MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2015

The following Management's Discussion and Analysis ("**MD&A**") is for Foran Mining Corporation's (the "**Company**") nine month period ended September 30, 2015 and covers information up to the date of this MD&A as stated below.

This MD&A should be read in conjunction with the Company's condensed consolidated interim financial statements and the notes thereto for the nine month period ended September 30, 2015, which have been prepared in accordance with International Accounting Standard 34 – *Interim Financial Reporting*.

This MD&A may contain forward-looking statements that reflect Management's current expectations with regards to future events. By their nature, these statements involve risk and uncertainties, many of which are beyond the Company's control. Actual results may differ materially from those expressed in such forward-looking statements. Readers are cautioned not to place undue reliance on these statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

All amounts are stated in Canadian dollars unless otherwise indicated. Additional information regarding the Company, including copies of the Company's continuous disclosure materials is available through the SEDAR website at www.sedar.com or on the Company's website at www.foranmining.com.

This MD&A is dated November 16, 2015.

NATURE OF BUSINESS

The Company was originally incorporated under the laws of British Columbia ("**BC**") on June 21, 1989, was continued into Saskatchewan on November 13, 2007 and was continued back into BC on May 28, 2014. The Company is a reporting issuer in BC, Alberta, Ontario, New Brunswick, Nova Scotia and Newfoundland and Labrador. The Company's common shares are traded on the TSX Venture Exchange under the symbol "FOM". The Company's principal business activity is the acquisition, exploration and development of mineral properties with the objective of discovering mineral reserves and the development of an operating mine.

To date the Company has not generated any revenues.

HIGHLIGHTS AND KEY DEVELOPMENTS (to the date of this report)

- On September 8, 2015 the Company released an update on activities on the Bigstone deposit (the "**Bigstone Deposit**"). A summer program included re-logging and verifying select historic drill holes, petrographic studies of sulphide mineralization by an independent consultant, sampling of 2015 drill core for metallurgical testwork and the collection of detailed specific gravity data from the mineralized intervals of the 2015 winter drill program. In addition, it was announced that the contract for metallurgical testwork on the Bigstone Deposit was awarded to Base Met Labs of Kamloops, BC. A report on this work is expected to be received by the Company in Q4, 2015;

HIGHLIGHTS AND KEY DEVELOPMENTS (to the date of this report) (continued)

- From January to April, 2015, the Company conducted a winter exploration program, with a total of 4,459 metres ("**m**") drilled in 11 diamond drill holes, comprised of 1,914m in five holes at the Thunder Zone on the Balsam Property and 2,545m in six holes on the Bigstone Deposit on the Bigstone Property. Significant copper ("**Cu**") and/or zinc ("**Zn**") mineralization was present in ten of eleven holes drilled. Drill highlights from this program are discussed below;

- On April 1, April 17, April 30 and May 20, 2015, the Company released the results of six infill holes drilled on the Bigstone Deposit. Highlights included:

  - 18.4% Zn over 11.8m (including 27.0% Zn over 7.6m) and 1.4% Cu over 10.6m from an approximately 95m interval of massive to semi-massive, stringer and disseminated sulphides, followed further downhole by 1.3% Cu over 8.5m in BS-15-240;
  - 2.0% Cu over 104.9m, including 4.11% Cu over 20.4m in BS-15-239;
  - 2.6% Cu over 31.0m, 1.2% Cu over 31.5m and 1.5% Cu over 23.5m in a zone of mineralization with a cumulative width of 86m in BS-15-241;
  - 2.5% Cu over 53.6m, including 4.0% Cu over 12.3m, in BS-15-242;
  - 2.5% Cu over 58.0m, including 3.8% Cu over 15.3m, followed downhole by a lower zone grading 11.2% Zn over 3.0m in BS-15-243; and
  - 15.1% Zn and 778 g/t silver ("**Ag**") over 4.8m (including 32.4% Zn and 2,323 g/t Ag over 1.6m), followed further downhole by 1.2% Cu and 7.8% Zn over 29.0m in BS-15-244.

- On March 25, 2015, the Company released the results of the five holes drilled at the Thunder Zone. Results from this drilling confirmed and expanded on the initial 2013 discovery. Highlights included: 5.0% Cu, 2.1% Zn, 0.84g/t gold ("**Au**") and 41g/t Ag over 2.6m in an approximately 12m thick sulphide-rich interval in BA-15-80 and 2.0% Cu, 3.5% Zn, 0.37g/t Au and 12g/t Ag over 3.5m, followed downhole by 0.7% Cu, 7.2% Zn, 0.29g/t Au and 43 g/t Ag over 3.7m within an approximately 15m thick sulphide-rich interval in BA-15-83; and

- As part of the winter exploration program, borehole electromagnetic surveys were conducted on two drill holes from the Thunder Zone and two from the Bigstone Deposit. In addition, a 52.4 line kilometre ("**line-km**") large loop, ground-based, deep-penetrating time-domain electromagnetic geophysical survey ("**DEEP-EM Survey**") was conducted north of the Company's 100% owned McIlvenna Bay deposit (the "**McIlvenna Bay Deposit**") on the McIlvenna Bay Property in east-central Saskatchewan.

At September 30, 2015, the Company had a total of $1.4 million in cash and cash equivalents (December 31, 2014: $4.1 million). Working capital totaled $1.4 million (December 31, 2014: $4.0 million). For the nine month period ended September 30, 2015, the Company recorded a net loss of $1.2 million (2014: $1.1 million).

OUTLOOK

In November 2014, the Company announced the results of a positive Preliminary Economic Assessment ("**PEA**") on the McIlvenna Bay Deposit. Based on the positive results of the PEA, Management believes a Feasibility Study should be conducted on the McIlvenna Bay Deposit and consequently, is pursuing opportunities to do so.

In the first half of 2015, the Company completed a successful exploration program in the Hanson Lake Camp in east-central Saskatchewan. This program included drilling 4,459m on its Balsam and Bigstone Properties as described above. The success of this program on both properties confirmed the potential to develop satellite deposits in the Hanson Lake Camp surrounding the McIlvenna Bay Deposit. The Company has commenced metallurgical studies on the Bigstone Deposit.

