RED PINE EXPLORATION INC.

Management's Discussion and Analysis
For The Three-Month Period Ended October 31,2015

GENERAL

This Management's Discussion and Analysis ("MD&A") of Red Pine Exploration Inc. (the "Company" or "Red Pine") is intended to help the reader understand Red Pine's operational results**,** financial condition and future prospects. This MD&A is intended to supplement and should be read in conjunction with the Audited Financial Statements and the notes thereto for the years ended July 31, 2015 and 2014, which were prepared in accordance with International Financial Reporting Standards ("**IFRS**").

All amounts presented in this MD&A are in Canadian dollars unless otherwise indicated. Additional information relating to the Company is available on SEDAR at www.sedar.com and on the Company's website at www.redpineexp.com.

This MD&A is prepared as of December 15, 2015 and was approved by the Board of Directors on December 15, 2015.

CAUTIONARY STATEMENT ON FORWARD LOOKING STATEMENTS

Readers are cautioned not to place undue reliance on forward looking statements contained within this document, which speak only to the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties noted within this MD&A, actual events may differ materially from stated expectations.

This MD&A contains forward looking statements, including statements relating to going concern and capital raising and capital requirements, that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated. Factors that could cause such differences include: changes in world commodity markets, changes in equity markets, changes in costs and supply of materials relevant to the exploration and mining industry, change in governments, changes to government mining another regulations as well as numerous other risk factors. Although the Company believes expectations reflected in its forward looking statements are reasonable, results may vary, and the Company cannot guarantee future results, levels of activity, performance or achievements.

NATURE OF ACTIVITIES

The Company is incorporated under the laws of Ontario and is involved primarily in the identification, acquisition and exploration of gold projects located in northern Ontario. The objectives of the Company are to (i) enhance its geological knowledge of its exploration projects (ii) develop targets on its properties for future sampling and drilling programs; and (iii) target, review and, if desirable, acquire and develop additional mineral properties it considers prospective in order to augment and strengthen its current mineral property portfolio.

Risk factors to be considered in connection with the Company's objectives include the risk that exploration activities may not result in the discovery of minerals or the definition of mineral resources or reserves, that significant expenses could be required to locate and define mineral reserves, and that environmental, land title and financial issues may prevent the eventual development of mineral reserves. See the ***Risks and Uncertainties*** section of this MD&A for additional disclosures.

EXPLORATION PROJECTS

Quentin Yarie, P.Geo, the Company's President and Chief Executive Officer is the Qualified Person, as defined by NI 43-101, who has reviewed and approved the technical information disclosed in this MD&A.

The Company has interests in the following exploration projects: Wawa Gold, Cayenne, Costello, Mt. Logano, Algoma-Talisman, Mortimer, Moffatt, Ava-Claire, Edwards and Kipiwa.

Wawa Gold Property

The Wawa Gold Property consists of four contiguous mining claim groups totalling 5,338 hectares located approximately 2 kilometres southeast of the Town of Wawa in Northern Ontario.

