Fe ₂ O ₃	MnO	MgO	CaO	Na ₂ O	K ₂ O	P ₂ O ₅	Ba	LOI	Total
Hole #TM-07-13 270ft - 300ft	1.25%	0.01%	0.22%	0.10%	0.01%	20.95%	29.91%	0.01%	0.01%	<0.01%	<0.01%	46.78%	99.27%
NBS "Standard 88B"	1.15%	0.02%	0.35%	0.30%	0.07%	21.14%	29.79%	0.01%	0.03%	0.01%	<0.01%	46.93%	99.80

In news release dated July 7, 2009, the Company announced receipt of NI 43-101 updated resource report from Norm Tribe and Associates quoting 236,183,772 tonnes of an inferred resource at a grade of 10.0% Magnesium. The NI 43-101 resource study estimate at 8.0% Magnesium cut-off is summarized as follows:

RESOURCE CALCULATIONS FOR TAMI-MOSI							
SECTION	AREA Sq.m.	HORIZ. m.	VOLUME Cu.m.	TONNAGE Tonnes		GRADE % Mg	POUNDS Mg.
1	43500N	72,450	100	7,245,000	205,75,800	12.12	5,486,331,312
2	43200N	78,378	100	7,837,800	22,259,352	10.62	5,200,675,001
3	43100N	58,873	100	5,887,300	16,719,932	10.16	3,737,239,201
4	4300N	62,513	100	6,251,300	177,53,692	12.22	4,772,902,557
5	42700N	46,354	100	4,635,400	13,164,536	10.09	2,922,263,701

NEVADA CLEAN MAGNESIUM INC.
Management's Discussion and Analysis
For the Year Ended October 31, 2015

Page 7 of 20

6	42600N	64,290	100	6,429,000	18,258,360	9.19	3,691,475,225
7	42500N	99,316	100	9,931,600	28,205,744	10.5	6,515,526,864
8	42000N	29,483	100	2,948,300	8,373,172	10.16	1,871,571,405
9	4200N	65,001	100	6,500,100	18,460,284	11.02	4,475,511,253
10	41800N	26,558	100	2,655,800	7,542,472	9.74	1,616,200,900
11	41800N	16,897	100	1,689,700	4,798,748	11.38	1,201,414,549
12	41300N	26,491	100	2,649,100	7,523,444	9.45	1,564,124,008
13	4100N	37,326	100	3,732,600	10,600,584	9.33	2,175,875,872
14	40900N	17,436	100	1,743,600	4,951,824	10.21	1,112,278,707
15	40900N	19,400	100	1,940,000	5,509,600	9.1	1,103,021,920
16	40800N	35,264	100	6,526,400	10,014,976	9.95	2,192,278,246
TOTAL POUNDS Mg.							49,638,690,722
TOTAL TONNES AND GRADE UNDILUTED					214,712,520	10.51	
WITH 10% DILUTION AT THE LISTED GRADE					21,471,252	4.89	2,309,877,290
DILUTED TONNAGE AND GRADE					236,183,772	10.00	51,748,568,012

RESOURCE CALCULATION

Pounds per 1%/Tonne 22.06
Density: 2.84 Tonnes per cubic meter

The Company engaged Hazen Research Inc. as Phase 1 Process Development Study for Exploitation of the Tami Mosi resource. The resource is a premium quality dolomite containing an estimated 236 million tonnes of dolomite.

On September 15, 2010, the Company announced the results of Hazen Research Inc.'s Phase I Process Development Study for Exploitation of the Tami-Mosi Resource. Hazen's work included a review of technical literature for recovering magnesium from dolomite deposits and the work done on the drill core samples from the Tami-Mosi testing its purity. Hazen's initial assessment indicates the high quality dolomite is an ideal basis for the production of magnesium based refractory's, magnesium metal, cement and/or agricultural products. The report outlines potential process routes for production of both high value products and the recovery of magnesium metal and recommends Nevada Clean Magnesium Inc. to develop to a full feasibility for exploiting the resource.

In December 2010, the Company engaged Wardrop, a Tetra Tech Company, to complete a Preliminary Economic Assessment for N1 43-101 magnesium production study. The work included project management, geology, mining, metallurgical processing, environmental considerations, financial analysis, capital and operating cost estimates. In January 2011, the Company retained James Sever and Robert Brown, two renowned experts in magnesium industry, to assist the Company with the completion of the preliminary economic assessment study for the Tami-Mosi magnesium project.

