NioGold Mining Corporation

FORM 51-102F1

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED AUGUST 31, 2014

Set out below is a review of the activities, results of operations and financial condition Niogold Mining Corporation ("NOX", "Niogold", or the "Company") for the year ended August 31, 2014. The following information should be read in conjunction with the Company's August 31, 2014 audited financial statements and related notes. All financial information in this document is prepared in accordance with International Financial Reporting Standards ("IFRS") unless otherwise indicated. All dollar figures included in the following Management Discussion and Analysis ("MD&A") are quoted in Canadian dollars unless otherwise indicated. This MD&A has been prepared as at December 17, 2014.

Additional information related to the Company is available for view on SEDAR at www.sedar.com and on the Company's website at www.niogold.com.

Description of Business

The Company's main business is the acquisition, exploration and evaluation of natural resource properties in the province of Quebec. The Company has assembled a portfolio of gold properties as well as holds interest in properties that have potential for niobium, rare earths and phosphorus.

Company Highlights

The following is a summary of significant events and transactions that occurred during the year ended August 31, 2014, the Company:

1. Acquired the remaining 40% of the Malartic H property from Breakwater Resources Ltd. in exchange for a cash payment of $100,000, and amalgamated the property into its Malartic Block property. Previously the Company had acquired 60% of the property in October 2010. Additional information is available in the news release dated May 13, 2014 on www.sedar.com.

2. Completed a non-brokered private placement with Osisko Gold Royalties ("Osisko"), issuing 14,000,000 flow-through shares at a price of $0.35 per share for total proceeds of $4,900,000. In addition, Osisko paid $150,000 to purchase the rights held by the Company to repurchase half of the existing net smelter return royalties on the Marban block and Malartic Hygrade-NSM block, consisting of:

   a. The right to repurchase for the price of $1,000,000:
      i. 0.25% NSR on the Marban claims
      ii. 0.5% NSR on the First Canadian claims
      iii. 1.0% NSR on the Norlartic claims
      iv. 1.0% NSR on the Gold Hawk claims
   b. The right to repurchase for the price of $1,000,000:
      i. 1.0% NSR on the Malartic Hygrade-NSM claims

   Upon closing of the transaction, Osisko owned 23,598,500 common shares of the Company, or approximately 19.5% of the Company's issued and outstanding common shares. The definitive agreement for the transaction also included the following key terms:

   1. the Company to relocate its head office to Montréal, Québec; and
   2. the Company's Board of Directors to be reconstituted to include two Osisko nominees, two NioGold nominees and one nominee to be jointly determined by Osisko and NioGold, for a total of five directors.

3. In connection with the Osisko transaction, John Burzynski and Sean Roosen were appointed to the Board of Directors, replacing Michele Marrandino. At the annual general meeting, Robert Wares and Bryan Coates were appointed to the Board of Directors. Toby Lim, Simon Ridgway and John Burzynski did not stand for re-appointment. The Company would like to thank Mr. Marrandino, Mr. Lim, and Mr. Ridgeway for their contributions to the Company.

Subsequent Events

Subsequent to August 31, 2014, the Company:

1. Appointed Robert Wares as President and Chief Executive Officer, replacing Michael Iverson, who assumed the office of Executive Vice-President, Business Development, and remains on the Board of Directors.

2. Issued 100,000 common shares on exercise of stock options at a price of $0.20 per share.

3. Granted 800,000 stock options to an officer and a consultant at a price of $0.25, exercisable for a period of 5 years.

4. Cancelled 50,000 stock options at a price of $0.42, and 50,000 stock options at a price of $0.25. An additional 100,000 stock options at a price of $0.30 expired unexercised.

Discussion of Financial Condition and Results of Operations

Financial Condition

As at the end of the current year, the Company had $7,749,884 of current assets and $175,215 of current liabilities, resulting in working capital of $7,574,669. This compares to working capital of $4,228,688 as at August 31, 2013. The increase in the Company's working capital position is primarily the result of the private placement completed during the year for gross proceeds of $4,900,000 and an increase in the market value of marketable securities held, offset by continued exploration activity and administrative costs incurred during the year.

The Company's mineral properties had a book value for accounting purposes of $17,676,415 at the end of the current year, compared to $16,527,915 as at August 31, 2013. The increase is due to the purchase of the remaining 40% of the Malartic H property from Breakwater Resources Ltd. for $100,000, offset by $150,000 received as proceeds for the sale of the Company's rights to repurchase half of the net smelter return royalties on the Marban and Malartic Hygrade-NSM blocks, with the remaining increase due to accumulated exploration activity.