Management's long-term strategy is to develop and build a new base metal mining camp in the Flin Flon region. It plans to realize this strategy by continuing to advance the McIlvenna Bay Deposit, while simultaneously advancing new discoveries and historic resources in order to delineate nearby satellite deposits.

Management is contemplating various strategies to secure the capital required to finance the advancement of satellite deposits in the Hanson Lake Camp, a Feasibility Study for the McIlvenna Bay Deposit and the construction of Foran's first mine in the Hanson Lake Camp.

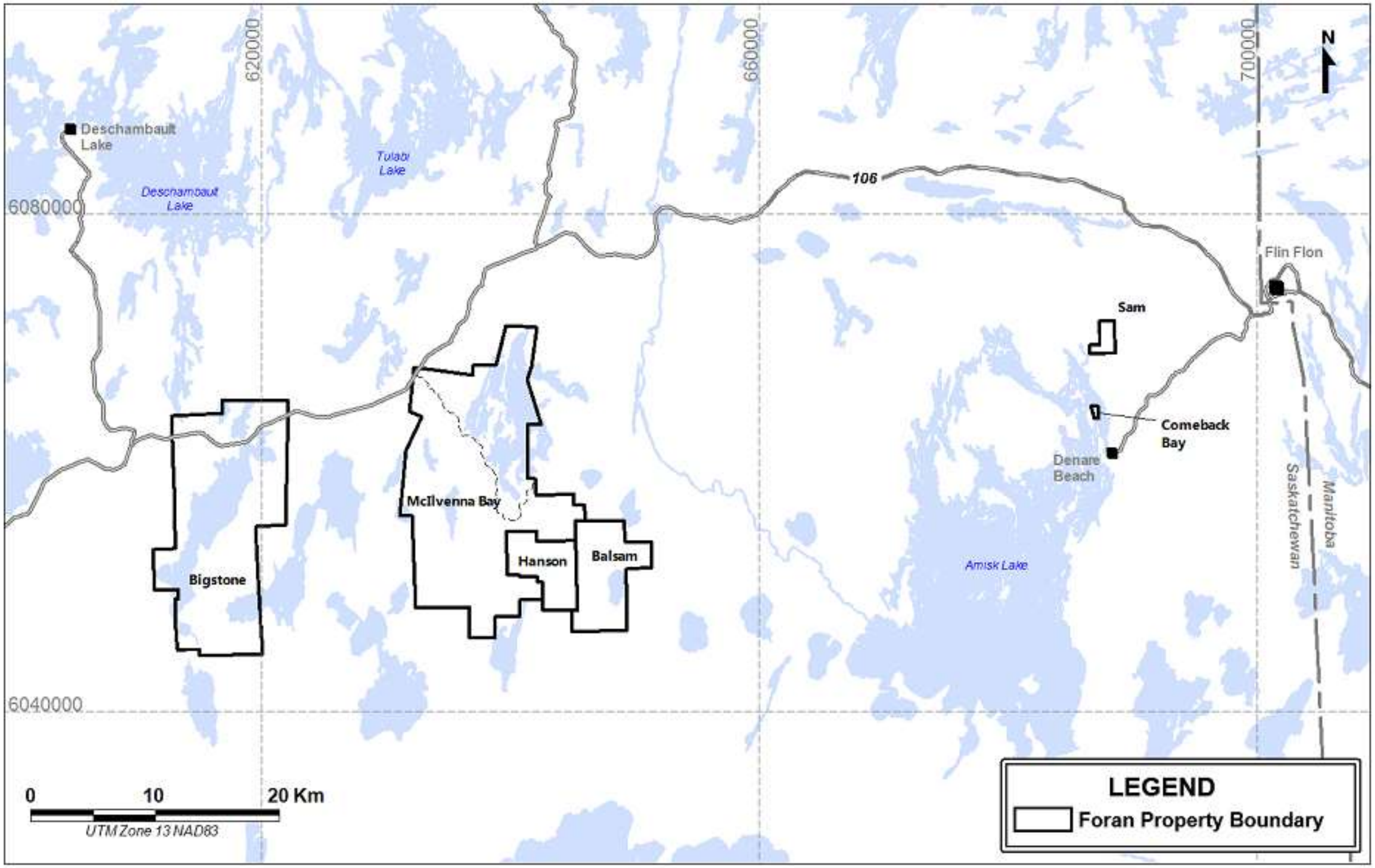
QUALIFIED PERSON

Mr. Roger March, P.Geo., VP Project Exploration for the Company and a Qualified Person within the meaning of National Instrument ("**NI**") 43-101, has reviewed the technical information in this MD&A.

MINERAL PROPERTIES

SASKATCHEWAN PROPERTIES

As of the date of this report, the Company has six properties in Saskatchewan comprising a total of 55 claims for 43,557 hectares ("**ha**"), located between 12 and 90 kilometres ("**km**") west of Flin Flon, Manitoba. The four westernmost properties are higher priority, consisting of the flagship McIlvenna Bay Property which contains the McIlvenna Bay Deposit, two properties contiguous to the McIlvenna Bay Property (Hanson and Balsam) and one non-contiguous property (Bigstone), all of which occur at the western limit of the Flin Flon Greenstone Belt. All four properties are underlain by prospective felsic volcanic stratigraphy that hosts variably significant Volcanogenic Massive Sulphide ("**VMS**") styles of alteration and mineralization. The two easternmost properties in Saskatchewan (Sam and Comeback Bay) are of lower priority having both precious and base metal VMS potential within the western limit of the Flin Flon Arc Assemblage (Birch Lake Belt).