In August 2011, the Company announced an updated block modeling and resource analysis completed by Wardrop

NEVADA CLEAN MAGNESIUM INC.
Management's Discussion and Analysis
For the Year Ended October 31, 2015

Page 8 of 20

Engineering that resulted in an estimated increase of the inferred resource to 412million tonnes of dolomite at an average grade of 12.3% magnesium (Mg), using a 12% Mg cut-off grade, for a contained metal content of 111 billion pounds of Mg. This estimate was included into the NI 43-101 Preliminary Economic Assessment Study for the Tami – Mosi Magnesium Project, dated September 15, 2011. The NI 43-101 compliant Report was filed with the Regulators on SEDAR.

On October 17, 2011 the Company received a paper, from Alpha Omega Engineering Inc. of Spokane Washington, USA, titled "A Discussion Paper for Potential Areas of Improvement within Nevada Clean Magnesium Inc. Tami-Mosi Magnesium Project and Possible Effects upon Projected Profitability". The Paper identifies eleven potential cost saving areas and increases to revenue streams to the current NI 43-101.

On June 17, 2013, the Company announced the acceptance and publication of a paper titled "Waste Heat Recovery Opportunities in a Magnesium Silicothermic Reduction Plant" by the TMS (The Minerals, Metals and Materials Society). The paper is authored by James Sever P. Eng., President and Director of the Company, who is recognized as a qualified person as defined by NI 43-101. The paper defines and quantifies potential reductions to operating costs and carbon dioxide emissions through energy production, whereby low grade waste heat is recovered during the operation of the proposed vertically integrated Tami-Mosi Magnesium project.

The paper suggests the following:

- Generate 43 MW of electrical energy for use in the Tami-Mosi project;
- Reduce operating costs by \$0.17 per lb. Mg ingot; and
- Reduce the carbon footprint by 51 metric ton per hour of operation.

Potential ancillary benefits identified include:

- Generation of water as a co-product will eliminate the need for external water for plant operation;
- Plant productivity improvement through double operating cycles without incurring additional capital need for expansion of the power plant; and
- Facilitation of permitting of the plant and operations.

Waste heat recovery, together with the confirmation of two cycles per day as presented at the 2012 International Magnesium Association (IMA) conference by The RIMA Group, are just two of the items from the opportunities document that could potentially reduce operating costs and increase revenues for the Tami-Mosi Project.

As previously noted, on July 10, 2014, the Company filed an amended 43-101 preliminary economic assessment and technical report of the Tami-Mosi Magnesium Project dated effective September 15, 2011 and amended as of July 4, 2014. As a result of a review by the BCSC, the Company amended the 43-101 technical report as of July 4, 2014 to address the comments raised by the BCSC relating to including an after-tax based-case scenario, providing certificates of only qualified persons for all sections of the report, ensuring that the requirements for the disclosure of historical estimates have been met, ensuring that sections of the report have been updated to provide the specific disclosure required by the BCSC, and ensuring that the section on mineral resources has been revised to provide clarity on what is an inferred resource and what is a mineral reserve. There were no material differences between the mineral resources estimates regarding the Tami-Mosi Magnesium Project set out in the original report and those set out in the amended report.

In November 2014 the company announced that the Company's Board of Directors, after an internal review and analysis, determined that the NI 43-101 Preliminary Economic Assessment of the Tami-Mosi Magnesium Project should be reviewed to consider additional potential project improvements. The original NI 43-101 Preliminary Economic Assessment was completed on September 15, 2011 and the Board believed that three potential opportunities which could significantly reduce operating costs and increase revenue on the Nevada Clean Tami-Mosi Project had been sufficiently proven and thus should be considered for inclusion in the amended NI 43-101 report, should the independent engineer and report writer determine the opportunities are available to the Company's operations.