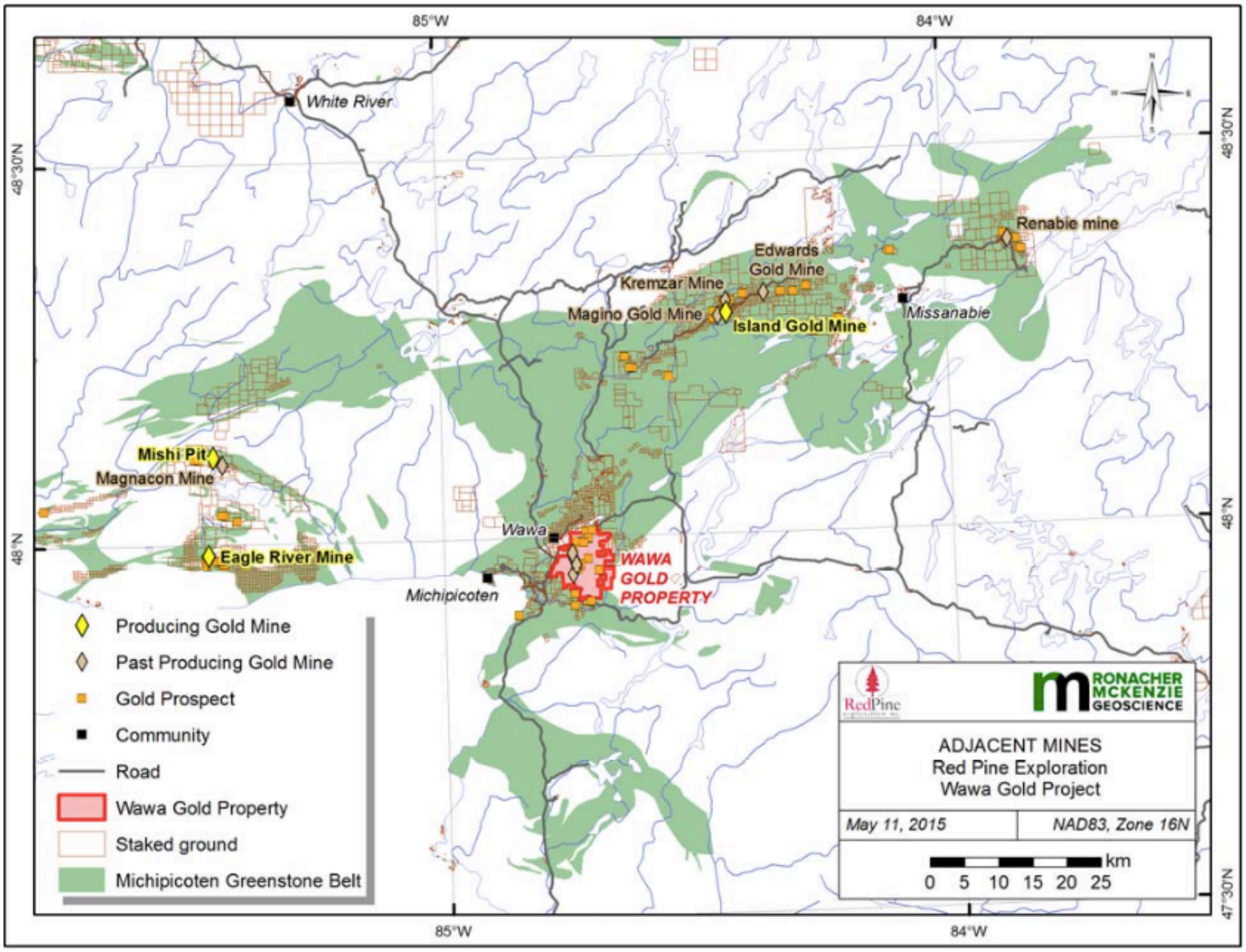

Figure 1 – Map showing the locations of adjacent mines and exploration projects

The Wawa property includes gold mineralization in the Surluga gold deposit, a Precambrian-age structurally complex gold deposit hosted in the Michipicoten greenstone belt. The gold mineralization occurs in quartz veins and silica-altered fractures associated with shear zones, with the Jubilee shear zone representing the primary structure. From the early 1900s until 1991, numerous small underground mines have extracted approximately 500,000 tonnes of gold mineralization at an average grade of 8.9 grams of gold per tonne (g/t gold).

Subsequent to the year-end, the Company met the conditions to earn a 30% interest in the underlying joint venture (the "Wawa Gold JV"), which is also owned 30% by Augustine Ventures Inc. ("Augustine") and 40% by Citabar Limited Partnership ("Citabar"). On December 11, 2014, the Company entered into an assignment and assumption agreement with Augustine and with Citabar pursuant to which the parties agreed to amend their Property Option

Agreement dated April 16, 2009, to allow the Company to earn up to a 45% interest in the Wawa Gold JV under the following terms:

a) The Company was required to incur $2.1 million in eligible exploration expenditures by September 30, 2015 in order to earn a 30% interest.

b) Upon earning the 30% interest, the Company became the Manager under the terms of the joint venture agreement. Which constitutes part of the Option Agreement, as amended by the Assumption Agreement.

c) The Company has the right to earn one-half of an additional 15% interest (or 7.5%) in the Wawa Gold Project by incurring a further $2.0 million in eligible exploration expenditures by June 30, 2016, so long as a total of $4.0 million is spent in the aggregate by the Company and Augustine, which could be increased up to the entire 15% interest if all such additional $4.0 million is incurred by Red Pine.

d) The Company also has the right to earn a pro rata interest in Augustine's existing interests in all mineral properties acquired by Augustine, including any future acquisitions, within an area of influence defined as a 2 kilometre radius from the perimeter of the Wawa Gold Project by satisfying certain criteria.