Deschambault Lake
Deschambault Lake
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620000
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Flin Flon
Sam
Comeback Bay
Denare Beach
McIlvenna Bay
Hanson
Balsam
Bigstone
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Saskatchewan
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N
0
10
20 Km
UTM Zone 13 NAD83
LEGEND
Foran Property Boundary

MINERAL PROPERTIES (continued)

SASKATCHEWAN PROPERTIES (continued)

1) MCILVENNA BAY PROPERTY

The Company has a 100% interest in the McIlvenna Bay Property in east central Saskatchewan. The McIlvenna Bay Property consists of 30 claims covering a total of 20,382 ha. The McIlvenna Bay Deposit is located on the McIlvenna Bay Property, approximately one km south of Hanson Lake, Saskatchewan, 375 km northeast of Saskatoon, Saskatchewan and 65 km west south-west of Flin Flon, Manitoba. The McIlvenna Bay Deposit is linked to Flin Flon, Manitoba by 85 km of highway followed by 18 km of unsealed secondary road.

Some of the claims that make up the McIlvenna Bay Property are subject to a Net Tonnage Royalty of $0.75 per tonne of ore extracted, with a right of first refusal in favor of the Company.

Cameco Corporation ("**Cameco**") and BHP Billiton ("**Billiton**") collectively hold a 1% Net Smelter Return ("**NSR**") royalty interest on McIlvenna Bay, which can be purchased by the Company at any time for $1,000,000.

The McIlvenna Bay Deposit was discovered in 1988 and includes two distinct styles of VMS mineralization which include massive to semi-massive sulphides and copper stockwork. In November 2014, the Company announced the results of a positive PEA on the McIlvenna Bay Deposit. The PEA was completed by JDS Energy & Mining Inc. ("**JDS**") and the results and inputs to this study are summarized below.

McIlvenna Bay Deposit PEA

The PEA on the McIlvenna Bay Deposit yielded an estimated pre-tax net present value with a seven percent discount rate ("**$NPV_{7\%}$**") of $381.7 million, with a 21.9% internal rate of return ("**IRR**") and a 4.1 year payback; post-tax $NPV_{7\%}$ is $262.6 million, with a 18.9% IRR and a 4.1 year payback. The base case metal price deck and exchange rate are based on spot prices as at October 15, 2014 and are US$3.08/lb for Cu, US$1.06/lb for Zn, US$0.93/lb for lead, US$1,238/oz. for Au and US$17.00/oz for Ag, with a CDN$/US$exchange rate of 0.89.

The PEA envisions an average throughput rate of 5,000 tonnes per day ("**tpd**") as a conventional underground operation through longhole stoping and cemented paste backfill. The mine is expected to have a 14 year life, with potential to extend the life of operations through resource expansion at depth or delineation of nearby satellite deposits. A stand-alone concentrator is proposed to be constructed adjacent to the McIlvenna Bay mine.

Total payable life of mine ("**LOM**") production is expected to be 804.7 million pounds ("**Mlbs.**") of zinc, 513.7 Mlbs. of copper, 15.8 Mlbs. of lead, 218,000 ounces of gold and 5.44 million ounces of silver.

Pre-production capital cost ("**CapEx**") is estimated at $207.3 million, with a $41.5 million contingency, for a total of $248.8 million. Sustaining capital is estimated at $125.2 million, with a $25.0 million contingency, for a total of $150.3 million. The total estimated capital cost over the LOM including closure costs net of salvage value is estimated at $332.5 million, with a $66.5 million contingency, for a total of $399.1 million. The majority of mine construction is expected to take 18 months, with underground mine development adding an additional 6 months to the build-out period.

McIlvenna Bay Deposit PEA (continued)

The average on-site operating costs ("**OpEx**") total $51.03 per tonne processed, which is comprised of $33.54 per tonne for mining, $13.39 per tonne for milling and $4.10 per tonne for general and administrative ("**G&A**"). OpEx estimates for the Deposit were prepared incorporating both off-site and on-site infrastructure as related to the mine plan and process schedule.

All input estimates are based on budget quotations, peer comparisons and JDS' recent experience in projects of similar scope.

Mineral Resource Estimate

In March 2013, Foran updated the mineral resource estimate for the McIlvenna Bay Deposit (the "**2013 Resource**"). The PEA incorporates the results from the 2013 Resource, of which 55% was classified as indicated and 45% was classified as inferred.

Mineral Resource Estimate (US$60/t NSR cut-off) [1-4]

Zone	Tonnage (kt)	Copper (%)	Zinc (%)	Gold (g/t)	Silver (g/t)	CuEq (%)	ZnEq (%)
Indicated							
Main Lens - Upper West Zone	**2,148**	**1.66**	**4.10**	**0.88**	**31**	**2.79**	**18.75**
Main Lens - Zone 2	**3,386**	0.31	**7.15**	0.24	24	**1.51**	**10.19**
Lens 3	756	1.23	2.55	0.30	15	**1.79**	**12.03**
Copper Stockwork Zone	**7,610**	**1.60**	0.30	**0.50**	11	**1.90**	**13.10**
Total Indicated	**13,900**	1.28	2.67	0.49	17	**1.96**	**13.19**
Inferred							
Main Lens - Upper West Zone	**2,913**	**1.63**	**3.68**	**0.51**	**19**	**2.47**	**16.62**
Main Lens - Zone 2	**2,796**	0.51	7.13	0.38	26	**1.79**	**12.04**
Lens 3	124	1.61	2.67	0.51	18	**2.31**	**15.52**
Copper Stockwork Zone	**5,478**	**1.56**	0.47	**0.42**	12	**1.87**	**12.59**
Total Inferred	**11,311**	1.32	2.97	0.43	17	**2.01**	**13.52**

[1] Effective date January 1, 2013; CIM definitions were followed for Mineral Resources; CuEq = copper equivalent; ZnEq = zinc equivalent; NSR = Net Smelter Return.

[2] The base case mineral resource is estimated based on 178 diamond drill holes and a NSR cut-off grade of US$60/t. NSR grades were calculated and high grade caps were applied as per the discussion in the Foran news release dated March 27, 2013 and include provisions for metallurgical recovery and estimates of current shipping terms and smelter rates for similar concentrates. Metal prices used are US$3.25/lb. Cu, US$1.10/lb. Zn, US$1,400/oz. Au, and US$25/oz. Ag. Specific gravity was interpolated for each block based on measurements taken from core specimens.