NEVADA CLEAN MAGNESIUM INC.
Management's Discussion and Analysis
For the Year Ended October 31, 2015

Page 9 of 20

On January 13, 2015 the company announced it signed a License and Royalty Agreement with its director, James Sever, P. Eng., to use Mr. Sever's unique knowledge and concepts on the Company's Tami Mosi and other properties for the commercial production of magnesium. In consideration for the license, the Company will pay to Mr. Sever a royalty in the amount of USD\$0.003 per pound (USD\$0.00661 per kilogram) of magnesium produced and sold by the Company where the condenser concept has been utilized and USD\$0.0015 per pound of magnesium produced and sold from its properties without using the condenser concept. The initial term of the agreement ends on December 31, 2040, and is renewable.

BCS Davis Property, Nevada

The BCS Davis property is located in Nye County, Nevada, consists of 61 unpatented lode mining claims totalling approximately 510 hectares, is 100% owned by the Company, and is subject to a 2% net smelter royalty in favour of the originating vendors. The property is located in Walker Lane Gold Trend, 5 miles east of past producing Paradise Peak Mine, Nye County, Nevada. The Davis vein has potential 3,000 foot strike length at surface. In June, 2008 the Company began drilling at the Davis Gold Property and completed seven diamond drill HQ core holes totalling 2945 ft. (898 meters) in 2008 returned grades of up to 3.53 grams (0.102 apt Au) over 4.24 meters (13.91 ft.) along a 200-meter strike length. The mineralization is open to the north, to the south and depth.

In June 2, 2009, the Company announced the discovery of three additional large new gold/silver zones that now brings the total to six. These anomalies include the Davis, the Butler 1, The Butler 2, the Central, the Sinter and the Atwood Zones. The zones at the Davis project show potential for high-grade, epithermal gold/silver veins, as well as strata-bound mineralized zones similar to the nearby Paradise Peak Mine (1.46M oz. gold and 38.9M oz. silver) which was active from 1985 to 1995 and being maintained.

During the year ended October 31, 2015, the David property leases were not renewed due to high yearly maintenance costs.

RESULTS OF OPERATIONS

The following financial data are derived from our consolidated financial statements for year ended October 31, 2015 and 2014.

Year ended October 31, 2015 vs 2014

The comprehensive loss for the year ended October 31, 2015 is \$1,067,135, which compares to a comprehensive loss of \$2,053,027 during the same period in 2014. The significant fluctuations in costs are as follows:

Consulting and management fees (2015 - \$296,993; 2014 - \$220,386)

The increase in consulting and management fees is due to the accrual of payroll withholding taxes and benefits for 2014 and 2015.

Office and miscellaneous (2015 - \$20,840; 2014 - \$63,652)

The decrease in office and miscellaneous primarily reflects management's efforts to decrease costs.

Salaries (2015 - \$190,217; 2014 - \$108,337)

The increase in salaries is due to the accrual of payroll withholding taxes and benefits for 2014 and 2015.

Shareholder communications (2015 - \$99,621; 2014 - \$173,380)

The decrease in shareholder communications is the result of the termination of various contracts which were in existence in 2014.

Travel (2015 - \$29,241; 2014 - \$61,565)

NEVADA CLEAN MAGNESIUM INC.
Management's Discussion and Analysis
For the Year Ended October 31, 2015

Page 10 of 20

In 2014, the management travelled extensively due to the negotiation and signing of the ScanMag deal while such travel has decreased in 2015.

Foreign currency loss on translation of subsidiary (2015 – \$232,253; 2014 – \$137,693)

The significant increase in loss on translation of subsidiary relative to the same period in the prior year relates to the strengthening of the US dollar relative to the Canadian dollar.

Financial Position –October 31, 2015 and 2014

Current assets as at October 31, 2015 were \$27,109 compared to \$67,499 at October 31, 2014. Cash decreased due to working capital needs of the Company.

Exploration and evaluation assets as at October 31, 2015 decreased from \$2,129,236 in 2014 to \$1,390,392 due to the impairment of the Crowrea/Empress and BCS Davis properties.

Current liabilities as at October 31, 2015 decreased by a net \$169,934 over October 31, 2014 due to the reversal of part of the flow through share provision which relates to obligations for flow through shares issued in prior years of \$278,755 and the reversal of certain old payable no longer legal debts of the Company of \$372,277, offset by an increase in trade payables of \$481,098.

The Company recorded an increase in share capital between October 31, 2015 and October 31, 2014 in the amount of \$308,000, which relates to the issuance of units in conjunction with the private placement noted above. Additional information on share issuances is contained under "*Liquidity and Capital Resources*".

