# *NORTH COUNTRY GOLD CORP.*

(the “Company”, “North Country” or “NCG”)

**FORM 51-102F1**
**MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)**
**FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2014 AND 2013**

The following MD&A, prepared as of January 28, 2015, should be read together with the interim consolidated condensed financial statements and notes thereto for the three and nine months ended November 30, 2014 and 2013, prepared using International Financial Reporting Standards (“IFRS”). All amounts are stated in Canadian dollars unless otherwise indicated. The reader should be aware that historical results are not necessarily indicative of future performance.

## Forward Looking Statements

Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Certain statements contained in this MD&A constitute forward-looking statements. The use of any words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors.

It is important to note that:

• Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of the date of this MD&A.

• Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.

• The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason except as required by law.

For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see "Mining Risks" and “Business Risks”.

## Description of Business

Formation

North Country Gold Corp. was incorporated under the Business Corporations Act (*Alberta*) on February 3, 2010 and the Company’s common shares began trading on the TSX Venture Exchange under the stock symbol “NCG” on April 15, 2010. On September 6, 2012, the Company’s common shares began trading on the OTCQX under the stock symbol “NCGDF”.

North Country is a tier 1 TSX-V listed mineral exploration company led by a proven management team with extensive northern experience and a significant history of developing gold deposits who are pursuing a mandate “To Develop the Next High-Grade Arctic Gold Mine” in Nunavut, Canada.

*The Committee Bay Greenstone Belt*

The Committee Bay Greenstone Belt located in Nunavut, Canada is a 300 km long, 5 to 50 km wide package of highly prospective lithologies. It is geologically comparable to the significant gold bearing belts hosting the Meadowbank and Meliadine deposits currently being developed in eastern Nunavut. The Committee Bay Greenstone Belt currently hosts five potential mining centers and remains one of the longest and least explored greenstone belts in Canada. NCG holds a 100% interest in more than 180,000 acres of land with prospective geology along the Committee Bay Belt.

*Three Bluffs Deposit*

The Three Bluffs Deposit, located within the Committee Bay Greenstone Belt in Nunavut, Canada, comprises a current resource of 4.32Mt at 4.91g/t gold for 683,000 oz gold (Indicated) and 5.52Mt at 5.43g/t gold for 965,000 oz gold (Inferred). The Deposit is hosted within a ~50m wide, steeply dipping Banded Iron Formation unit which can be traced for over 10 km. Gold mineralization at the Three Bluffs Deposit has presently been delineated over nearly 4 km of strike to an average depth of 300 m. Significant potential exists to expand the current resource inventory by continued exploration targeting mineralized shoot plunge extensions and strike continuity.

**Selected Annual Information**

The following table summarizes audited consolidated data for annual operations reported by the Company for the years ended February 28, 2014, February 28, 2013, and February 29, 2012.

| For the year ended or as at | February 28, 2014 | February 28, 2013 (Restated) | February 29, 2012 (Restated) |
|---|---|---|---|
| Total assets ($) | 84,658,702 | 84,744,986 | 87,141,615 |
| Mineral properties ($) | 80,281,338 | 79,075,936 | 69,141,049 |
| Current liabilities ($) | 680,951 | 684,271 | 2,607,172 |
| Total revenues ($) | - | - | 4,266,019 |
| Long-term financial liabilities ($) | - | 32,619 | 214,299 |
| Net loss from continuing operations ($) | (622,848) | (2,088,805) | (3,599,455) |
| Net loss ($) | (622,848) | (3,315,313) | (3,116,726) |
| Weighted average shares | 111,840,959 | 111,713,669 | 99,113,090 |
| Basic and diluted loss per common share from continuing operations($) | (0.01) | (0.02) | (0.04) |
| Basic and diluted (loss) income per common share from discontinued operations($) | (0.01) | (0.01) | 0.01 |

The Company's total assets increase primarily as a result of incurring expenditures on its mineral properties; current liabilities fluctuate between years due to timing of payments and is comprised primarily of accounts payable; long-term financial liabilities are comprised of the non-current portion of a capital lease and decreases as payments are being made monthly; revenues in prior years were attributable to the Company's drilling operations in Australia, which were sold during the year ended February 28, 2013; and the fluctuations of net loss are described in more detail on the following page.

**Summary of Quarterly Results**

The following table summarizes financial data for the past eight quarters.

| Period ended (in Dollars) | Nov 30 2014 | Aug 31 2014 | May 31 2014 | Feb 28 2014 | Nov 30 2013 | Aug 31 2013 | May 31 2013 | Feb 28 2013 |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | (Restated) |
| Total revenues | - | - | - | - | - | - | - | - |
| Net income (loss) from continuing operations | (220,111) | (244,556) | (170,287) | (500,592) | (170,881) | (99,506) | (303,615) | (2,757,229) |
| Basic and diluted net (loss) income from continuing operations per common share | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.02) |
| Net (loss) income | (220,111) | (244,556) | (170,287) | (500,592) | (170,881) | (99,506) | (303,615) | (2,864,643) |
| Basic and diluted net (loss) income per common share | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.02) |

The Company's quarterly losses fluctuate primarily as a result of non-cash future tax expenses and non-cash share-based compensation. Significant examples include the quarter ended February 28, 2013 ($70,000 of share-based compensation and $2,001,802 of future tax expense).