[3] Mr. David Rennie, P.Eng., of Roscoe Postle Associates Inc. ("RPA"), prepared this mineral resource estimate. Mr. Rennie is independent of Foran and is a "Qualified Person" within the meaning of NI 43-101.

[4] CuEq and ZnEq values were estimated based on $53.94 per % Cu, $8.11 per % Zn, $31.16 per g/t Au and $0.03 per g/t Ag.

SASKATCHEWAN PROPERTIES (continued)

1) MCILVENNA BAY PROPERTY (continued)

McIlvenna Bay Deposit PEA (continued)

For additional information on the McIlvenna Bay Deposit PEA, see the Company's news release dated November 12, 2015 and the Company's PEA report entitled "Preliminary Economic Assessment Technical Report McIlvenna Bay Project, Saskatchewan, Canada" revised January 21, 2015 at www.foranmining.com or www.sedar.com.

Other Activities

Since 2011, the Company has been working to advance the McIlvenna Bay Deposit through continued exploration, resource definition and environmental and engineering studies. Information on completed studies on the McIlvenna Bay Deposit is included in the PEA.

The Company continues to conduct exploration activities directed towards identifying additional resources on its Hanson Lake Camp landholdings the McIlvenna Bay Deposit.

Winter 2015 Work Program

The Company conducted a winter exploration program on its Hanson Lake Camp properties from January to April 2015. The primary focus of this program was to conduct further drill testing of the Thunder Zone, a zone of high-grade base metal mineralization on the Balsam Property discovered by the Company in 2013, and infill drilling of the Bigstone Deposit, on the Bigstone Property. See below for information on drilling and geophysics on the Bigstone and Balsam properties. On the McIlvenna Bay Property, a 52.35 line-km DEEP-EM Survey was conducted north of the McIlvenna Bay Deposit.

Fiscal 2015 Expenditure Requirements

There are no expenditures required in fiscal 2015 to keep the McIlvenna Bay Property in good standing.

2) BIGSTONE

The Company has a 100% interest in the Bigstone Property, which is comprised of 13 claims totalling 16,117 ha oriented north-south to cover roughly 20km of prospective volcanic stratigraphy. The Bigstone Property hosts the Bigstone Deposit with an historic mineral resource estimate prepared by past operators in 1990 of 3.75 million tonnes grading 2.03% Cu and 0.33 g/t Au in the Main Zone using a 1% Cu cut-off and 0.53 million tonnes grading 9.62% Zn and 15.9 g/t Ag in the Zinc-rich Massive Sulphide Zone using a 5% Zn cut-off. A sensitivity analysis for the historic mineral resource estimates is presented below. The Company is not treating the historic estimates as current as a Qualified Person within the meaning of NI 43-101 has not completed sufficient work to classify the historic estimate as current; additional work, including re-surveying, re-logging and drill core QA/QC would be required to verify and upgrade the historic estimate to current.

SASKATCHEWAN PROPERTIES (continued)

2) BIGSTONE (continued)

Bigstone Deposit Main Zone historic resource estimate sensitivity analysis[1].

Cu cut-off (%Cu)	Tonnage	Cu (%)	Zn (%)	Au (g/t)	Ag (g/t)
1.0	3,747,500	2.03	0.14	0.33	9.3
1.5	3,136,600	2.26	0.15	0.36	9.9
2.0	1,983,600	2.57	0.17	0.48	11.3
2.5	1,199,300	3.11	0.20	0.61	13.5

[1] *Foran is not treating the historic estimate as current; a Qualified Person within the meaning of National Instrument 43-101 has not completed sufficient work to classify the historic estimate as current; additional work, including re-surveying, re-logging and drill core QA/QC would be required to verify and upgrade the historic estimate to current.*

Bigstone Deposit Zinc-rich Massive Sulphide Zone historic resource estimate sensitivity analysis[1].

Zn cut-off (%Zn)	Tonnage	Cu (%)	Zn (%)	Au (g/t)	Ag (g/t)
2.0	755,200	0.20	7.75	0.27	11.7
3.0	692,600	0.21	8.22	0.28	12.6
4.0	611,500	0.21	8.87	0.30	13.9
5.0	525,300	0.24	9.62	0.34	15.9

[1] *Foran is not treating the historic estimate as current; a Qualified Person within the meaning of National Instrument 43-101 has not completed sufficient work to classify the historic estimate as current; additional work, including re-surveying, re-logging and drill core QA/QC would be required to verify and upgrade the historic estimate to current.*

In October 2014, the Company completed an agreement with Teck whereby certain back-in rights held by Teck on the Company's Bigstone, Balsam and Hanson properties were extinguished in exchange for 1,000,000 shares of the Company, 1,000,000 share purchase warrants, and certain future sale participation rights. Each warrant is exercisable into one common share of the Company at a price of $0.24 per share with an expiry of October 14, 2016.

In the event that the Company sells or options any of the Bigstone, Balsam and Hanson Properties prior to September 30, 2018 (a "**Future Sale**"), the Company will pay Teck in-kind an amount equal to 20% of the proceeds from any Future Sale occurring prior to September 30, 2016 and 10% of the proceeds from any Future Sale occurring after September 30, 2016 but prior to September 30, 2018.

Some of the claims that make up the Bigstone Property are subject to a 2% NSR royalty.

SASKATCHEWAN PROPERTIES (continued)

2) BIGSTONE (continued)

Winter 2015 Work Program

In February and March 2015, the Company completed 2,545m of drilling in six large-diameter (HQ) drill holes on the Bigstone Deposit. This drill program was highly successful, with all six holes intersecting high-grade Cu and/or Zn mineralization.