Summary of Quarterly Results

Summarized results for the most recent eight quarters are as follows:

	October 31, 2015	July 31, 2015	April 30, 2015	January 31, 2014
Quarters ended:				
Comprehensive loss	\$ 909,337	\$ 25,145	\$ 250,393	\$ (117,740)
Basic and diluted loss per share	0.01	0.00	0.00	0.00

	October 31, 2014	July 31, 2014	April 30, 2014	January 31, 2013
Quarters ended:				
Comprehensive loss	\$ (1,451,034)	\$ 335,492	\$ 223,306	\$ 774,496
Basic and diluted loss per share	(0.01)	(0.00)	(0.00)	(0.01)

(Fully diluted loss per share amounts have not been calculated as they would be anti-dilutive.)

SELECTED ANNUAL FINANCIAL INFORMATION

The financial data presented below for the current and comparative periods was prepared in accordance with IFRS. The functional and reporting currency of the parent has been determined to be Canadian dollars. The functional currency of the subsidiary has been determined to United States dollars.

The selected period information and summary of financial results in this MD&A should be read in conjunction with our annual Consolidated Financial Statements for the year ended October 31, 2014, 2013 and 2012.

NEVADA CLEAN MAGNESIUM INC.
Management's Discussion and Analysis
For the Year Ended October 31, 2015

Page 11 of 20

Years Ended:	October 31, 2014	October 31, 2014	October 31, 2013
Revenues	\$ -	\$ -	\$ -
Expenses	919,995	1,616,672	488,810
Other expenses (recovery)	379,393	604,648	946,550
Net loss	1,299,388	2,221,320	1,435,360
Comprehensive loss	1,067,135	2,053,027	1,391,492
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)
Total current assets	27,109	67,499	195,332
Total assets	1,421,001	2,210,235	2,864,657
Total current liabilities	1,141,271	1,311,205	1,186,847
Total long term liabilities	-	-	-

Analysis of mineral property costs

The following shows a breakdown of the Company's capitalized exploration and development costs as at October 31, 2015 and 2014 by geographic region. No exploration or development costs were incurred during the year ended October 31, 2015. The Tami Mosi property continues to be the primary core property on which the Company is focused.

	British Columbia, Canada	Nevada, United States	Total
Balance, October 31, 2013	\$ 871,860	\$ 1,793,965	\$ 2,665,825
Acquisition costs	10,914	-	10,914
Exploration costs	-	106,638	106,638
Joint venture payment	-	(161,256)	(161,256)
Impairment	(625,951)	-	(625,951)
Foreign currency translation	-	143,065	143,064
Balance, October 31, 2014	\$ 256,823	\$ 1,882,412	\$ 2,139,236
Acquisition costs	-	16,337	16,337
Exploration costs	-	2,032	2,032
Joint venture payment	-	-	-
Impairment	(256,820)	(773,605)	(1,030,425)
Foreign currency translation	-	263,213	263,213
Balance, October 31, 2015	\$ 3	\$ 1,390,389	\$ 1,390,392

LIQUIDITY AND CAPITAL RESOURCES

Periods Ended:	October 31, 2015	October 31, 2014
Current assets	\$ 27,109	\$ 67,499
Exploration and evaluation assets	1,390,392	2,139,236
Reclamation bonds	3,500	3,500
Current liabilities	1,141,271	1,311,205
Shareholders' equity (deficiency)	279,730	899,030
Working capital deficiency	(1,114,162)	(1,243,706)

NEVADA CLEAN MAGNESIUM INC.
Management's Discussion and Analysis
For the Year Ended October 31, 2015

Page 12 of 20

The Company has historically relied upon equity financings to satisfy its capital requirements and will continue to depend heavily upon the capital markets to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on terms acceptable to the Company. The Company anticipates it will need additional capital in the future to finance ongoing exploration of its properties, which will be derived from the exercise of stock options and warrants, and/or private placements.