An updated NI 43-101 Technical Report was received on June 5, 2015 resulting in an inferred resource estimate for the Surluga deposit of 1.088 million oz Au at grade of 1.71 grams per tonne within 19.824 million tonnes using an average 0.5 g/t gold cut off grade:

Table 1. Mineral Resource Statement* for the Surluga-Jubilee Gold Deposit, Wawa Gold Project, Ontario

Resource Category	**Cut-off Gold (g/t)**	**Quantity (‘000 t)**	**Grade Gold (g/t)**	**Contained Metal Gold (‘000 oz)**
Inferred**				
Pit-Constrained	0.40	10,239	2.05	676
Outside Pit-Constrained	0.40	8,630	1.07	298
Underground	2.50	955	3.73	114
Total	**0.50**	**19,824**	**1.71**	**1,088**

* Mineral resources are not mineral reserves and have not demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate. Composites have been capped where appropriate.

** Open pit mineral resources are reported at a cut-off grade of 0.40 g/t gold in relation with a conceptual pit shell constructed by SRK. Underground mineral resources include classified modelled blocks below the conceptual pit shell and above a cut-off grade of 2.50 g/t gold. Cut-off grades are based on a gold price of US$1,250 per once and a gold recovery of 95 percent.

The Technical Report was prepared by Ronacher McKenzie Geoscience in collaboration with SRK Consulting (Canada) Inc. The mineral resource estimate has an effective date of May 26, 2015 and is based on the exploration database up to January 19, 2015 consisting of 2,007 historical boreholes totalling 126,067 meters and 26 boreholes drilled by the Company during 2014 and 2015 totalling 5,594 meters that were designed to verify and validate parts of the historical data and the position of underground excavations. The complete Technical Report is available on SEDAR and on the Company website.

The Company is encouraged by the exploration results and intends to pursue further exploration activities on the property.

Cayenne Property

The Company holds a 100% undivided interest in 21 contiguous claims and 4 patented claims encompassing approximately 4,096 hectares located in Heenan and Benton Townships. The Cayenne Property has been subject to two major tectonic events: the first, generating north-south trending folds and the second generating east-west folding. These have been interpreted as the western extension from the Larder-Cadillac deformation zone and the second a western extension from the Porcupine-Destor deformation zone to the north. In 2006, a fold nose was discovered 500 metres west of Jefferson deposit. The deposit consists of massive sulphides enriched in zinc and lead over 150 metres strike and 30 metres depth.

Glencore Xstrata plc ("Glencore"), the previous owner of the property, holds a 1.5% net smelter return royalty ("NSR") after recovery of all exploration costs incurred on the property by the Company, as well as a onetime buy back right (the "Buy Back Right"), on a portion of the property that was originally optioned from Falconbridge Limited in 2005 (the "Falconbridge Claims") plus a one-kilometer area of influence around the Falconbridge claims.

The Buy Back Right consists of the following:

- Base Metal Deposit: Should the Company discover a potentially exploitable base metal deposit with indicated resources (as defined in NI 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101")) of no less than 200,000 tonnes of contained copper equivalent, Glencore shall have a onetime right to back-in to re-acquire a 50% interest in the discovery by incurring expenditures over a three year period on the discovery equal to two and a half times those expenditures incurred by the Company prior to Glencore's election. Glencore shall be the operator during the back-in period.
- Nickel Deposit: Should the Company discover a potentially exploitable base metal deposit with an indicated resource (as defined in NI 43-101) of no less than 75,000 tonnes of contained copper equivalent, Glencore shall have a onetime right to re-acquire a 50% interest in the discovery by incurring expenditures over a three year period on the discovery equal to two and a half times those expenditures incurred by the Company prior to Glencore's election. Glencore shall be the operator during this period.
- Gold Deposit: Should the Company discover a potentially exploitable base metal deposit with an indicated resource (as defined in NI 43-101) of 2.0 million ounces or greater, Glencore shall have a onetime right to re-acquire a 50% interest in the discovery by paying the Company $6.0 million and a sum equal to twice the Company's aggregate expenditures on the discovery. Glencore shall be the operator during this period.