The Company released the results of the drilling in news releases dated April 1, April 17, April 30 and May 20, 2015. Highlights included:

- 18.4% Zn over 11.8m (including 27.0% Zn over 7.6m) and 1.4% Cu over 10.6m from an approximately 95m interval of massive to semi-massive, stringer and disseminated sulphides, followed further downhole by 1.3% Cu over 8.5m in BS-15-240;
- 2.0% Cu over 104.9m, including 4.1% Cu over 20.4m in BS-15-239;
- 2.6% Cu over 31.0m, 1.2% Cu over 31.5m and 1.5% Cu over 23.5m in a zone of mineralization with a cumulative width of 86m in BS-15-241;
- 2.5% Cu over 53.6m, including 4.0% Cu over 12.3m, in BS-15-242;
- 2.5% Cu over 58.0m, including 3.8% Cu over 15.3m, and 11.2% Zn over 3.0m in BS-15-243; and
- 15.1% Zn and 778 g/t Ag over 4.8m (including 32.4% Zn and 2,322 g/t Ag over 1.6m), followed further downhole by 1.2% Cu and 7.8% Zn over 29.0m in BS-15-244.

The Company also completed borehole EM surveys on two drill holes from the Bigstone deposit.

The principal objective of the winter 2015 work program on the Bigstone Deposit was to test the central portion of the deposit at depths of 200 to 350m below surface to infill the historic resource and gain a better understanding of the deposit geology. Drill intersections will support the validation of the historic drill-hole database and aid in the completion of an updated mineral resource estimate.

Summer/Fall 2015 Work Program

A summer program was conducted on the Bigstone Property. This program included re-logging and verifying select historic drill holes, petrographic studies of sulphide mineralization by an independent consultant, sampling of 2015 drill core for metallurgical testwork and the collection of detailed specific gravity data from the mineralized intervals of the 2015 winter drill program.

In Q3 2015, the Company engaged Base Met Labs of Kamloops, BC to conduct metallurgical testwork on core samples from the main styles of mineralization at the Bigstone Deposit. Results of the metallurgical testwork are expected to be received by the end of 2015.

Fiscal 2015 Expenditure Requirements

There are no expenditures required in fiscal 2015 to keep the Bigstone Property in good standing.

SASKATCHEWAN PROPERTIES (continued)

3) BALSAM

The Company has a 100% interest in the Balsam Property, which is comprised of seven claims totalling 4,066 ha contiguous with the McIlvenna Bay and Hanson Properties. Balsam claims cover the southeast strike extension of McIlvenna Bay stratigraphy and host a number of significant VMS occurrences including recently discovered high-grade copper mineralization in the Thunder Zone, as well as the Balsam Zone, where an historic mineral resource estimate has been outlined[1]. Further drilling, sampling and geological interpretation will be required to upgrade the historic resource to current.

In October 2014, the Company completed an agreement with Teck whereby certain back-in rights held by Teck on the Company's Bigstone, Balsam and Hanson Properties were extinguished (see 'Bigstone' above).

Some of the claims that make up the Balsam Property are subject to a 2% NSR royalty.

Winter 2015 Work Program

The Thunder Zone, discovered by the Company in 2013, contains VMS mineralization in volcanic stratigraphy similar to the nearby McIlvenna Bay Deposit, located approximately 7km to the northwest.

From January to February 2015, the Company completed 1,914m of drilling in five holes on the Thunder Zone. On March 25, 2015, the Company released the results of all five holes, which confirmed and expanded on the original 2013 discovery. Highlights included:

- 5.0% Cu, 2.1% Zn, 0.84g/t Au and 41g/t Ag over 2.6m in an approximately 12m thick sulphide-rich interval in BA-15-80; and
- 2.0% Cu, 3.5% Zn, 0.37g/t Au and 12g/t Ag over 3.5m, followed downhole by 0.7% Cu, 7.2% Zn, 0.29g/t Au and 43 g/t Ag over 3.7m within an approximately 15m thick sulphide-rich interval in BA-15-83.

The Company also completed borehole EM surveys on two drill holes from the Thunder Zone. Further drilling of the Thunder Zone is required to determine the extent of this deposit and Management is currently evaluating next steps for follow-up work.

Fiscal 2015 Expenditure Requirements

There are no expenditures required in fiscal 2015 to keep the Balsam claims in good standing.

4) HANSON

The Company has a 100% interest in the Hanson Property, which is comprised of two claims totalling 2,565 ha contiguous with the McIlvenna Bay Property to the north and west and the Balsam Property to the east. A number of VMS targets are known from past exploration.

SASKATCHEWAN PROPERTIES (continued)

4) HANSON (continued)

In October 2014, the Company completed an agreement with Teck whereby certain back-in rights held by Teck on the Company's Bigstone, Balsam and Hanson Properties were extinguished (see 'Bigstone' above).

Fiscal 2015 Expenditure Requirements

There are no expenditures required in fiscal 2015 to keep the Hanson claims in good standing.

5) SAM

The Company had a 100% interest in the Sam Property, which was comprised of four contiguous claims totalling 1,529 ha, located 12 km west of Flin Flon.

As a result of the Company's ongoing review of its non-core assets, the Company decided not to complete any further exploration work on its Sam Property at this time. One claim totaling 583 ha lapsed in June 2015 and another totaling 567 ha lapsed in July 2015. The remaining two claims totaling 379 ha will lapse in 2016. Consequently, an amount of $100,583 that was included in exploration and evaluation assets was written off to operations during the nine month period ended September 30, 2015.

Fiscal 2015 Expenditure Requirements

There are no expenditures required in fiscal 2015 to keep the remaining two Sam claims in good standing.

6) COMEBACK BAY

The Comeback Bay Property was comprised of two claims totalling 182 ha which is located 15 km southwest of Flin Flon.

As a result of the Company's ongoing review of its non-core assets, the Company decided not to complete further exploration work on its Comeback Bay Property at this time. One claim totaling 134 ha lapsed in June 2015. Consequently, an amount of $51,764 that was included in exploration and evaluation assets was written off to operations during the nine month period ended September 30, 2015.

The remaining Comeback Bay claim totalling 48 ha is subject to a joint venture agreement in which the Company owns a 65% interest with Coronation Mines Ltd. (a subsidiary of Formation Metals Ltd.) owning the remaining 35%. This claim is subject to a 2.5% NSR royalty and a 10% NPI.