As at October 31, 2015, the Company had a cash balance of \$17,112 and a working capital deficiency of \$1,114,162 compared to working capital deficiency of \$1,243,706 as at October 31, 2014. Individual working capital components are as follows:

	October 31, 2015	October 31, 2014
Current assets		
Cash and cash equivalents	\$ 17,112	\$ 36,306
GST receivable	7,876	24,707
Marketable securities	2,121	3,414
Prepaid expenses	-	3,072
	27,109	67,499
Current liabilities		
Accounts payable and accrued liabilities	\$ 852,371	\$ 743,550
Provision for flow through share issuances	288,900	567,655
	1,141,271	1,311,205
Working Capital	\$ (1,114,162)	\$ (1,243,706)

Financing activities provided cash of \$308,000 from the issuance of units during the year ended October 31, 2015, compared to \$373,900 from the exercise of warrants in the comparative period.

Operating activities used cash of \$255,752 during year ended October 31, 2015, compared to \$626,927 in the comparative period. This is primarily due to the efforts of management to preserve cash.

Investing activities used cash of \$72,735 during the year ended October 31, 2015, compared to cash provided of \$274,358 from the sale of marketable securities offset by expenditures on mineral properties in the comparative period. The Company did not make any expenditure's on its properties during the year ended October 31, 2015.

Excluding exploration costs and stock based compensation, the Company's current general administrative cash expenditures are approximately \$60,000 per month. The Company does not generate revenue from operations and is dependent upon its ability to raise equity capital through the issuance of shares and exercise of warrants to pay ongoing operating expenses and the costs associated with its exploration and development activities. The Company expects this to continue for the foreseeable future.

USE OF PROCEEDS FROM FINANCING

Date of financing and planned use of proceeds	Actual use of proceeds
2014 financing: \$373,900	Funds used for general working capital and the amended 43-101 technical report
2015 financing: \$309,293	Funds used for general working capital

COMMITMENTS

On May 9, 2014, the Company entered into renewable contract with Kaye Winn, an investor relations firm. The

NEVADA CLEAN MAGNESIUM INC.
Management's Discussion and Analysis
For the Year Ended October 31, 2015

Page 13 of 20

Company is committed to payments of \$4,000 per month. In addition, the Company issued 400,000 options exercisable at a price of \$0.08 for a period of five years.

In October 2013, the Company entered into an agreement with ScanMag to form a joint venture whereby the Company will own 60% and ScanMag will own 40% of the Company's Tami-Mosi property. In exchange for this interest, ScanMag will pay the Company \$5,000,000 USD in cash (\$150,000 USD paid) on or before October 14, 2014 and will issue the Company a 7% equity stake in ScanMag. Further, the Company will issue to ScanMag shares of its common stock equal to 19% of the total issued and outstanding common stock at the time the monies are received, and ScanMag will have the right to appoint one representative to the Company's board of directors. The signing of the agreement was completed on May 9, 2014. The transaction was approved by the TSX Venture Exchange in July 2014.

On October 28, 2014, ScanMag AS was given an extension to complete the joint venture agreement. Subsequently during that time further discussions ensued between both Parties a new agreement was renegotiated and a Binding Letter of Agreement was signed and announced January 2015 with the following terms:

- \$5M USD total contribution from ScanMag to the Company, payable over 4 years, commencing with the first payment of \$2,000,000 within 12 months of signing, followed by 36 monthly payments of \$83,333 USD;
- 10% pre-financing equity in ScanMag dilutable to 2% undiluted interest;
- Upon receipt of \$5M USD total contribution, ScanMag will receive 12% of the Company's common shares;
- The Company and ScanMag will establish a separate technical development company for the purposes of testing of aspects of the magnesium processing proof of concept through to a 50-50 joint venture company to be based in Glomfjord, Norway.
- ScanMag will fund up to \$500,000 with an initial \$250,000 contribution to the joint venture, after which each party pays its proportional share;
- Both the Company and ScanMag will be entitled to the data and findings developed in the joint venture.

Capital Stock

As at October 31, 2015, the Company had 149,871,450 common shares issued and outstanding. As at the date of this report, 153,511,450 common shares were issued and outstanding.

In November 2014, the Company announced a non-brokered private placement to raise gross proceeds of \$150,000, which is comprised of 3,000,000 units at a price of \$0.05 per unit. Each unit is comprised of one common share and one share purchase warrant which expire in three years. Each warrant entitles the owner to purchase one common share at a price of \$0.05 for the first two years and \$0.10 for the third year from the date of issuance. During the year ended October 31, 2015, the Company had issued 4,790,000 units in conjunction with this private placement for proceeds of \$239,500.