**Results of Operations**

In general, the Company's net income or loss has fluctuated quarterly primarily from operations from the Company's former drilling business in Western Australia, the issuance and vesting of compensation stock options, interest on cash deposits, incidental gains or losses on the sale of marketable securities, and deferred taxes arising from the use of flow through financings and related effects.

The Company's primary business of the acquisition and exploration of prospective mineral properties does not have a material effect on the Company's net income or loss as materially all of the financial effect of mineral exploration and acquisition are capitalized to the consolidated statement of financial position pursuant to the Company's accounting policies. Details of expenditures on the Company's mineral properties are contained in the following section of this MD&A.

**For the nine months ended November 30, 2014**

The Company's net loss for the nine months ended November 30, 2014, was $634,954 (2013 – $471,348) and was composed of:

- general and administrative expenses of $623,395 (2013 - $357,080), were incurred for ongoing administration, management, legal and accounting costs for the Company's operations. General and administrative expenses of the Company increased due to investor relations initiatives, and increased management fees in relation to the Company's planning of its exploration program and exploring joint venture opportunities;

- finance costs of $34,986 (2013 - $34,297) related to interest on a finance lease and accretion of the Company's asset retirement obligation;

- interest income earned on the Company's cash deposits of $2,271 (2013 - $2,715), decreased from the prior year due to decreased cash on deposit with Company's financial institutions;

- a loss on foreign exchange of $1,636 (2013 – $43,861) was recognized due to the translation of the Company's foreign operations into the Company's functional and presentation currency of Canadian dollars.

The Company also recognizes other comprehensive (loss) income related to the changes in the fair value of available-for-sale financial assets, consisting of marketable securities and foreign exchange arising from the translation of the Company's foreign operations. For the nine months ended November 30, 2014, the Company recorded an unrealized loss on investments of $nil (2013 – $8,564), and a reclassification adjustment of $nil (2013 – $24,521). These amounts fluctuate depending on the current fair values of the Company's marketable securities and exchange rates at each reporting date.

Total comprehensive loss for the nine months ended November 30, 2014 is the sum of net income or loss and other comprehensive income or loss, and totaled $634,954 (2013 – $455,391).

**Categorized Mineral Property Expenditures**

| For the periods ended | **November 30, 2014** | **February 28, 2014** |
|---|---|---|
| Mineral interest balance, opening | $ 80,281,338 | $ 69,141,049 |
| Additions, Committee Bay Project: | | |
| Land management | 103,815 | 59,186 |
| Drilling | 36,559 | - |
| Sampling and analytical | 11,362 | 9,630 |
| Technical personnel | 219,946 | 182,402 |
| Environmental | 19,036 | - |
| Engineering | - | 15,744 |
| Safety | 1,265 | - |
| Exploration camp | 49,057 | 21,213 |
| Equipment | 304 | - |
| Field travel | 41,710 | 5,366 |
| Depreciation, accretion, and other | 268,722 | 911,861 |
| Mineral interest balance, ending | $ 81,033,582 | $ 80,281,338 |

The Company's mineral property expenditures fluctuate greatly and change year to year. The Company's current annual holding costs on its core mineral property assets (such as land management and permit maintenance) are estimated at $127,000 and must be incurred to keep the Company's properties in good standing. Every year the Board of Directors along with management determine an appropriate exploration budget for the ensuing year. For 2014, due to the state of the securities markets in Canada and the Company's limited treasury, expenditures were kept to a minimum, and executed a brief site and infrastructure maintenance program. In the prior year the Company executed a significant drilling program as summarized in the section "Mineral Properties".

## 1. Financial instruments and risk management

The Company is exposed to the following financial risks:

i) Market risk
ii) Credit risk
iii) Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board and the Company's finance function is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility and to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. Further details regarding these policies are set out below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: currency risk, interest rate risk, other price risk.

*Currency risk*

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's operations in Australia are denominated in Australian Dollars. The Company's share capital as well as the Company's reporting currency is in Canadian Dollars. The Company has not entered into any hedge contracts to manage this risk and does not maintain a formal strategy for foreign currency movements. The impact on net assets from a +/- 10% change in foreign exchange rates would be nominal.

*Interest rate risk*

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company's interest rates on its finance leases are fixed and do not fluctuate. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be minimal.

Credit risk

Credit risk is the risk of potential loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents and accounts receivable.

The Company has assessed its exposure to credit risk on its cash and cash equivalents and has determined that such risk is minimal. The majority of the Company's cash and cash equivalents are held with financial institutions in Canada.

A portion of the Company's accounts receivable is due from a third party pursuant to a share sale agreement. In accordance with an arrangement between the parties, the Company expects to collect the outstanding amount by June 30, 2015. The Company is monitoring progress on the collection in order to assess any changes in expectations, which may result in an impairment of the receivable.

The remainder of the Company's accounts receivable balances are current as of November 30, 2014. The Company trades only with recognized, creditworthy third parties and its receivables from such third parties are monitored on an ongoing basis. The Company has determined its credit risk associated with its trade accounts receivable is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of its existing debt and other payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

To achieve this objective, the Company prepares annual expenditure budgets, which are regularly monitored and updated as considered necessary. Further, the Company utilizes authorizations for expenditure on exploration projects to further manage expenditures. Monthly working capital and expenditure reports are prepared by the Company's finance function and presented to management for review and communication to the Board.