Mineral Property Expenditures

This section covers exploration activities of the Company for the year ended August 31, 2014. Exploration expenditures totaled $1,148,500. The majority of the expenditures were allocated to the continued exploration on the Marban Block property.

Below is a summary of the significant mineral property activities during the period. Please refer to the August 31, 2014 audited financial statements for a full list of properties, exploration and acquisition expenditures by property and a description of the properties. Additional technical information including reports, maps, and photographs can be found on the Company website at www.niogold.com and on the SEDAR website at www.sedar.com.

Exploration Activity

MALARTIC PROJECTS
(Marban Block, NSM JV, Malartic H, Malartic Block)

Marban Block

The results of the drilling program which was started on February 18, 2014 and concluded on March 8, 2014 are in the following table. A total of 1,368 meters distributed in six (6) holes were drilled on the property. The holes form a section south of the Norlartic deposit and to the northwest of the Marban deposit, where there was a lack of drill holes on a strike length of 300 meters.

Hole	Easting[1] (m)	Northing[1] (m)	Azimuth	Dip	Hole Length (m)	From (m)	To (m)	Length (m)	Grade (g/t Au)
NL-14-082	277335	5336501	211°	-45°	251	115.1	116.0	0.9	2.97
NL-14-083	277445	5336666	211°	-45°	203	No value above 67 ppb			
NL-14-084	277501	5336748	211°	-45°	281	114.0	116.0	2.0	2.50
NL-14-085	277556	5336833	210°	-45°	233	153.0	154.2	1.2	1.91
						212.2	212.8	0.6	1.30
NL-14-086	277611	5336916	211°	-45°	200	55.0	57.1	2.1	0.99
						118.0	120.3	2.3	1.10
NL-14-087	277669	5337000	211°	-45°	200	55.2	56.4	1.2	1.05

1: UTM Nad 83 zone 18

The holes confirm the geological interpretation and contribute establishing the continuity of the lithologies and more specifically the basalts connecting the Marban deposit and the Gold Hawk zone area. The results show a granodioritic intrusion separating the Norlartic and Marban trends, about 300 metres wide in that area and containing several anomalous values.

The re-sampling of historic core from the Gold Hawk zone provided important information and filled gaps in the mineralized intersections. Numerous sampled gaps proved to be auriferous with values ranging from 0.11 g/t up to 4.94 g/t gold. The following table contains the best results which are all part of wider and lower grade intersections.

Hole	From (m)	To (m)	Length (m)	Grade (g/t Au)
1950-4	108.8	110.3	1.5	9.96
1950-61	244.1	245.6	1.5	9.42
GU-7-10[1]	40.5	53.0	12.5	1.83

1: The interval contains one historic sample of 0.14 g/t Au over 0.9 m

The drilling resumed on September 10, 2014 on the Kierens deposit for a 4-hole program, to be followed by a 40,000 meter infill drilling program on the Marban deposit with three drills. The objective will be to complete a 25x50 meter drill-hole pattern (a hole at every 25 m on every 50 m spaced sections) in the potential open pit shell of the deposit.

Malartic Block

The Audet zone area was the object of three drill sections that were investigating two magnetic trends over a strike length of up to 1.3 km. Three single holes also tested the northwest extension of the Audet zone. A total of 2,738 meters were drilled in 13 holes (CW-14-094 to 106). The drilling occurred from March 10, 2014 to May 5, 2014. The following table contains the results obtained in these holes, revealing that the two trends are gold bearing over their whole length and thus indicate existing potential to encounter another gold bearing zone along the parts of those magnetic trends that have not been drill tested yet. The holes beside the Audet zone out-crops indicate that the zone extends laterally with potential for a wide, low grade envelop with intercepts such as 0.96 g/t Au over 18.0 m (CW-14-098).