In July 2015, the Company announced a non-brokered private placement to raise gross proceeds of \$150,000, which is comprised of 3,000,000 units at a price of \$0.05 per unit. Each unit is comprised of one common share and one share purchase warrant which expire in three years. Each warrant entitles the owner to purchase one common share at a price of \$0.05 for the first two years and \$0.10 for the third year from the date of issuance. As at October 31, 2015, the Company had issued a total of 1,400,000 units for gross proceeds of \$70,000. Subsequent to year end, the Company issued a further 1,640,000 units for gross proceeds of \$82,000. Collectively under this private placement 3,040,000 units were issued for gross proceeds of \$152,000.

Stock Options

On June 3, 2015 and September 29, 2015 the Company granted a total of 4,150,000 stock options to directors, officers and consultants of the Company, exercisable at \$0.05 per share, vesting immediately and expiring in five years, for total stock based compensation expense of \$139,834.

NEVADA CLEAN MAGNESIUM INC.
Management's Discussion and Analysis
For the Year Ended October 31, 2015

Page 14 of 20

During the year ended October 31, 2014, the Company granted:

- 6,860,000 stock options to directors, officers and consultants of the Company, exercisable at \$0.11 per share, vesting immediately and expiring in five years; and
- 1,500,000 options exercisable at \$0.08 per share and 1,500,000 options exercisable at \$0.06 under the same terms.

As at October 31, 2015 and the date of this report, the Company had outstanding stock options enabling the holder to purchase 19,160,000 common shares of the Company. Options outstanding at October 31, 2015 had a weighted-average exercise price of \$0.08 per share.

A summary of changes in options outstanding during the period is as follows:

	Number of options	Average exercise price
Balance outstanding at October 31, 2013	5,150,000	\$ 0.05
Issued	9,860,000	0.07
Balance, October 31, 2014	15,010,000	\$ 0.09
Issued	4,150,000	0.05
Balance, October 31, 2015	19,160,000	\$ 0.07

Warrants

During the year ended October 31, 2015, the Company issued 9,190,000 warrants in conjunction with the private placement. No warrants were exercised during the period. During the year ended October 31, 2014, 7,478,000 warrants were exercised at \$0.05 per share, for proceeds of \$373,900. In addition the Company granted 250,000 warrants exercisable at \$0.08 for a period of two years pursuant to a financial advisory contract.

As at October 31, 2015, the Company had outstanding share purchase warrants enabling the holder to purchase 22,192,000 common shares of the Company with a weighted-average exercise price of \$0.05 per share. As at the date of this report, the Company had outstanding share purchase warrants enabling the holder to purchase XXX common shares of the Company.

A summary of changes in warrants outstanding during the period is as follows:

	Number of warrants	Average exercise price
Balance, October 31, 2013	24,180,000	\$ 0.05
Exercised	(7,478,000)	0.05
Granted	250,000	0.06
Expired / cancelled	(550,000)	0.08
Balance, October 31, 2014	16,402,000	\$ 0.05
Granted	6,210,000	0.05
Balance, October 31, 2015	22,612,000	\$ 0.05

OFF-BALANCE SHEET ARRANGEMENTS

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

NEVADA CLEAN MAGNESIUM INC.
Management's Discussion and Analysis
For the Year Ended October 31, 2015

Page 15 of 20

RELATED PARTY TRANSACTIONS

Key management compensation

Key management includes the Company's directors and officers and their related companies, as included in the above table. Compensation to key management for the year ended October 31, 2015 and 2014 is summarized as follows:

	October 31, 2015	October 31, 2014
Fees	\$ 423,826	\$ 240,000
Share-based payments	10,108	242,000
Total	\$ 433,934	\$ 482,000

At October 31, 2015 and 2014, the Company entered into the following related party transactions:

Individual	Relationship	Nature of transactions	Incurred period ended October 31, 2015	Incurred period ended October 31, 2014	Balance payable at October 31, 2015	Balance payable at October 31, 2014
Ed Lee	Chief executive officer, director	Salaries	\$ 174,144	\$ 96,000	\$ 166,447	27,953
ISG Professional Services	Annie Storey, chief financial officer, is shareholder	Fees	108,840	60,000	115,594	30,005
James Sever	President, director	Fees	167,037	84,000	326,611	133,426
Lisa Maxwell	Corporate secretary	Fees	20,115	16,980	12,164	2,544
Goldrea Resources Corp.	Former related company	Reimbursed expenses	-	-	-	22,214
American Manganese Inc.	Former related company	Reimbursed expenses	-	-	-	320,063
Larry Reaugh	Former chief executive officer	Fees	-	-	-	30,000
			\$ 470,136	\$ 256,980	\$ 620,816	\$ 566,205