At November 30, 2014, the Company's current liabilities consisted of: accounts payable and accrued liabilities of $102,785 due within the next three months, accounts payable and accrued liabilities of $292,628 and current portion of finance lease obligations of $21,809 due after the next three months but within the next year. The Company's cash and cash equivalents of $78,468 and trade and other receivables of $353,372 are sufficient to pay these current liabilities.

Determination of fair value

The consolidated statement of financial position carrying amounts for cash and cash equivalents, trade receivables, accounts payable and accrued liabilities, and finance lease obligations approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Financial assets and liabilities measured at fair value are grouped into three Levels or a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

-Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities; and
-Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
-Level 3: unobservable inputs for the asset or liability.

The available-for-sale investments of the Company are based on quoted prices and are therefore considered to be Level 1.

Capital management

The Company monitors its equity as capital.

The Company's objectives in managing its capital are to maintain a sufficient capital base to support its operations and to meet its short-term obligations and at the same time preserve inventor's confidence and retain the ability to seek out and acquire new projects of merit. The Company is not exposed to any externally imposed capital requirements.

**Related Party Transactions**

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors and officers for management and professional services as follows:

| **For the** | **three months ended November 30** | | **nine months ended November 30** | |
|---|---|---|---|---|
| | **2014** | **2013** | **2014** | **2013** |
| Management fees paid to corporations controlled by key management | $ 108,724 | 14,333 | $ 218,245 | $ 34,021 |
| Capitalized consulting fees paid to a corporation controlled by key management | 32,225 | - | 46,300 | 27,850 |
| | **$ 140,949** | **14,333** | **$ 264,545** | **$ 61,871** |

During the year ended February 29, 2012, the Company and a company with common directors entered into two five year office premises lease agreements. Basic rental payments, excluding operating costs, are approximately $170,000 to $180,000 per year. The office rental and operating costs are shared between several companies, and the Company only pays its pro rata share of the total cost of the office rental. The Company's share of basic rental payments during the year ended November 30, 2014 was $17,424 (2013 – $35,784).

## Liquidity and Capital Resources

| | January 28 2015 [1] | November 30 2014 | February 28 2014 |
|---|---|---|---|
| Working Capital[2] | **28,000** | 159,020 | 613,026 |

Notes: (1) Estimated with information currently available.

At January 28, 2015, the Company had working capital of approximately $28,000. In addition, if the Company sold its holdings of marketable securities at January 28, 2015 market prices, the Company would yield proceeds of approximately $61,000 before income taxes. The Company's working capital and marketable securities combine for net liquid assets of approximately $79,000 as at January 28, 2015. The estimated average monthly burn rate to manage the Company and maintain its mineral properties is $45,000 to $105,000, depending on staffing requirements. The Company anticipates obtaining financing within the next 90 days.

At present, the Company has no producing properties and has not determined whether its mineral properties contain mineral deposits that are economically recoverable. These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern. At the current stage of the Company's operations, the ability of the Company to continue as a going concern is dependent upon its ability to obtain additional sources of financing. Management is seeking out additional sources of funding, which may include equity financing, joint ventures on its mineral properties, sale of assets or any combination thereof. If the Company is unsuccessful in obtaining additional financing to fund operations and the exploration and development of its mineral properties, the going concern assumption may not be appropriate and adjustments would be necessary to the carrying value of assets and liabilities and reported revenues and expenses. Such adjustments could be material.

## Outstanding Share Data

The following table summarizes the Company's outstanding capital structure as at January 28, 2015:

| | | | | |
|---|---|---|---|---|
| **Shares Issued** | 122,313,502 | | | |
| **Fully Diluted Number of Shares** | 129,663,562 | | | |
| **Options Outstanding** | # of Shares | | Exercise Price | Expiration Date |
| | 5,250,000 | @ | $0.47 | October 1, 2015 |
| | 100,000 | @ | $0.85 | November 22, 2016 |
| | 500,000 | @ | $0.25 | December 3, 2017 |
| | 1,400,000 | @ | $0.15 | February 3, 2019 |
| Total Options: 7,250,000 @ $0.40[1] | | | | |
| Total: $2,887,500 | | | | |

[1] Weighted average, rounded from $0.3983

**Mineral Properties**

**Committee Bay Greenstone Belt**

North Country Gold Corp. controls one of the largest under-explored greenstone belts in Canada with numerous drill-ready high-grade gold targets. The gold-rich Committee Bay Greenstone Belt is located 180 kilometres northeast of the of Agnico Eagle's Meadowbank gold mine. The Three Bluffs deposit is geologically comparable, with similar grades, type of mineralization and age as Meadowbank and Meliadine Gold Deposits. The Company currently holds 100% interest in over 180,000 acres along the 300 kilometre long belt and has identified 5 distinct mineral development centres, and is focusing on resource development at the Three Bluffs deposit.

The Three Bluffs deposit occurs at the eastern end of a package of auriferous iron formation bearing supracrustral rocks (Walker Lake trend) that have been traced at least five kilometers west. Surface sampling and cursory exploratory drilling has indicated this package to be continuously mineralized. This mineralized trend is interpreted to represent a second order splay of the regional Walker Lake Shear Zone. North Country believes that significant potential exists along the Walker Lake trend and in 2013 completed a preliminary high-level engineering and logistics study to assess potential project metrics and to assist in the development of strategies for efficient, directed future exploration and accelerated project development. North Country believes that the Three Bluffs Gold Project is best suited to a possible medium sized operation which focusses on coherent trends of high grade gold mineralization occurring within the present resource

On September 30, 2014, the Company announces it has completed a site infrastructure maintenance program at its Three Bluffs Project. The four week program addressed servicing of camp infrastructure, mobile and drill equipment fleet, and included site visits by key consultants to allow completion of a PEA if permissible during Q4 2014 and Q1 2015.