Fiscal 2015 Expenditure Requirements

There are no expenditures required in fiscal 2015 to keep the remaining Comeback Bay claim in good standing.

MANITOBA PROPERTY

REED LAKE

The Company has a 100% interest in the Reed Lake Property, which is comprised of a single claim totaling 195 ha located 105 km east of Flin Flon and 21 km southwest of Snow Lake.

Reed Lake is subject to a 1% NSR royalty. Geologically, the claim occurs within the Snow Lake arc assemblage at the eastern limit of the Flin Flon Greenstone Belt. Historic drilling has intersected altered and weakly mineralized felsic to intermediate volcanics equivalent to those hosting the HudBay Minerals Inc.'s Lalor deposit, situated 15 km to the northeast.

Fiscal 2015 Expenditure Requirements

There are no expenditures required in fiscal 2015 to keep the Reed Lake claims in good standing.

OVERALL PERFORMANCE

FINANCIAL CONDITION

The net assets of the Company decreased from $28,323,647 at December 31, 2014 to $27,262,383 at September 30, 2015, a decrease of $1,061,264. The most significant assets at September 30, 2015 were exploration and evaluation assets of $25,150,608 (December 31, 2014: $23,502,998) and cash and cash equivalents of $1,440,909 (December 31, 2014: $4,050,482).

The majority of the increase in exploration and evaluation assets of $1,647,610 was a result of the Company capitalizing $1,821,850 of exploration costs on its McIlvenna Bay Property and other Saskatchewan properties, partially offset by a write-off of $152,348 on its Sam and Comeback Bay Properties. The most significant exploration costs included drilling and analysis of $738,687, administration costs of $269,597 and geophysics of $152,763.

The Company's liabilities at September 30, 2015 consisted of accounts payable and accrued liabilities of $94,082 (December 31, 2014: $144,109) and deferred share units of $67,198 (December 31, 2014: $Nil).

The Company has adopted a deferred share unit plan ("**DSU Plan**") which awards deferred share units to participants of the DSU Plan. Awards are initially charged to operations using the market value of the Company's common shares that best represents the period for which the awards were earned, with the corresponding liability recorded as deferred share units. At each period end, the liability is revalued using the market value of the Company's common shares, with the corresponding increase or decrease recorded to operations as a revaluation of deferred share units.

Upon separation from the Company, a participant will receive the cash equivalent of the fair market value of the DSUs based on the market value of the Company's common shares on the date of separation.

Effective December 1, 2014, the Company entered into an agreement with its Executive Chairman whereby the Executive Chairman will be compensated for his services with DSUs on a monthly basis, to a maximum of $8,000 per month. At September 30, 2015, an amount of $41,451 was owed to the Executive Chairman. The number of outstanding DSUs owed to the Executive Chairman at September 30, 2015 was 414,505.

FINANCIAL CONDITION (condition)

Effective January 1, 2015, the Company began compensating its independent directors with DSUs on a quarterly basis in an amount of $4,000 per director. At September 30, 2015 an amount of $25,747 was owed to the independent directors. The number of outstanding DSUs owed to independent directors at September 30, 2015 was 257,448. On November 14, 2015, the Company's Board of Directors passed a resolution to suspend the DSU arrangement with its independent directors, effective October 1, 2015. The resolution did not have an impact on the Company's financial position at September 30, 2015 or its operations for the nine months then ended.

RESULTS OF OPERATIONS

Three month period ended September 30, 2015

The Company recorded a net loss of $274,757 for the three month period ended September 30, 2015 (2014: $313,209). Expenses before other items were $310,130 (2014: $324,419) with the most significant being salaries and benefits of $132,112 (2014: $118,516), office and administration costs of $54,294 (2014: $55,642), investor relations costs of $31,365 (2014: $35,469) and depreciation of $26,816 (2014: $31,908). Other items for the three month period ended September 30, 2015 consisted of a revaluation of deferred share units of $31,968 (2014: $Nil) and interest income of $3,405 (2014: $11,210).

The increase of $13,596 in salaries and benefits was primarily a result of the Executive Chairman's compensation as noted in '*Financial Condition*' above.

Nine month period ended September 30, 2015

The Company recorded a net loss of $1,201,345 for the nine month period ended September 30, 2015 (2014: $1,065,581). Expenses before other items were $1,134,252 (2014: $1,127,553) with the most significant being salaries and benefits of $464,801 (2014: $403,732), office and administration costs of $173,348 (2014: $164,337), investor relations costs of $158,541 (2014: $115,535) and share-based payments expense of $97,652 (2014: $201,708). Other items for the nine month period ended September 30, 2015 consisted of a write-off of exploration and evaluation assets of $152,348 (2014: $Nil), a revaluation of deferred share units of $56,802 (2014: $Nil), a gain on sale of investments of $9,500 (2014: $23,978) and interest income of $18,953 (2014: $37,994).

The increase of $61,069 in salaries and benefits was primarily a result of the Executive Chairman's compensation as noted in '*Financial Condition*' above. At September 30, 2015, the Company owed the Executive Director $41,451 pursuant to the DSU Plan, of which $76,000 was recorded as salaries and benefits and $34,549 was recorded as a revaluation of deferred share units.

A significant portion of the $43,006 increase in investor relations costs is attributed to the Company spending approximately $27,000 more in advertising costs during the nine months ended September 30, 2015.

RESULTS OF OPERATIONS (continued)

Nine month period ended September 30, 2015 (continued)

The Company applies the fair value method of accounting for all awards of stock options by using the Black-Scholes Option Pricing Model. The decrease of $104,056 in share-based payments expense for the nine month period ended September 30, 2015 was based on a number of factors including, but not limited to, the occurrence of grants during a particular period, the Company's share price at the time of an option grant and the timing of recording share-based payments expense based on vesting schedules.

The $152,348 write-off of exploration and evaluation assets during the nine month period ended September 30, 2015 is a result of the Company deciding not to renew four claims on its Sam Property and one claim on its Comeback Bay Property.