All transactions with related parties have occurred in the normal course of operations and are measured at their fair value as determined by management. The balances referred to below are non-interest bearing, unsecured, receivable or payable on demand with no specific terms for repayment and have arisen from the provision of services and expense reimbursements or advances described.

SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the

NEVADA CLEAN MAGNESIUM INC.
Management's Discussion and Analysis
For the Year Ended October 31, 2015

Page 16 of 20

period in which the estimate is revised and the revision affects both current and future periods.

Information about critical judgments and estimates in applying accounting policies that have most significant effect on the amounts recognized in the condensed consolidated interim financial statements are as follows:

- Determination of functional currency;
- Asset carrying values and impairment charges;
- Impairment of exploration and evaluation assets;
- Capitalization of exploration and evaluation assets;
- Mineral reserve estimates;
- Estimation of decommissioning and restoration costs and the timing of expenditure;
- Income taxes and recoverability of potential deferred tax assets; and
- Share based payments.

NEW ACCOUNTING STANDARDS

For information on the Company's accounting policies and new accounting pronouncements, please refer to our disclosure in our Consolidated Financial Statements for the year ended October 31, 2015.

CAPITAL MANAGEMENT AND FINANCIAL RISK FACTORS

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 precious metal properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of management to sustain future development of the business.

The properties to which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund on-going activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties where sufficient geologic or economic potential are noted and if financial resources exist to do so.

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.

There were no changes in the Company's approach to capital management during the period. Neither the Company nor its subsidiary is subject to externally imposed capital requirements.

Details of the Company's financial instruments, management's assessment of their related risks and details of management of those risks are as follows:

Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, GST receivable, marketable securities, reclamation bond, accounts payable and accrued liabilities, and payable to related parties.

The Company maintains cash deposits with financial institutions, which, from time to time, may exceed federally insured limits. The Company has not experienced any losses and believes it is not exposed to any significant credit risk from cash.

Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes. The Company does not have any asset backed commercial paper.

NEVADA CLEAN MAGNESIUM INC.
Management's Discussion and Analysis
For the Year Ended October 31, 2015

Page 17 of 20

Credit risk

The Company's main exposure to credit risk relates to its cash. Cash balances are held in Canadian and US chartered banks. The Company determined that it has limited exposure to credit risk related to receivables since these amounts are not material.

Liquidity risk

The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle obligations and liabilities when due. As at October 31, 2015, the Company had cash of \$17,112 to settle current liabilities of \$1,141,271 which fall due for payment within twelve months of the statement of financial position date. The Company's cash is invested in business accounts which are available on demand. Management has determined that the Company will require additional financing to meet its obligations during fiscal 2016, and is actively engaged in raising funds via a private placement of units and convertible notes.

Market risk

The market risk exposure to which the Company is exposed is interest rate risk. The Company's bank account earns interest income at variable rates. The Company's future interest income is exposed to short-term rate fluctuations. This is not a significant risk to the Company.

Foreign exchange risk

The Company's exposure to fluctuations in foreign exchange rates is limited.

OTHER RISK FACTORS

The Company is engaged in the exploration and development of mineral properties. These activities involve a high degree of risk which, even with a combination of experience, knowledge and careful evaluation, may not be overcome. Consequently, no assurance can be given that commercial quantities of minerals will be successfully found or produced.

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many common risks to new and developing enterprises, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a positive return on shareholders' investment.

The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been successful in the past in obtaining financing through the sale of equity securities and properties, there can be no assurance that the Company will be able to obtain adequate financing 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 development of its properties.

The Company's property interests are located in undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development and production facilities on mineral properties. Power may need to be generated on site.

The mineral industry is intensely competitive in all its phases. The Company competes with many other mineral exploration companies who have greater financial resources and technical capacity. The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons

NEVADA CLEAN MAGNESIUM INC.
Management's Discussion and Analysis
For the Year Ended October 31, 2015

Page 18 of 20

would be required to manage and operate the Company.