On July 10, 2014, the Company announced it has completed a review of the existing combined open-pit/underground resource estimate for the Three Bluffs Gold Deposit published in April 2013, which the Company considers to demonstrate the potential existence of a conceptual high-grade underground deposit at Three Bluffs.

**High-Grade Subset**

Utilizing an overall block cut-off grade of 5.0 g/t, which the company believes better reflects underground mining costs at these deposits and at this location, a possible high-grade underground subset of the existing Three Bluffs resource estimate contains an indicated resource of 1.140 Mt grading 11.21 g/t Au for 411,000 ounces gold and an inferred resource of 1.900 Mt grading 9.15 g/t for 558,000 ounces gold.

Table 1 summarizes the current Three Bluffs resource estimate queried at a 5.0 g/t grade cut-off, which is a high-grade underground subset of the existing combined open pit and underground resource estimate previously released April 23, 2013 as summarized in Table 2 below.

**Table 1. Three Bluffs Resource Estimate* (Subset of April 2013 resource estimate)**

| **High Grade Underground* - 1.0 g/t Au Model** | | | | |
|---|---|---|---|---|
| Classification | Grade Cut-off g/t | **Tonnage Tonnes** | **Au g/t** | **Au ounces** |
| **Indicated** | 5.00 g/t | **1,140,000** | **11.21** | **411,000** |
| **Inferred** | 5.00 g/t | **1,900,000** | **9.15** | **558,000** |

(See footnotes below Table 2)

**Three Bluffs Gold Deposit**

The Three Bluffs gold project is a structurally controlled lode gold system hosted within oxide facies iron formation and greywackes. The deposit currently hosts an open-pit/underground resource of 4.30 Mt at 4.91 g/t gold for 683,000 ounces gold (indicated) and 5.52Mt at 5.43 g/t gold for 965,000 ounces gold (inferred) using a cut-off grade of 1.35 g/t for open pit (inside Whittle shell) and a cut-off grade of 2.5 g/t for underground (outside Whittle shell) (See press release dated April 23, 2013, Table 2, and applicable notes).

To date, Three Bluffs has been drill tested along a strike length of 4.1 kilometres to depths of 500 metres below surface with gold mineralization persisting to depth where the company has identified additional mineral potential* comprising 4.5 to 7.5 million tonnes grading between 3.8 g/t and 7.3 g/t gold (see press release date April 23, 2013). *Estimates of the potential quantity and grade of additional mineral potential' at Three Bluffs are conceptual in nature as there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

**Table 2. Three Bluffs Gold Project April 2013 resource estimate**

| **Open Pit- Three Bluffs Inside Whittle Shell** | | | | |
|---|---|---|---|---|
| Classification | Grade Cut-off g/t | Tonnage tones | Au g/t | Au ounces |
| Indicated | 1.35 g/t | 3,600,000 | 4.81 | 557,000 |
| Inferred | 1.35 g/t | 1,000,000 | 5.24 | 169,000 |
| **Underground - Three Bluffs Outside Whittle Shell** | | | | |
| Indicated | 2.50 g/t | 716,000 | 5.46 | 126,000 |
| Inferred | 2.50g/t | 4,520,000 | 5.48 | 796,000 |
| **Total Three Bluffs Resource** | | | | |
| **Total Indicated OP+UG** | | **4,320,000** | **4.91** | **683,000** |
| **Total Inferred OP+UG** | | **5,520,000** | **5.43** | **965,000** |

*Notes:*

1. *A total of 17 domains utilized in grade estimation of the 0.50g/t wireframes and 16 domains for the 1.00 g/t wireframes. Au capping by domain from 75 g/t Au to 30 g/t Au, 16 domains utilized in grade estimation of 1.00 g/t wireframes, Au capping by domain from 75 g/t Au to 30 g/t Au.*
2. *Block grade estimation of 0.50 g/t and 1.00 g/t wireframes utilizing ID3 interpolation.*
3. *Block grade estimation for 0.50 g/t and 1.00 g/t wireframes performed by successive search ellipsoids with first pass of 15m x 15m x 5m, second pass 30m x 30m x 10m and third pass 75m x 75m x 20m.*
4. *Open pit resources (inside whittle) are estimated at a pit discard grade of 1.35 g/t Au with 93% Au recovery utilizing a long term gold price of US$1,500 per ounce, Whittle pit optimization of 0.50 g/t block model was utilized to constrain the open-pittable resources.*
5. *Underground resources constrained from 1.00 g/t wireframe block model below the optimized Whittle pit using a 2.50 g/t block cut-off.*
6. *Numbers may not add-up due to rounding.*
7. *Prior resources for Three Bluffs were completed by Roscoe Postle Associates Ltd. in April of 2012 (see press release dated April 4th, 2012 and the Technical Report on the Three Bluffs Project, Nunavut Territory, Canada filed on Sedar, May 18, 2012).*
8. *Mineral resources, which are not mineral reserves, do not have demonstrated economic viability.*
9. *The quantity and grade of reported Inferred resources are uncertain in nature and there has been insufficient exploration to classify these Inferred resources as Indicated or Measured, and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured category.*
10. *There are no known legal, political, environmental, or other risks that could materially affect the potential development of the mineral resources.*
11. **Underground high grade subset constrained by applying strict 5.0 g/t block cut-off to the existing 1.0 g/t wireframe block grade estimation. This subset is not in addition to the current open pit and underground indicated and inferred resource but rather is that portion of the 1.0 g/t Au mode resource that reports to the higher block grade cut-offs.*

Mineralization at Three Bluffs remains open to depth, which brings significant upside potential for increasing underground resources. Detailed geological compilation indicates that four high-grade shoots project to depth below the current level of drilling, and North Country Gold has estimated the additional Mineral Potential to depth at Three Bluffs.