Hole	Easting[1] (m)	Northing[1] (m)	Azimuth	Dip	Hole Length (m)	From (m)	To (m)	Length (m)	Grade (g/t Au)	Zone
CW-14-094	715450	5340976	229°	-45°	200	97.6	101.0	3.4	1.43	Audet
CW-14-095	715522	5341055	225°	-45°	249	207.8	208.5	0.7	3.74	Audet
CW-14-096	715591	5341131	226°	-45°	158	No value above 86 ppb				
CW-14-097	715663	5341205	225°	-45°	206	48.8	72.2	23.4	0.41	Celta
					incl	66.2	72.2	6.0	0.89	
						86.1	87.9	1.8	1.56	
CW-14-098	715135	5341120	226°	-70°	180	51.8	69.8	18.0	0.96	Audet
CW-14-099	715119	5341146	227°	-45°	129	30.1	56.2	26.1	0.33	Audet
CW-14-100	715049	5341211	228°	-45°	104	11.2	26.1	14.9	0.70	Audet
					incl	11.2	16.3	5.1	1.49	Audet
CW-14-101	714856	5341480	211°	-45°	200	104.7	110.9	6.2	0.26	Audet
CW-14-102	714925	5341607	209°	-45°	296	109.3	113.9	4.6	0.55	Celta
CW-14-103	714985	5341729	210°	-45°	281	255.5	256.8	1.3	0.81	Celta
CW-14-104	714460	5341677	202°	-45°	251	157.0	161.9	4.9	0.16	Audet
CW-14-105	714500	5341808	199°	-45°	209	53.8	55.1	1.3	0.11	Celta
CW-14-106	714544	5341939	203°	-45°	275	180.7	181.9	1.2	0.72	Celta

1: UTM Nad 83 zone 17

Malartic H

The drilling program on the H zone consisting of 9 holes, for a total of 1,387 meters, occurred from May 6, 2014 to May 27, 2014. The goal was to define the geometry and continuity of the mineralized zones in which they contributed substantially. The holes revealed locally undulating volcanic units, thus affecting the zones. The results in the following table show the coexistence of narrow high grade intervals with wider low grade intervals which is in accordance with what was obtained previously on this zone.

Hole	Easting[1] (m)	Northing[1] (m)	Azimuth	Dip	Hole Length (m)	From (m)	To (m)	Length (m)	Grade (g/t Au)	Zone
MH-14-082	721221	5339551	285°	-45°	137	37.2	39.3	2.1	1.23	H
MH-14-083	721381	5339544	226°	-52°	233	187.6	188.8	**1.2**	**24.79**	H
MH-14-084	721312	5339596	232°	-45°	200	26.2	27.4	1.2	4.93	Hb
						78.6	82.3	3.7	1.34	Ha
						135.5	158.7	**23.2**	**1.02**	H
					incl	135.5	148.9	**13.4**	**1.43**	
MH-14-085	721169	5339751	282°	-45°	101	37.5	41.1	3.6	0.13	
MH-14-086	721267	5339758	281°	-45°	152	101.0	116.3	**15.3**	**0.94**	Hb
MH-14-087	721278	5339805	285°	-45°	128	115.6	116.8	1.2	0.72	
MH-14-088	721166	5339864	255°	-45°	161	9.7	22.1	12.4	0.42	Hb
						55.9	60.4	4.5	0.54	
						123.2	130.6	**7.4**	**1.08**	Ha
						147.9	159.5	11.6	0.66	
MH-14-089	721141	5339916	255°	-45°	152	32.5	36.3	3.8	1.03	H
MH-14-090	721076	5340062	248°	-45°	120	No value above 81 ppb				

1: UTM Nad 83 zone 17

Yan Ducharme, P.Geo., Vice-President Exploration of the Company and Qualified Person as defined by National Instrument 43-101, has verified the technical content of this Management Discussion and Analysis.

Selected Annual Financial Information

	August 31, 2014	August 31, 2013	August 31, 2012
Net sales	$ Nil	$ Nil	$ Nil
Net income (loss)	(128,657)	(2,965,253)	(5,066,006)
Income (Loss) per share – basic and diluted	(0.00)	(0.03)	(0.05)
Total assets	25,500,631	21,027,458	21,368,858
Total long-term liabilities	1,070,296	446,296	Nil
Cash dividends declared per-share	Nil	Nil	Nil

Summary of Quarterly Results

The following table provides selected financial information for the eight most recently-completed fiscal quarters.

	August 31, 2014 $	May 31, 2014 $	February 28, 2014 $	November 30, 2013 $
Total Revenue	-	-	-	-
(Income) Loss **- Total**	103,303	583,740	(972,619)	414,233
- Per Share	0.00	0.01	(0.01)	0.00

	August 31, 2013 $	May 31, 2013 $	February 28, 2013 $	November 30, 2012 $
Total Revenue	-	-	-	-
(Income) Loss **- Total**	1,231,103	468,434	622,736	642,980
- Per Share	0.01	0.00	0.01	0.01

Results of Operations for the year ended August 31, 2014

The net loss for the year ended August 31, 2014 was $128,657 (2013 – $2,965,253). Individual items significantly contributing to the movement in net loss of $2,836,596 are as follows:

- Office and administrative expenditures decreased by $235,065 to $203,135 (2013 - $438,200) due to management cost reduction initiatives.