CASH FLOWS

Three month period ended September 30, 2015

Cash and cash equivalents decreased by $316,262 during the three month period ended September 30, 2015, from $1,757,171 at June 30, 2015 to $1,440,909. The decrease was a result of cash of $120,969 used in investing activities and cash of $195,293 used in operating activities.

The majority of cash used in investing activities consisted of exploration and evaluation asset expenditures of $113,916. The cash used in operating activities consisted of a net loss of $274,757, non-cash items of $51,041 and a net change in non-cash working capital items of $28,423.

Nine month period ended September 30, 2015

Cash and cash equivalents decreased by $2,609,573 during the nine month period ended September 30, 2015, from $4,050,482 at December 31, 2014 to $1,440,909. The decrease was a result of cash of $1,799,129 used in investing activities and cash of $810,444 used in operating activities.

The majority of cash used in investing activities consisted of exploration and evaluation asset expenditures of $1,792,576. The cash used in operating activities consisted of a net loss of $1,201,345, non-cash items of $390,937 and a net change in non-cash working capital items of $36.

SUMMARY OF QUARTERLY RESULTS

	Q3, 2015	**Q2, 2015**	**Q1, 2015**	**Q4, 2014**
	$	$	$	$
Net loss for the period	(274,757)	(416,187)	(510,401)	(399,101)
Basic and diluted loss per share	(0.00)	(0.00)	(0.01)	(0.00)

SUMMARY OF QUARTERLY RESULTS (continued)

	Q3, 2014	Q2, 2014	Q1, 2014 [1]	Q5, 2013
	$	$	$	$
Net loss for the period	(313,209)	(361,367)	(391,005)	(918,099)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.01)

[1] In April 2013 the Company changed its financial year-end from September 30 to December 31 and consequently fiscal 2013 had five quarters as noted in the table above.

Over the last eight quarters, the Company's net loss has ranged from $313,209 in Q3, 2014 to $918,099 in Q5, 2013. $551,816 of the loss in Q5, 2013 was a result of an "other-than-temporary" decline in the Company's investments. Included in the loss of $416,187 in Q2, 2015 and $510,401 in Q1, 2015 were amounts of $51,675 and $100,583, respectively, relating to the write-off of the Company's Sam and Comeback Bay Properties.

The following table provides a breakdown of the expenses that contributed to the quarterly net losses:

	Q3, 2015	Q2, 2015	Q1, 2015	Q4, 2014
	$	$	$	$
Share-based payments expense	20,193	19,978	57,481	31,290
Salaries and benefits	132,112	166,550	166,139	161,711
Other expenses	157,825	224,667	189,307	203,449
Total expenses for the period	310,130	411,195	412,927	396,450

	Q3, 2014	Q2, 2014	Q1, 2014	Q5, 2013
	$	$	$	$
Share-based payments expense	45,702	42,077	113,929	63,627
Salaries and benefits	118,516	148,386	136,830	124,256
Other expenses	160,201	199,648	162,264	147,879
Total expenses for the period	324,419	390,111	413,023	335,762

Together, share-based payments expense and salaries and benefits comprised a significant portion (between 45% in Q2, 2015 and 61% in Q1, 2014) of the expenses which contributed to the net loss for each of the quarters from Q5, 2013 to Q3, 2015.

The share-based payments expense was the fair value of the stock options that vested in each respective quarter.

SUMMARY OF QUARTERLY RESULTS (continued)

Salaries and benefits in Q3, Q2 and Q1, 2015 included amounts of $20,000, $24,000 and $32,000, respectively, relating to compensation for the Company's Executive Chairman. Other expenses in Q3 and Q2, 2015 included amounts of $16,000 and $32,000, respectively, for directors' fees (see '*Financial Condition*' above). Salaries and benefits in Q4, 2014 included bonuses of $37,143 which were approved by the Company's Board of Directors and paid out to the Company's executive officers.

Other expenses included items such as amortization, directors' fees, investor relations costs, office and administration, professional fees and travel and accommodation.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to determine the funds required to support the Company's operating requirements as well as its planned capital expenditures. The Company manages its financial resources to ensure that there is sufficient working capital to fund near term planned exploration work and operating expenditures. The Company has considerable discretion to reduce or increase plans or budgets depending on current or projected liquidity. When appropriate, the Company will seek joint venture partners in order to fund or share the funding of its exploration properties to minimize shareholder risk.

The Company does not currently own or have an interest in any producing mineral properties and does not derive any revenues from operations. Operational activities have been funded through private placements. At September 30, 2015, the Company had working capital of $1.4 million (December 31, 2014: $4.0 million). In Management's opinion, the Company's working capital is sufficient to cover the Company's budgeted exploration programs and short-term obligations to December 31, 2015.

The Company has no bank debt or banking credit facilities in place.

OFF-BALANCE SHEET ARRANGEMENTS

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

CONTRACTUAL OBLIGATIONS

The Company has the following contractual obligations relating to an office lease agreement:

2015	$ 27,399
2016	$ 27,399

RELATED PARTY TRANSACTIONS

Key Management compensation

Key Management personnel at the Company are the Directors and Officers of the Company.

The remuneration of key Management personnel during the three and nine month periods ended September 30 was as follows:

		Three months ended September 30,		Nine months ended September 30,	
		2015	2014	2015	2014
		$	$	$	$
Short-term benefits	1	185,163	184,537	605,302	553,665
Share-based payments	2	24,646	51,476	117,630	239,451
Deferred share units	3	36,000	-	124,000	-
Total		245,809	236,013	846,932	793,116

[1] Short-term benefits consisted exclusively of salaries, bonuses, health benefits and consulting fees for key Management personnel, some of which have been capitalized to exploration and evaluation assets.

[2] Share-based payments were non-cash items that consisted of the fair value of stock options and warrants that had been granted to key Management personnel, some of which have been capitalized to exploration and evaluation assets.