On December 1, 2013, the Company signed an exploration agreement with the Flying Post First Nation ("FPFN") that permits the Company to undertake exploration activities within the respective band's traditional and customary lands. The terms of the agreement are summarized below. As at July 31, 2015, the Company has completed the preliminary exploration program phase 1.

- If the Company proceeds with a Preliminary Exploration Program Phase 1:
  - The Company will issue on a one-time basis 10,000 common shares and 20,000 common share purchase warrants within 15 days of, and subject to approval of the TSX Venture Exchange ("TSXV") exchange, the execution of this agreement (issued). Each share purchase warrant will entitle the holder to purchase one non flow through share of the Company at an exercise price of the greater of $0.25 per share or the closing stock price on the day of approval by the TSXV exchange. The term of the share purchase warrants is five years from the date of issue.
  - The Company will also contribute a one-time lump sum payment of $5,000 to the Community Fund of FPFN (paid).

- If the Company proceeds with a Preliminary Exploration Program Phase 2:
  - The Company will issue on a one-time basis 10,000 common shares and 20,000 common share purchase warrants within 15 days of, and subject to approval of the TSXV, the execution of this agreement. Each share purchase warrant will entitle the holder to purchase one non flow through share of the Company at an exercise price of the greater of $0.25 per share or the closing stock price on the day of approval by the TSXV. The term of the share purchase warrants is five years from the date of issue.
  - The Company will also contribute a one-time lump sum payment of $5,000 to the Community Fund of FPFN.

- If the Company proceeds with Exploration Programs After Phase 1 and 2:
  - The Company will issue on a one-time basis 50,000 common shares and 100,000 common share purchase warrants within 15 days of, and subject to approval of the TSXV, the execution of this agreement. Each share purchase warrant will entitle the holder to purchase one non flow through share of the Company at an exercise price of the greater of $0.25 per share or the closing stock

price on the day of approval by the TSXV. The term of the share purchase warrants is five years from the date of issue.

- The Company will also contribute a one-time lump sum payment of $5,000 to the Community Fund of FPFN.
- The Company will pay 2% of all Assessment eligible Exploration Program costs incurred specifically on the project area after this agreement takes effect, to a maximum of $50,000 per agreement year. This amount is exclusive of the one time lump sum payments of $15,000 in aggregate and negotiation costs associated with transacting any future agreements entered into.
- The FPFN shall appoint an elders committee, which will be engaged for the purpose of consultation and advice. The Company will provide up to $10,000 per year to the Elders Committee as an honorarium fee for travel.

Costello Property

The Company holds a 100% undivided right, title, and interest in 8 claim units totaling approximately 1.5 square kilometres in the Bristol Township of the Porcupine Mining Division of Northern Ontario. The previous owner retains a 3% NSR on gold and a 2% NSR on all other minerals. The Costello property is located along the Bristol fault, a splay of the Destor Porcupine Deformation Corridor immediately to the east of the Timmins Mine.

Mt. Logano Property

The Company holds a 100% undivided interest in approximately 16 claims covering 26 square kilometres units located in the Whitney, Shaw, Carman and Cody townships, Porcupine Mining Division, Ontario near Timmins, Ontario. The claims are subject to a 3% NSR for gold and a 2% NSR for other minerals mined in the Mt. Logano Property. The Company has the right at any time to buy back 50% of the NSR (or 1.50% NSR for gold and 1.00% NSR for all other minerals) for the sum of $3,000,000.

Algoma-Talisman Property

The Company has a 100% interest in patented land package covering approximately 65 square kilometres of fee simple patented mineral rights in Coppell and Newton Townships located approximately 110 km southwest of Timmins, Ontario.