- Professional fees decreased by $108,124 to $152,944 (2013 - $261,068) due to reduced professional activities.

- Share-based payments decreased by $525,269 to $113,236 (2013 – $638,505) for the year ended due to the timing of stock option grants, vesting and cancellation. During the year ended August 31, 2014, the Company cancelled a number of options which resulted in a significant reversal of share-based payments expense on unvested options resulting in an overall lower expense.

- During the year ended August 31, 2014, the Company recognized an unrealized gain on investments of $251,194 compared to an unrealized loss of $384,980 in the comparative period. This has arisen from the mark to market of investments at the end of the period. Additionally, the Company recognized a gain on sale of investments of $164,500 during the year ended August 31, 2014 (2013 - $Nil).

- During the year ended August 31, 2014 the Company recognized other income of $356,000 (2013 - $375,274). As the Company incurs flow-through eligible exploration expenditures the flow-through premium liability is recorded as income.

- During the year ended August 31, 2013, the Company recorded a write-down of acquisition and exploration costs of $1,192,147 on the Pump Lake property.

Results of Operations for the three month period ended August 31, 2014

The net loss for the three month period ended August 31, 2014 was $103,303 (2013 - $1,231,103). Individual items significantly contributing to the movement in net income of $1,127,800 are as follows:

- Office and administrative expenditures decreased by $85,405 to $11,222 (2013 - $96,627) due to management cost reduction initiatives.

- Share-based payments decreased by $2,685 to $60,388 from $63,073 in the prior three month period due to the timing of stock option grants and vesting.

- During the three month year ended August 31, 2014, the Company recognized an unrealized gain on investments of $59,096 compared to $90,967 in the comparative period. This has arisen from the mark to market of investments at the end of the period.

- During the three months period ended August 31, 2014 the Company recognized other income of $60,940 (2013 - $182,437). As the Company incurs flow-through eligible exploration expenditures the flow-through premium liability is recorded as income.

- During the three month period ended August 31, 2013, the Company recorded a write-down of acquisition and exploration costs of $1,192,147 on the Pump Lake property.

Cash Flows for the year ended August 31, 2014

Cash outflows used in operating activities totaled $650,492 (2013 - $1,102,830) for a difference of $452,338. The decrease reflects the overall reduction of costs compared to the prior year.

Cash outflows from investing activities decreased to $893,213 (2013 - $2,151,556). During the year ended August 31, 2014, the Company incurred $1,316,634 in exploration work and acquisition costs on the properties. Additionally, the Company realized proceeds of $284,960 from the sale of marketable securities, $7,500 from the sale of capital assets, and $150,000 from the sale of net smelter royalty purchase rights. During the comparative period the Company incurred $3,034,571 in exploration work on the properties, offset by $892,499 in recoveries from the previous joint venture partner.

Cash inflows from financing activities were $4,899,250 (2013 - $2,374,718), comprised of $4,900,000 in gross proceeds raised from the private placement with Osisko during the year, offset by $750 in share issuance costs. In the prior year, the Company raised gross proceeds of $2,549,700 in a private placement, less share issuance costs of $206,982, and received $32,000 from the exercise of warrants and stock options.

Financial Position

Individual items with significant movements include:

Cash increased by $3,355,545 to $6,765,730 (2013 - $3,410,185). Refer to the cash flows section above for an explanation of cash flows. Of this, as at August 31, 2014 $5,369,353 was required to be spent on flow-through expenditures.

Receivables and refundable tax credits decreased by a net amount of $147,966 to $426,513 (2013 - $574,479) due the timing of recovery and settlement of various tax credits from GST, QST and mining duties from the province of Quebec.

Marketable securities increased by $130,734 to $542,959 (2013 - $412,225) due to mark to market accounting of marketable securities net of the sale of certain marketable securities.

Mineral properties increased by $1,148,500 to $17,676,415 (2013 - $16,527,915) primarily due to the Company's continued exploration on its Malartic Block and Marban Block properties, offset by $150,000 received on the sale of net smelter royalty purchase rights.

Accounts payable and accrued liabilities decreased by $8,809 to $175,215 (2013 - $184,024). This relates to the timing of payments.