**Table 3. Additional Mineral Potential at Three Bluffs**

| | Tonnage (Million) | Grade (Au g/t) | Ounces (Au) |
|---|---|---|---|
| **Three Bluffs** | 4.50 to 7.50 | 3.8 to 7.3 | 550,000 to 1,736,000 |

**The potential quantity and grade is conceptual in nature as there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.*

The approximate grades and tonnages have been determined by taking the average underground inferred resource grade (5.48 g/t Au) plus or minus 30 percent and considering the cumulative strike extent of the four high grade shoots, average widths, and a 300 to 500 metre depth extension below existing resources.

Additional exploration targets comprising potentially open-pittable zones remain to be tested along strike of the main Three Bluffs trend and significant potential for parallel zones of mineralization remains in flanking iron formations.

**Engineering and Logistics Study**

During the year ended February 28, 2014, North Country completed a preliminary high-level engineering and logistics study on the Three Bluffs Gold Project. The study was initiated by North Country to assess potential project metrics and to assist in the development of strategies for efficient, directed future exploration and accelerated project development.

The study reviewed a number of potential mining and processing scenarios for possible future development of the Three Bluffs Gold Project including extraction via underground mining only, or via combined open pit and underground mining methods occurring either parallel or in sequence. Consideration was also given to potential onsite processing using a stand-alone gravity and/or carbon–in-leach plant was also assessed for potential operations processing between 500 to 3000 tonnes of ore per day. Capital costs and operating costs for each scenario were estimated using industry analogues and global mining databases enabling the impact of cut off grades to be assessed and potential project metrics to be calculated intended to be considered for a planned PEA study.

Based on results of the study and sensitivity analysis the Three Bluffs Gold Project is more sensitive to increased grade than to increased mineralized tonnes. North Country believes that the Three Bluffs Gold Project is best suited to a possible medium sized operation which focusses on coherent trends of high grade gold mineralization occurring within the present resource.

The results of the high-level trade off and logistical studies has provided NCG with invaluable information on how to focus ongoing work and fast track the Three Bluffs Gold Project to the preliminary economic assessment stage and to future development.

**Resource Methodology**

The 2012 Three Bluffs Resource estimate and the 2013 resource update have been prepared by Dave Rennie, P.Eng. with independent resource consultants Roscoe Postle Associates Inc., in accordance with Canadian regulatory requirements set out in NI 43-101 and CIM resource definitions.

The Three Bluffs resource is based on 59,000 meters of drilling on the project completed between 1994 and 2012, with drill hole spacing at 100m x 120m to 30m x 30m in denser drilled portions of the deposit. Wireframes were constructed of correlatable mineralized envelopes utilizing a 0.50 g/t Au and 1.00g/t Au drill hole assay composites. Seventeen individual wireframes were constructed for the 0.50 g/t model and sixteen individual wireframes were constructed for the 1.00 g/t model. Grade capping levels were determined separately for each domain.

Inverse distance cubed (ID3) interpolation using three progressive search volumes (15m x 15m x 5m, 30m x 30m x 10m and 75m x 75m x 20m) on 1.5 meter down hole composites were utilized to assign gold grades to 10m x 10m x 2m blocks. Resource classification was applied using a combination of distance to nearest composite, number of holes used in the estimate, and manual adjustment based on inspection of the blocks. Inferred was provisionally assigned to any block within 75m of the nearest composite. Blocks within 30m of the nearest composite (generally within the 30m x 30m drill pattern), for which at least two drill holes contributed composites, were provisionally assigned to the Indicated category. These provisional assignments were reviewed in section and plan and manually adjusted to eliminate isolated small groups of unrealistically classified blocks.

To determine the open-pit resources Whittle pits were run on the 0.50 g/t Au model. The optimization utilized a long-term gold price of US$1,500 per ounce, process gold recovery of 93%, a calculated discard grade of 1.35 g/t Au, and pit batter angles of 50 degrees. The pit discard grade is based on break-even costs of mining, milling and G&A/tonne converted to grams/ tonne Au at the gold price used for the optimization.

The underground portion of the resource was estimated from the 1.00 g/t Au model on that portion of the resource which lies below the optimize pit limits, utilizing a block cut-off grade of 2.50 g/t. Underground block cut-off grades are based on third party recommendations of similar size and working operations.

**Metallurgical Test Work**

Mineral processing test work consisting of exploratory gravity concentration, cyanide leaching and froth flotation studies was undertaken by Process Research Associates under the guidance of independent metallurgical consultant Kevin Scott, P.Eng., of Scott Wilson Roscoe Postle Associates Inc. The sample comprised approximately 110kg of split core samples composited from 2007 drill holes and representing an average estimated LOM grade of 4.3 g/t Au and 7.5% S.