[3] Deferred share units consisted of DSUs awarded to key Management personnel some of which have been recorded as salaries and benefits and some as directors' fees.

a) During the nine months ended September 30, 2015, the Company charged a company that has two directors and two officers in common $9,000 (2014: $22,500) for administration expenses including office rent and office operating costs, the amount of which was netted against office and administration expenses in the condensed consolidated interim statement of loss and comprehensive loss.

b) During the nine months ended September 30, 2015, the Company was charged $29,429 (2014: $17,416) for office administrator services by a company that has two directors and two officers in common, the amount of which was included in professional fees in the condensed consolidated interim statement of loss and comprehensive loss. At September 30, 2015, accounts payable and accrued liabilities included an amount of $4,068 (December 31, 2014: $3,432) for these services.

c) During the nine months ended September 30, 2015, the Company charged a company that has two directors and two officers in common $19,128 (2014: $14,700) for CFO services, the amount of which was netted against salaries and benefits in the condensed consolidated interim statement of loss and comprehensive loss. At September 30, 2015, accounts receivable included an amount of $2,400 (December 31, 2014: $1,764) for these services.

RELATED PARTY TRANSACTIONS (continued)

d) During the nine months ended September 30, 2015, the Company was charged $8,776 (2014: $Nil) by the Executive Chairman for office rent, the amount of which was included in office and administration expenses in the condensed consolidated interim statement of loss and comprehensive loss.

e) At September 30, 2015, the Company owed a total of 671,953 DSUs (December 31, 2014: Nil) valued at $67,198 (December 31, 2014: $Nil) to key Management personnel, which is included in the condensed consolidated interim statement of financial position.

PROPOSED TRANSACTIONS

As of the date of this report, there were no proposed transactions.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Significant assumptions about the future and other sources of estimation uncertainty that Management has made that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by Management that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year and include, but are not limited to, the following:

Share-based payments

The fair value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by Management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Recovery of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include, but are not limited to, the following:

CRITICAL ACCOUNTING POLICIES AND ESTIMATES (continued)

Impairment

The assessment of any impairment of plant and equipment and exploration and evaluation assets is dependent upon estimates of recoverable amounts that take into account factors such as reserves, economic and market conditions and the useful lives of assets. Judgment is required in assessing the appropriate level of cash generating units to be tested for such impairment.

Decommissioning liabilities

In the event that decommissioning liabilities are required to be recognized, such liabilities would be stated at the fair value of estimated future costs. Such estimates require extensive judgment about the nature, cost and timing of the work to be completed, and may change with future changes to costs, environmental laws and regulations and remediation practices.

A detailed summary of all of the Company's significant accounting policies is included in Note 3 to the consolidated financial statements for the year ended December 31, 2014.

FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks which are discussed in detail in Note 9 of the Company's September 30, 2015 condensed consolidated interim financial statements.

OTHER MD&A REQUIREMENTS

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

General and administration expenses for the nine month periods ended September 30 were as follows:

	2015	2014
	$	$
Depreciation	82,888	100,073
Directors' fees	48,000	-
Investor relations	158,541	115,535
Office and administration	173,348	164,337
Professional fees	73,931	90,152
Salaries and benefits	464,801	403,732
Share-based payments expense	97,652	201,708
Transfer agent, regulatory and filing fees	32,070	33,746
Travel and accomodation	3,021	18,270
	1,134,252	1,127,553

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value.

As at the date of this report, there were 90,773,922 common shares issued and outstanding.

As at the date of this report, there were 7,825,000 stock options and 2,000,000 share purchase warrants outstanding.

RISKS AND UNCERTAINTIES

The principal risk faced in the advanced exploration stage is the ability to raise the funds required to further assess the viability of a mineral deposit. This phase requires high expenditures to determine if a deposit may be profitable to mine. The Company does not operate any producing properties and as such, is dependent on the ability to raise funds. Although the Company believes it has sufficient access to financial markets to support its intended work plan, failure to do so would result in future work being suspended.

As of the date of this report, the Company believes it has sufficient funds on hand to meet its financial obligations to December 31, 2015. Financial assets and liabilities consist of cash and cash equivalents, accounts receivable, investments and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial assets and liabilities.

The Company's activities involve the application for permits from Provincial authorities and such activities are governed by various laws and regulations that cover the protection of the environment, land use, exploration, development, co-ordination of operations and infrastructure with third parties engaged in other activities on the lands, taxes, labour standards, occupational health, waste disposal, safety and other matters. Environmental legislation in Canada provides restrictions and prohibitions on spills and various substances produced in association with certain exploration activities which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of activities require the submission and approval of environmental impact statements. Environmental legislation is evolving in a direction of higher standards and enforcement, and higher fines and penalties for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of future operations.

The Company believes that it is in compliance with all material laws and regulations which currently apply to its activities. There can be no absolute assurance, however, that all permits which the Company may require for exploration activities and land use will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations will not have an adverse effect on any exploration projects that the Company may undertake.

RISKS AND UNCERTAINTIES (continued)

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations within the Company will be subject to all the hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in work stoppages, damage to property, and possible environmental damage. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruption, impaired access to site, legal or regulatory changes, flooding, explosions, cave-ins, landslides, weather conditions and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in extraction operations and the conduct of exploration programs. The Company's exploration activities will be subject to the availability of third party contractors and equipment. There are also physical risks to the exploration personnel. If any of the Company's properties are found to have commercial quantities of mineralization, the Company could be subject to additional risks respecting any development and production activities.

All of the properties in which the Company has an interest are in the exploration stage and are currently without reserves. Development of these mineral properties will only follow upon obtaining satisfactory exploration results, receipt of positive engineering studies, access to adequate funding, community support and all necessary permits, licenses and approvals. Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and the infrastructure at any site chosen for mining. There is no assurance that these mineral exploration and development activities will result in any discoveries of commercial mineral deposits. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors beyond the Company's control.

Factors beyond the control of the Company may affect the market price of minerals produced and the marketability of any ore or minerals discovered at and extracted from the Company's properties. Metal prices are subject to significant fluctuation and are affected by numerous factors beyond the Company's control including international economic, financial and political events, global or regional supply and demand patterns and speculative activities. The effect of these factors on the Company's operations cannot accurately be predicted.