Flow-through premium increased by $624,000 to $1,070,296 (2013 - $446,296). The flow-through premium is the implicit value of the flow-through tax asset sold to investors along with the common share. This is calculated as the difference between the subscription price for a flow-through share and the trading price of a NioGold share at the time of the subscription. The flow-through premium decreases over time as the company incurs the related flow-through eligible expenditures.

Equity reserves increased by $113,236 to $4,393,341 (2013 - $4,280,105). The increase was as a result of the vesting of stock options, net of cancellations, during the period.

Liquidity and Capital Resources

At August 31, 2014, the Company had working capital of $7,574,669 including cash of $6,765,730 as compared to a working capital of $4,228,688, including cash of $3,410,185, at August 31, 2013. Other significant balances included in working capital, at August 31, 2014, were receivables of $72,100 (2013 - $213,392), refundable tax credits and mining duties receivable of $354,413 (2013 - $361,087) and marketable securities with a market value of $542,959 (2013 - $412,225).

During the year, the Company received $Nil (2013 - $32,000) from the exercise of warrants and stock options.

The Company's continued development is contingent upon its ability to raise sufficient financing both in the short and long-term. There are no guarantees that additional sources of funding will be available to the Company; however, management is committed to pursuing all possible sources of financing in order to execute its business plan.

Outstanding Share Data

At the date of this report the Company has 120,864,874 issued and outstanding common shares, 7,260,000 outstanding stock options and no outstanding warrants.

Off Balance Sheet Transactions

At August 31, 2014, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Related Party Transactions

The following table summarises transactions between the Company and related parties.

	2014	2013
Management fees paid or payable to a company controlled by Michael Iverson, a director and officer.	$ 150,000	$ 150,000
Professional fees paid or payable to a company controlled by Jonathan Richards, an officer of the Company	$ 55,000	$ 55,000
Geological fees paid or payable to Yan Ducharme, an officer	$ 124,153	$ 127,385
Bonuses paid to Michael Iverson, Yan Ducharme, and Jonathan Richards	$ -	$ 50,000
Consulting fees, included in shareholder communications, paid or payable to a company controlled by Dale Paruk, an officer of the Company	$ 83.000	$ 90,000
Share-based payments expense to directors and officers for stock options vesting during the year	$ 125,979	$ 482,226

Office rent paid to a company controlled by Michael Iverson, a director and officer of the Company	$	6,000	$	6,000

As at August 31, 2014, $4,812 (2013 - $Nil) was owing to a company controlled by Jonathan Richards.

Proposed Transactions

No proposed transactions.

Critical Accounting Estimates and Judgments

The preparation of financial statements in conformity with generally accepted accounting policies requires management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are based on past experience, industry trends and known commitments and events. By their nature, these estimates are subject to measurement uncertainty and the effects on the financial statements of changes in such estimates in future periods could be significant. Actual results will likely differ from those estimates.

Carrying value of mineral interests

The Company has capitalized the cost of acquiring mineral interests and on-going exploration and maintenance costs. Capitalized property costs are expensed in the period in which the Company determines that the mineral interests have no future economic value. Capitalized property costs may also be written down if future cash flow, including potential sales proceeds and option payments, related to the property are estimated to be less than the carrying value of the property. The Company reviews the carrying value of its mineral properties periodically, and whenever events or changes in circumstances indicate the carrying value may not be recoverable, reductions in the carrying value of each property would be recorded to the extent that the carrying value of the investment exceeds the property's estimated fair value. Such events or changes in circumstances involve changes in political risk, economic risk, commodity prices, exchange rates, and interest rates among others.

Share-based payments

The Company uses the Black-Scholes option pricing model to calculate the fair value of stock options and compensatory warrants granted. This model is subject to various assumptions. The assumptions the Company makes will likely change from time to time. At the time the fair value is determined, the methodology the Company uses is based on historical information, as well as anticipated future events. The assumptions with the greatest impact on fair value are those for estimated stock volatility and for the expected life of the instrument.

Future income taxes

The Company accounts for tax consequences of the differences in the carrying amounts of assets and liabilities and their tax bases using tax rates expected to apply when these temporary differences are expected to be settled. When the future realization of income tax assets does not meet the test of being more likely than not to occur, a valuation allowance in the amount of the potential future benefit is taken and no future income tax asset is recognized. The Company has taken a valuation allowance against all such potential tax assets.