Additional gravity recovery test work on Three Bluffs mineralization was performed by Knelson Research Technology Centre. A 18 kg sample taken from a composite of coarse reject material from 2007 drill hole assay samples was subject to multi-pass testing utilizing Knelson's bench scale KC-MD3 enhanced gravity concentrator to examine recovery trends for gold and gold bearing sulphides.

Gold recovery results from preliminary testing are provided in the table below. Based on the composite samples tested it is expected that Three Bluffs ore could be processed by various standard beneficiation steps to recover approximately 93% of the gold.

**Gold Recovery**

| Process | Mass | Grade (g/t Au) | Gold Recovery |
|---|---|---|---|
| Gravity and Flotation (Locked Cycle) | 18% | 30.5 | 95.8% |
| Rougher Flotation only | 15% | 60.5 | 97.2% |
| Gravity only | 7% | 47.7 | 77.9% |
| Cyanide Leaching (72 hours) | | | 94.6% |

The metallurgical results indicate that a combination of gravity and flotation extraction followed by cyanide leaching of the concentrates is likely the most suitable processing option for Three Bluffs. It is anticipated based on these results that a gravity-flotation recovery of 95% followed by a cyanide leach of the concentrates which would extract 98% of the gold is possible. The overall recovery from this circuit would be approximately 93%.

**2012 Work Programs**

On February 7, 2012, the Company announced board approval of an $8.0 million Phase 1 Spring 2012 drill program at the Three Bluffs Gold Project. The program was to include approximately 12,000 meters of diamond core drilling targeting resource expansion down-dip of the current high grade deposit.

The Phase 1 Spring 2012 drilling program was designed to continue to expand the Three Bluffs resource to depth following successful 2011 drilling. With the discovery of high grade shoots extending to depth along the 1.3 kilometer core Three Bluffs segment of the 4 kilometer Walker Lake trend, the Company was confident that the 2012 drilling would continue to rapidly build the resource inventory on the project.

The Phase 1 Spring 2012 drill program would specifically target depth extensions to high grade gold mineralized structures identified during the 2011 program with a component of the program designed to test for deep extensions to high grade mineralization indicated by the Titan 24 geophysical survey.

The Company commenced field operations at the Three Bluffs Gold Project on the 21st of February 2012. The Company's Hayes Camp was fully operational including a state of the art drill water system and drilling workshop at the Three Bluffs deposit. In addition, the Company completed construction of a 5200' Hercules-capable ice airstrip on Sandspit Lake, directly adjacent to Hayes Camp. Heavy airlifting of additional equipment and supplies commenced in early March.

The Company utilized five fully winterized drill rigs supported by motive snow vehicles for the Phase 1 Spring 2012 drilling program.

On April 26, 2012, the Company announced initial results from the 2012 spring drilling program. Deep drilling at the eastern end of the deposit has extended the depth of gold mineralization by a further 200 meters. Hole 12TB134 intersected multiple zones, including 6.74 g/t Au over 17.4 meters, indicating significant expansion potential below current resources.

Drill hole 12TB134 tested an area 200m below drill hole 05TB038 which returned 36.25 g/t Au over 4.71m and prior to this program was one of the deepest drill holes at Three Bluffs. The following intersections represent down-hole intervals only. Additional drilling will better define the orientation and true thickness of mineralization at these depths.

**April 26, 2012 Drill hole results, # 12TB134**

| Drill Hole | From (m) | To (m) | Width (m) | Au (g/t) |
|---|---|---|---|---|
| 12TB134 | 492.00 | 596.00 | **104.00** | 2.00 |
| including | 507.00 | 513.00 | **5.00** | **6.00** |
| and | 562.00 | 595.40 | **33.40** | 4.01 |
| or | 578.00 | 595.40 | **17.40** | **6.74** |
| or | 589.00 | 595.40 | **6.40** | **10.21** |

On May 24, 2012, the Company announced additional results from the 2012 spring drilling program at Three Bluffs Gold Project. Results from four wide-spaced holes drilled on the western portion of the deposit, include 10.20 g/t over 4.00 meters and 9.78 g/t over 3.00 meters. These drill holes demonstrate continuation of higher grade mineralization to depth and beneath the current NI43-101 compliant resource of 4.30 Mt at 4.90 g/t gold for 678,000 ounces gold (indicated) and 4.53Mt at 5.69 g/t gold for 829,600 ounces gold (inferred).

The four drill holes in this release targeted the depth extension of the western portion of the Three Bluffs zone over a strike length of 360 meters and between 300 and 400 meters below surface, at the base of the current resource (see figure). All holes intersected significant grades and widths. Assay results are shown on the next page. Mineralization remains open for expansion at depth.

**May 24, 2012, Drill Hole Results 12TB131-135**

| Drill Hole | From (m) | To (m) | Width (m) | Au (g/t) |
|---|---|---|---|---|
| 11TB131 | 258.00 | 274.00 | 16.00 | 1.31 |
| | 293.00 | 312.00 | 19.00 | 2.20 |
| including | 300.00 | 306.00 | 6.00 | 4.48 |
| 11TB132 | 130.00 | 133.00 | 3.00 | 2.24 |
| | 237.00 | 239.00 | 2.00 | 5.55 |
| | 273.00 | 281.00 | 8.00 | 5.03 |
| including | 278.00 | 281.00 | **3.00** | **9.78** |
| | 285.00 | 289.00 | 4.00 | 3.27 |
| | 297.85 | 294.00 | 1.15 | 5.06 |

| | | | | |
|---|---|---|---|---|
| 12TB133 | 316.00 | 322.00 | 6.00 | 2.59 |
| | 334.00 | 338.00 | 4.00 | 1.76 |
| | 355.00 | 365.00 | 10.00 | 3.07 |
| including | 355.00 | 360.00 | 5.00 | 5.13 |
| 12TB135 | 308.00 | 340.48 | 32.48 | 2.99 |
| including | 323.00 | 333.00 | 10.00 | 6.82 |
| or | 325.00 | 329.00 | **4.00** | **10.20** |
| and | 335.00 | 337.00 | 2.00 | 4.51 |