Mortimer Property

The Company has a 100% interest in 14 unpatented mining claims covering approximately 2.3 square kilometres in the Dore Township approximately 110 km southwest of Timmins, Ontario.
The previous owners retain NSRs ranging between 0.2% and 2% on certain claims and the Company has the option to purchase a portion of these NSRs for various cash payments as specified in the original purchase agreements.

Moffatt Property

The Company has a 100% interest in a claims block covering 17.8 square kilometres located approximately 10 km northwest of Atikokan, Ontario.

Ava-Claire Net Smelter Royalty

The Company retains a 1.5% Net Smelter Return ("NSR") on approximately 75 square kilometres of claims 20 km east of Goldcorp's Borden Gold project near Chapleau, Ontario. The underlying property package was sold to Probe Mines Ltd. in November 2012.

Edwards Net Smelter Royalty

The Company retains a 2% NSR on the a property consisting of 43 claims in the Wawa area of Ontario owned by Richmont Mines Inc., which has the right to repurchase the NSR for $1,500,000.

Kipawa Silica Property

The Kipawa property consists of 68 claims totalling 4.012 hectares in the Gendreau, Campeau and Reclus townships of Quebec located approximately 15 kilometres east of Temiscaming. On October 22, 2014, the Company signed a Property Purchase Agreement (the "PPA") with Fiducie Ananke (the "Vendor") to acquire 100% of its Kipawa Silica Property (the "Kipawa Property"). The PPA was subsequently amended on April 8, 2015 whereby the Company issued 1,600,000 common shares valued at $240,000 and granted a 1% Net Smelter Return ("NSR") that can be fully repurchased by the Company for $500,000. The vendor was also entitled to receive the following additional common shares if the Company completes certain financings by October 31, 2015:

a) 800,000 additional shares if $1,500,000 (including a minimum of $100,000 non-flow-through dollars) was raised by June 15, 2015.
b) 400,000 additional shares if $5,000,000 (including a minimum of $300,000 non-flow-through dollars) was raised by October 31, 2015.

During the period, the Company completed a financing that did not satisfy the preceding conditions for the issuance of additional shares to the vendor.

RESULTS OF OPERATIONS

Three-month period ended October 31, 2015

The Company incurred a comprehensive loss of $580,297 for the three-month period ended October 31, 2015 compared to $285,463 for the prior comparative period. The Company incurred exploration expenditures of $409,896 for the three-month period ended July 31, 2015 compared to $186,126 for the prior comparative period.

	Three months ended October 31		Increase
	2015	2014	(Decrease)
Revenue	$ -	$ -	$ -
Exploration and Evaluation Expenditures	409,896	186,126	223,770
Payroll and Professional Fees	19,065	46,938	(9,958)
Share-based Compensation	98,910	-	98,910
General and Administrative	26,919	32,350	6,147
Management and Office Facilities	22,135	18,157	(20,341)
Amortization	2,398	1,892	506
Total Expenditures	**590,902**	**285,463**	**299,034**
Other Income	4,200	-	4,200
Net loss and Comprehensive Loss	**$(586,702)**	**$(285,463)**	**$(294,834)**

Exploration activities were primarily related to the Wawa Gold project and consisted of drilling, surveys, surface exploration and costs related to the Technical Report. During the period ended October 31, 2015, the Company incurred the following exploration expenditures on its principal exploration properties:

	July 31, 2014 Balance	2015 Expenditures	July 31, 2015 Balance	Q1 2016 Expenditures	July 31, 2015 Balance
Wawa Gold Property	$ -	$ 1,757,367	$ 1,757,367	$ 409,896	$ 2,167,263
Kipawa Property	-	240,000	240,000	-	240,000
Cayenne Property	6,034,643	93,089	6,127,732	-	6,127,732
Algoma-Talisman	3,531,319	25,910	3,557,229	-	3,557,229
Mortimer Property	883,475	-	883,475	-	883,475
Other Properties	3,685,519	3,158	3,688,677	-	3,688,677
	$ 14,134,956	$ 2,119,524	$ 16,254,480	$ 409,896	$ 16,664,376

Selected Financial Information

The following tables set out financial performance highlights for the last eight quarters:

	Quarter ending October 31, 2015	Quarter ending July 31, 2015	Quarter ending April 30, 2015	Quarter ending January 31, 2015
Net loss from operations	(586,702)	$ (223,844)	$ (1,597,601)	$ (595,650)
Interest income	Nil	Nil	Nil	Nil
Future income taxes recovered	Nil	Nil	Nil	Nil
Net loss	(586,702)	(223,844)	(1,597,601)	(595,650)
Net loss per share, basic	(0.01)	(0.01)	(0.03)	(0.01)
Comprehensive gain	Nil	Nil	Nil	Nil
Cash flow used in operations	(431,769)	(312,842)	(812,630)	(669,501)
Cash, end of period	149,506	115,229	95,898	913,028
Assets	406,785	289,110	351,400	1,173,994
Future tax liabilities	Nil	Nil	Nil	Nil

	Quarter ending October 31, 2014	Quarter ending July 31, 2014	Quarter ending April 30, 2014	Quarter ending January 31, 2014
Net loss from operations	$ (285,463)	$ (795,799)	$ (562,765)	$ (874,465)
Interest income	Nil	Nil	Nil	Nil
Future income taxes recovered	Nil	Nil	Nil	Nil
Net loss	(285,463)	(795,799)	(562,765)	(874,465)
Net loss per share, basic	(0.01)	(0.00)	(0.00)	(0.00)
Comprehensive gain	Nil	9,750	Nil	(7,500)
Cash flow used in operations	(349,951)	(718,478)	(939,174)	(559,058)
Cash, end of period	1,582,529	1,932,480	97,059	1,036,233
Assets	1,790,293	2,108,464	291,842	1,118,905
Future tax liabilities	Nil	Nil	Nil	Nil

OUTSTANDING SHARES, WARRANTS AND OPTIONS

The following are the outstanding balances as at July 31, 2015, October 31, 2015 and as at the date of this MD&A:

	As at July 31, 2015	As at October 31, 2015	As at December 15,2015
Common Shares	54,320,971	69,237,343	69,237,343
Warrants	16,369,202	24,698,370	24,698,370
Options	4,326,000	6,386,000	6,386,000
Total	**75,016,173**	**100,321,713**	**100,321,713**

Three-month period ended October 31, 2015

- During the period, the Company closed the final tranches of its non-brokered financing for gross proceeds of $745,818 through the issuance of 14,916,372 flow-through units at a price of $0.05 per unit. In connection with the subsequent closing, the Company paid $64,549 cash commission and issued 870,982 non-transferable compensation warrants entitling the holder to acquire one common share for a price of $0.05 per share with an expiry date of three years from date of issuance. Each flow-through unit consists of one flow-through share and one-half of one common share purchase warrant. Each common share unit consists of one common share and one whole warrant. Each whole warrant is exercisable for one common share at a price of $0.10 per share for a period of three years from the date of issue.

- During the period, the Company granted 2,100,000 stock options at an exercise price of $0.055 per share exercisable for a period of 5 years from date of issue.

LIQUIDITY AND CAPITAL RESOURCES

There were no changes in the Company's approach to liquidity and capital management during the period. The Company ended the period with a working capital deficiency of $224,975. The following are the outstanding balances as at July 31, 2015, October 31, 2015 and as at the date of this MD&A:

	As at October 31, 2015	As at July 31, 2015
Cash and Equivalents	$ 149,506	$ 115,229
Current Assets	394,340	274,267
Current Liabilities	619,315	682,582
Working Capital Surplus (Deficiency)	(224,975)	(408,315)

At present, the Company has no operations that generate cash flow and its financial success is dependent on management's ability to discover economically viable mineral deposits, arrange required funding through future equity issuances, asset sales or a combination thereof. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

It is expected that the current cash position will be sufficient to fund the Company's needs for the next twelve months. If the Company's exploration programs are successful, additional funds will be required to develop the Company's properties and, if successful, to place them in commercial production.

The Company's operations to date have been financed by issuing common shares. The Company's capability to continue as a going concern is dependent upon its ability to obtain additional debt or equity financing to meet its obligations as they come due. If the Company was to become unable to continue as a going concern, then significant adjustments would be required to the carrying value of assets and liabilities, and to the balance sheet classifications currently used. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit its interests in some or all of its properties and reduce or terminate its operations.