Risk and Uncertainty

The business of mineral exploration and extraction involves a high degree of risk.

Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The recoverability of amounts shown for mineral properties may be affected by changing economic, regulatory and political variables.

Other risks facing the Company include competition, environmental and insurance risks, fluctuations in metal prices, share price volatility and uncertainty of additional financing.

Changes in Accounting Policies

New standards, interpretations and amendments adopted

As of September 1, 2013, the Company adopted the new and amended IFRS pronouncements in accordance with transitional provisions outlined in the respective standards. The Company has adopted these new and amended standards without any significant effect on its financial statements.

IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the parts of previously existing IAS 27 *Consolidated and Separate Financial Statements* that dealt with consolidated financial statements and SIC-12 *Consolidation – Special Purpose Entities*. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three criteria must be met, including: (a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns.

IFRS 11 Joint Arrangements and IAS 28 Investments in Associates and Joint Ventures

IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly-controlled Entities — Non-monetary Contributions by Venturers*. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities.

IFRS 13 Fair Value Measurement

IFRS 13 is a comprehensive standard for all fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes additional disclosures regarding fair value measurements.

IAS 19 Employee Benefits

IAS 19 outlines the accounting requirements for employee benefits, including short-term benefits (e.g. wages and salaries, annual leave), post-employment benefits such as retirement benefits, other long-term benefits (e.g. long service leave) and termination benefits, establishing the principle that the cost of providing employee benefits should be recognised in the period in which the benefit is earned by the employee, rather than when it is paid or payable.

New standards not yet adopted

The following new standards, amendments to standards and interpretations have been issued but are not effective during the year ended August 31, 2014:

- IFRIC 21 — This is an interpretation of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event, known as an obligating event. The interpretation clarifies that the obligation event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

- IFRS 10, IFRS 12, IAS 27 (Amendments) — IFRS 10 is amended to define an "investment entity" and introduce an exception from consolidation for investment entities. IFRS 12 and IAS 27 are amended to introduce disclosures required for investment entities. (i)
- IAS 32 (Amendment) — New standard that clarifies requirements for offsetting financial assets and liabilities. (i)
- IAS 36 (Amendment) — This amendment addresses the disclosure of information regarding the recoverable amount of impairment assets as the amount is based on fair value less costs of disposal. (ii)
- IFRS 7 (Amendment) — Amendment to require additional financial instrument disclosures on transition from IAS 39 to IFRS 9. (iii)
- IFRS 9 — New financial instruments standard that replaces IAS 39 for classification and measurement of financial assets(iv)

(i) Effective for annual periods beginning on or after January 1, 2014
(ii) Effective for annual periods beginning on or after July 1, 2014
(iii) Effective for annual periods beginning on or after January 1, 2015
(iv) Effective for annual periods beginning on or after January 1, 2018

The Company anticipates that the application of these standards, amendments and interpretations will not have a material impact on the results and financial position of the Company.

Financial Instruments

Fair value

Cash and marketable securities are carried at fair value using a level 1 fair value measurement.

The carrying value of receivables, refundable tax credits and mining duties receivable, accounts payable and accrued liabilities approximate their fair value due to the short-term nature of these instruments.

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

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Receivables mainly consist of HST and mining duties receivable due from the government of Canada. Management believes that the credit risk concentration with respect to receivables is minimal.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed share capital financings or proceeds from property sales or options.

At August 31, 2014, the Company had a working capital balance of $7,574,669 (2013 - $4,228,688).

Market risk

Market risk is the risk of loss that may arise from changes in market fluctuations such as those listed below. The fluctuations may be significant.

Interest rate risk

Management believes the interest rate risk is low given the current low global interest rate environment.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Foreign currency risk

The Company's functional currency is the Canadian dollar. Management believes the foreign exchange risk derived from currency conversions and relative exchange rate between Canadian dollars and other currencies is low and therefore does not hedge its foreign exchange risk.

Forward-Looking Information

This Management's Discussion and Analysis of Financial Condition and Results of Operations contain certain forward-looking statements. Forward-looking statements include but are not limited to those with respect to the prices of gold and other metals, the estimation of mineral resources and reserves, the realisation of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the actual results of current exploration activities, conclusions or economic evaluations, changes in project parameters as plans continue to be refined, possible variations in grade and or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes or other risks of the mining industry, delays in obtaining government approvals or financing or incompletion of development or construction activities, risks relating to the integration of acquisitions, to international operations, and to the prices of gold and other metals. While the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.