The Company's exploration and development activities require permits and approvals from various government authorities, and are subject to extensive federal, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. In addition, the Company may be required to compensate those suffering loss or damage by reason of its activities. There can be no guarantee that the Company will be able to maintain or obtain all necessary licences, permits and approvals that may be required to explore and develop its properties, commence construction or operation of mining facilities.

The Company's activities are subject to extensive federal, state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by the Company to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

The acquisition of title to resource properties is a very detailed and time-consuming process. The Company holds its interest in certain of its properties through mining claims and concessions. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which the Company may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the properties.

The market price of securities of many companies, particularly exploration and development stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur.

A number of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of The Company may have a conflict of interest in negotiating and concluding terms respecting such participation. Further, certain of the directors and officers are involved in other copper exploration companies and other companies that are developing mines. As a result, conflicts of interest may arise and officers and directors cannot devote 100% of their time to the Company.

The Company has invested resources to document and analyze its system of internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

LEGAL MATTERS

The Company is not currently, and has not at any time during our most recently completed fiscal year, been party to, nor has any of its property been the subject of, any material legal proceedings or regulatory actions.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is responsible for the design of the Company's internal controls over financial reporting ("ICFR") as required by National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"). ICFR is intended to provide reasonable assurance regarding the preparation and presentation of financial

NEVADA CLEAN MAGNESIUM INC.
Management's Discussion and Analysis
For the Year Ended October 31, 2015

Page 19 of 20

statements for external purposes in accordance with applicable generally accepted accounting principles. Internal control systems, no matter how well designed, have inherent limitations.

Based on a review of its internal control procedures at the end of the period covered by this MD&A, management has determined that the Company's internal controls over financial reporting have been effective to provide reasonable assurance regarding the reliability of financing reporting and the preparation of financial statements for external purposes in accordance with IFRS. There were no changes in the Company's internal controls over financial reporting that occurred during the period that have materially affected, or are reasonably likely to affect, our internal control over financial reporting.

However, even those systems determine to be effective can provide only reasonable assurance with respect to financial statement and preparation. A control system, no matter how well conceived or operated can provide only reasonable, not absolute, assurance and are not expected to prevent all errors and fraud.

ADDITIONAL INFORMATION

Additional information about the Company is available at the website of the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

APPROVAL

The board of directors has approved the disclosure contained in this MD&A.

CAUTIONARY NOTES FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to the Company's future business plans and strategy, exploration plans, and environmental protection requirements. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" (or "does not expect"), "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" (or "does not anticipate"), or "believes", and other similar words and phrases, or which states that certain actions, events, or results "may", "could", "might", or "will" occur. Forward-looking information is subject to known and unknown risks and uncertainties that may cause the actual results, or performance of the Company to be materially different from those expressed or implied by such forward-looking information. These risks and uncertainties include risk and uncertainties associated with the mining industry and the exploration and development of mineral projects, such as the uncertainty of exploration results, the volatility of commodity prices, potential changes in government regulation, the uncertainty of potential title claims against the Company's projects, and the uncertainty of predicting operating and capital costs. They also include risks and uncertainties that affect the business environment generally, such as international political or economic developments, changes in interest rates and the condition of financial markets, and changes in exchange rates.

Forward-looking information is based on assumptions and expectations which the Company considers are reasonable, and which are based on management's experience and its perception of trends, current conditions, and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made. Although the Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information. The Company can give no assurance that forward-looking information, or the assumptions and expectations on which it is based, will prove to be correct. Nevada Clean Magnesium Inc. does not undertake to revise or update any forward-looking information, except in accordance with applicable laws. Readers should not place undue reliance on forward looking information.

MANAGEMENT

The following comprise key management and directors:

NEVADA CLEAN MAGNESIUM INC.
Management's Discussion and Analysis
For the Year Ended October 31, 2015

Page 20 of 20

Edward Lee – Chief Executive Officer and Director
James Sever – Chief Operating Officer and Director
Annie Storey – Chief Financial Officer and Director
Lisa Maxwell – Corporate Secretary
Steve Thorlakson – Independent Director
Robert Brown – Independent Director
Lothar Maruhn – Director
Jeff Wilson – Independent Director