The Company expects to obtain financing in the future primarily through further equity financings. The Company relies on equity financings and the exercise of options and warrants to fund its exploration activities and its corporate and overhead expenses. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities.

There is no guarantee that the Company will be able to secure additional financings in the future at terms that are favourable. To date, the Company has not used debt or other means of financing to further its exploration programs, and the Company has no plans to use debt financing at the present time.

In managing its capital, the Company's primary objective is to ensure the entity can continue as a going concern as well as to provide optimal returns to its shareholders, in the long term. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of properties for the mining of minerals that are economically recoverable. The Board of Directors does not establish quantitative returns on capital criteria for management due to the nature of the industry, but rather relies on the expertise of the Company's management to sustain future development of the business.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by initiating a cost control program that minimizes discretionary disbursements and reduces exploration expenditures that are deemed of limited strategic value. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the Company's relative size, is reasonable.

The Company is not subject to externally imposed capital requirements.

RELATED-PARTY TRANSACTIONS

Related parties include the members of the Board of Directors and certain key management as well as companies controlled by these individuals.

The following transactions with related parties occurred during the three-month period ended October 31, 2015:

a) During the period, a corporation under common control provided exploration services totalling $126,045 (2014 - $15,000) that was recorded in evaluation expenditures.
b) During the period, key management compensation included $25,295 (2014 - $19,500) that was recorded as exploration expenditures and $Nil (2014 - $17,250) that was recorded in payroll and professional fees.
c) During the period ended October 31, 2015, key management and directors received 900,000 options valued at $42,390 (2014 – Nil valued at $Nil) that was recorded in stock-based compensation.
d) As at October 31, 2015, accounts receivable from related parties totalled $nil (2014 - $30,000) and accounts payable to related parties totalled $92,038 (2014 - $nil).

OFF BALANCE SHEET TRANSACTIONS

During the period ended October 31, 2015, there were no off-balance sheet transactions. The Company has not entered into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The Company has contractual obligations related to the annual lease for its premises until August 2019 totalling $104,808 as at October 31, 2015.

The Company has contractual obligations to subscribers of flow-through equity financings whereby as at October 31, 2015 the Company was required to incur the following Canadian exploration expenditures (CEE's), as defined in the Income Tax Act, prior to the following calendar year-ends:

CEE Commitments	Amount ($)	Spent ($)	Remaining ($)
December 31, 2015	2,283,545	2,283,545	-
December 31, 2016	875,789	226,146	609,643

The Company is a party to a management contract. This contract contains clauses requiring that $48,000 could be paid upon a change of control of the Company. As the likelihood of this event taking place is not determinable, the contingent payment has not been reflected in these financial statements.

DIVIDENDS

The Corporation has neither declared nor paid any dividends on its Common Shares. The Corporation intends to retain its earnings, if any, to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Mineral properties and deferred exploration expenditures

The Company is in the exploration stage with respect to its investment in mineral properties. As a result of the transition to IFRS, the Company has adopted the policy of expensing all mineral exploration expenditures to the statement of operations until such time as a proven mineral reserve is indicated and extraction is feasible.

Use of estimates

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

Share-based compensation
The share option plan allows the Company's employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Fair Value
The Company has designated its cash as held-for-trading. Accounts receivable is classified for accounting purposes as loans and receivables, which are measure at amortized costs, which equals fair value. Accounts payable and accrued liabilities and due to related party are classified for accounting purposes as other financial liabilities, which are measured at amortized cost, which also equal fair value. The fair values of the Company's cash, accounts receivable, accounts payable and due to related party approximate their carrying values because of the short-term nature of these instruments. The Company's investment in marketable securities is classified within Level 2 of the fair value hierarchy. Marketable securities include shares held in a Company traded on the TSX Venture Exchange. Management has determined that, due to low daily volume, the Company would not be able to dispose of the shares at the listed trading price and is therefore carrying the shares at a discounted fair value.

RISKS AND UNCERTAINTIES

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and development of mining properties. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. If any of the following risks actually occur, the Company's business, financial condition and operating results could be adversely affected.