*Note: True widths estimated to be 50-60% of intersect length*

On June 4, 2012, the Company announced results for a further five drill holes from the 2012 spring drilling program at Three Bluffs Gold Project. Results from wide-spaced exploration drilling, including 11.95 g/t Au over 9.00 meters, 7.71 g/t Au over 6.00 meters and 4.81 g/t Au over 7.00 meters, extend high-grade mineralization to depth beneath the current NI 43-101 compliant resource of 4.30 Mt at 4.90 g/t gold for 678,000 ounces gold (indicated) and 4.53Mt at 5.69 g/t gold for 829,600 ounces gold (inferred).

The five drill holes in this release targeted the depth extension of the eastern and western portion of the Three Bluffs zone. All holes intersected significant grades and widths and assay results are shown below. Mineralization remains open in a down dip direction. True widths are estimated to be 50-60% of intersect length.

**June 4, 2012 Drill Hole Results 12TB137-142**

| Drill Hole | From (m) | To (m) | Width (m) | Au (g/t) |
|---|---|---|---|---|
| 12TB137 | 297.00 | 298.00 | 1.00 | 3.59 |
| | 374.00 | 383.00 | **9.00** | **11.95** |
| | 417.00 | 419.00 | 2.00 | 2.12 |
| | 422.00 | 422.61 | 0.61 | 5.45 |
| 12TB139 | 258.00 | 259.00 | 1.00 | 2.76 |
| | 261.00 | 262.00 | 1.00 | 2.38 |
| | 356.00 | 364.00 | 8.00 | 3.73 |
| including | 362.00 | 364.00 | 2.00 | 9.26 |
| | 444.00 | 447.00 | 3.00 | 2.10 |
| | 475.00 | 478.00 | 3.00 | 1.80 |
| | 494.00 | 496.00 | 2.00 | 1.98 |
| 12TB140 | 480.00 | 483.00 | 3.00 | 1.31 |
| | 491.00 | 501.00 | 10.00 | 2.06 |
| including | 493.00 | 495.00 | 2.00 | 5.19 |
| 12TB141B | 430.00 | 453.00 | 23.00 | 2.25 |
| including | 434.00 | 441.00 | **7.00** | **4.81** |
| or | 434.00 | 436.00 | 2.00 | 8.14 |
| and | 440.00 | 441.00 | 1.00 | 14.70 |
| 12TB142 | 304.00 | 310.00 | **6.00** | **7.71** |
| including | 307.00 | 310.00 | 3.00 | 14.97 |

On October 10, 2012 the Company announced that it has acquired eight claims totaling 19,369 acres (7,838 hectares) from Bruce Goad located in key strategic positions adjacent to the Company's Three Bluffs and West Plains target areas.

The Wrench Group comprises of five claims covering approximately 12,913 acres (5,226 hectares) located immediately east of the Company's flagship project, the Three Bluffs deposit, which currently hosts a NI43-101 compliant resource of 4.30 Mt at 4.90 g/t gold for 678,000 ounces gold (indicated) and 4.53Mt at 5.69 g/t gold for 829,600 ounces gold (inferred). The Wrench claims are underlain by a package of banded iron formation, which is the most significant host rock at Three Bluffs. Rock chip sampling by the previous operators returned six assays greater than 1.00 g/t Au including a high of 100.45 g/t Au. The claims also host numerous coincident magnetic-HLEM geophysical anomalies primarily in areas of sparse bedrock exposure, a feature that characterizes economic mineralization at Three Bluffs.

The West Group comprises of a single claim covering approximately 1,291 acres (523 hectares) located immediately north of North Country's West Plains project where previous drilling has returned significant gold intersections including 6.04 g/t Au over 36.77 metres and 13.14 g/t over 8.00 metres. No bedrock exposure is present on the West claims, however a coincident magnetic-EM anomaly identical and parallel to an anomaly hosting the West Plains iron formation, hosts mineralization that transects the claim and constitutes a drill-ready target for North Country.

The Pickle Group comprises of two claims totaling approximately 5,165 acres (2,090 hectares) located five kilometres north of West Plains. The claims cover a package of thick, poorly exposed, folded banded iron formations with a one kilometre wide associated magnetic high. Historic rock chip sampling in the mid 1990's returned gold values of up to 8.00 g/t Au.

On October 16, 2012 the Company announced that it has identified emerald mineralization within drill core at the Anuri prospect. The occurrence will be the focus of a research project at the University of British Columbia under the direction of Professor Lee Groat, which will investigate the origin of the emeralds and will form the basis of an exploration strategy to fully assess the potential for discovery of economic emerald mineralization in the Committee Bay greenstone belt.

Emerald crystals were initially noted by a North Country Gold geologist when investigating highly elevated beryllium values contained within potassic altered Prince Albert Group komatiites from drill core at the Anuri prospect which North Country was evaluating as a gold target. Preliminary evaluation of the crystals by Professor Lee Groat utilizing X-ray diffraction and electron microprobe have confirmed that the crystals are beryl and that the dominant chromophore is chromium with essentially no vanadium.

The Anuri occurrence is highly prospective for gold-silver mineralization and is characterized by a 0.5km-wide by 1.5km-long zone of intensely altered and sulphidized mafic and ultramafic volcanic float boulders. Sampling of this boulder train has produced high-grade gold and silver values up to 291.2 g/t Au and 1,769.5 g/t Ag, 20.68 g/t Au and 333.0 g/t Ag, and 14.44 g/t Au and 394.0 g/t Au. Initial drill testing intersected gold and silver mineralization, with elevated copper, bismuth, lead, zinc and cadmium values with hole 06AR007B intersecting 3.75 g/t Au, 63.7 g/t Ag, 0.75% Cu and 158.2 ppm Bi over 10.21 metres. Strong to intense potassic alteration along with silicification and sulphidation was encountered in the mafic and ultramafic stratigraphy.

The distribution of Prince Albert Group komatiites in the Committee Bay greenstone belt is extensive forming a 25 kilometre by 10 kilometre belt in the southwest portion of the area. Potassic alteration has been identified throughout the area in association with broad zones of shearing and emplacement of late granitoid intrusions, which has implications for the widespread occurrence of emerald mineralization in the area.

**Risks and Uncertainties**

*Mining risks*

The Company is subject to the risks typical in the mining business including uncertainty of success in exploration and development; operational risks including unusual and unexpected geological formations, rock bursts, particularly as mining moves into deeper levels, cave-ins, flooding and other conditions involved in the drilling and removal of material as well as environmental damage and other hazards; risks that intended drilling schedules or estimated costs will not be achieved; and risks of fluctuations in the price of commodities and currency exchange rates. Metal prices are subject to volatile price movements over short periods of time and are affected by numerous factors, all of which are beyond the Company's control, including expectations of inflation, levels of interest rates, sale of gold by central banks, the demand for commodities, global or regional political, economic and banking crises and production rates in major producing regions. The aggregate effect of these factors is impossible to predict with any degree of certainty.

*Business risks*

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

Operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, changing governmental law and regulation, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations.

Financial risks include commodity prices, interest rates and foreign exchange rates, all of which are beyond the Company's control.

Regulatory risks include the possible delays in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings, the introduction of ever more complex reporting requirements the cost of which the Company must meet in order to maintain its exchange listing.

*Revenues and Financial Resources*

The Company's only revenues were generated in prior years from drilling operations in Australia and were only sufficient to sustain those operations. The Company's Canadian operations do not generate revenue and our unlikely to generate any in the foreseeable future. Additional funds would be required for further exploration to prove economic deposits; to bring such deposits to production; and to acquire and explore other mineral interests. The Company has limited financial resources and there is no assurance that sufficient additional funding will be available to it fulfill its obligations or for further exploration and development, on acceptable terms or at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in some or all of its properties or to reduce or terminate its operations.

*Competition*

The mineral exploration and mining business is competitive in all of its phases. The Company will compete with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of attractive mineral properties. The Company's ability to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable prospects for mineral exploration or development. There is no assurance that the Company will be able to compete successfully with others in acquiring such prospects.

*Price Volatility and Lack of Active Market*

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any quoted market for the Company's securities will be subject to such market trends and that the value of such securities may be affected accordingly.

*Dividends*

The Company has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the Board of Directors of the Company and will depend on the Company's financial condition, results of operations, capital requirements and such other factors as the Board of Directors of the Company deem relevant.

*Key Executives*

The directors and officers of the Company devote part of their time to the affairs of the Company. The Company is dependent on the services of key executives and a small number of highly skilled and experienced consultants and personnel, whose contributions to the immediate future operations of the Company are likely to be of importance in locating and delineating mineral deposits. The loss of these persons or the Company's inability to attract and retain additional highly skilled employees or consultants may adversely affect its business and future operations. The Company does not currently carry any key man life insurance on any of its executives.

*Potential Conflicts of Interest*

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

*Nature of the Securities*

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in Company's securities should not constitute a major portion of an investor's portfolio.

**Outlook**

The Company's near term strategy is centered on underground exploration, bulk sampling and focused drilling designed to accelerate future project development at its flagship Three Bluffs Gold Project. For 2015, pending financing (see "Liquidity and Capital Resources"), the Company intends to execute a work program that will revolve around activities required to obtain the necessary information to prepare for and obtain the required permits to allow the company to initiate a two year underground exploration and bulk sampling of the Three Bluffs Gold Project planned in conjunction with focused drilling targeted at further delineating high grade mineralized structures identified to date. The Company also plans to implement strategies to realize the potential of other assets within its property portfolio across the remainder of the Committee Bay Belt. The ability of the Company to do so is contingent upon its ongoing ability to raise the risk capital necessary.

**Additional Information**

Continuous disclosure relating to the Company may be found on SEDAR at www.sedar.com.

**Qualified Person**

The disclosures contained in this MD&A regarding the Company's exploration & evaluation properties have been prepared by, or under the supervision of, Mr. Peter Kleespies, P.Geol., Vice-President of Exploration for the Company and a Qualified Person for the purposes of National Instrument 43-101.

**Approval**

The Audit Committee of the Company, on behalf of the Board of Directors, has approved the disclosures contained in this MD&A.