Management
The success of the operations and activities of the Company is dependent to a significant extent on the efforts and abilities of its management, outside contractors, experts and other advisors. Investors must be willing to rely to a significant degree on management's discretion and judgement, as well as the expertise and competence of the outside contractors, experts and other advisors. The Company does not have a formal program in place for succession of management and training of management. The loss of one or more of the key employees or contractors, if not replaced on a timely basis, could adversely affect the Company operations and financial performance.

Credit risk
The Company deposits cash with financial institutions it believes to be creditworthy. In some circumstances, cash balances at these financial institutions may exceed the federally guaranteed amount. The Company's current credit risk is primarily attributable to cash and accounts recoverable. Cash is held with a reputable, Tier A Canadian chartered bank and as such, management believes the risk of loss to be minimal. Accounts receivable is due from the federal government of Canada. Management believes that the credit risk with respect to financial instruments included in HST recoverable is minimal and remote.

Liquidity risk

The Company's ability to remain liquid over the long term depends on its ability to obtain financing necessary to complete exploration and development of its mineral properties and their future profitable production or, alternatively, upon the Corporation's ability to dispose of its interest on an advantageous basis.

Currency risk
The Company has no foreign currency denominated assets or liabilities. Major purchases are transacted in Canadian dollars and therefore the Company has no material foreign currency exposure at July 31, 2015.

Interest rate risk
The Company's cash balance is subject to changes in interest rates. Interest rate risk is minimal.

Equity price risk
Market risk arises from the possibility that changes in market prices will affect the value of financial instruments of the Company. Except for marketable securities, the Company's other financial instruments (cash, accounts receivable, accounts payable and accrued liabilities and due to related party) are not subject to price risk.

Commodity price risk
The Company is exposed to price risk with respect to gold and other commodity prices, such prices impacting the future economic feasibility of its exploration properties. The Company closely monitors gold and other commodity prices to determine the appropriate course of action to be taken by the Company.

Additional capital
The exploration activities of the Company may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and development of any of the Company's properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financings will be favourable to the Company. In addition, low commodity prices may affect the Company's ability to obtain financing.

Environmental and permitting
The Company's current or future operations, including development activities, are subject to environmental regulations, which may make operations not economically viable or prohibit them altogether. All aspects of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Acquisition
The Company uses its best judgment to acquire mining properties for exploration and development. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and development, or integrate such opportunity and their personnel with the Company. The Company cannot assure that it can complete any acquisition that it pursues or is currently pursuing, on favourable terms, or that any acquisition completed will ultimately benefit the Company.

Competition
The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than the Company. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospectus for mineral exploration in the future.

Political risk
All of the Company's properties are located in Canada. Accordingly, the Company is subject to risks normally associated with exploration for and development of mineral properties in Canada, which the Company believes to be low.

Business risk

There are numerous business risks involved in the mineral exploration industry. The Company may not own 100% of a mineral concession or joint venture. Similarly, any non-compliance with or non-satisfaction of the terms of the Option by the Company could affect its ability to exercise the Option and earn its interest in the mining concessions and assets relating to properties.

Surface Rights

Mining concessions may not include surface rights and there can be no assurance that the Company will be successful in negotiating long term surface rights access agreements in respect of the properties. Failure to obtain surface rights could have an adverse impact on the Company's future operations.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company has established procedures and internal control systems to ensure the timely and accurate preparation of financial, management and other reports. The Chief Executive Officer and Chief Financial Officer certify financial reports. Disclosure controls are in place to ensure all reporting meets statutory reporting requirements. The Company's management is responsible for establishing and maintaining adequate internal controls. These controls have been designed to provide reasonable, but not absolute, assurance with respect to the Company's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Internal controls, however well conceived, will provide only reasonable and not absolute assurance that the objectives of the internal controls over financial reporting will be met. It should not be expected that the disclosure and internal controls and procedures would prevent all errors or fraud.

Due to the small size of the Company's finance department, there are a limited number of personnel handling accounting and financial matters and as a result, there is a lack of segregation of duties. Management believes that it has designed sufficient compensating internal controls to mitigate these limitations, including dual signatories on all cheques. Additional internal controls include audit committee and senior management review and oversight.

The Company's certifying officers, the Chief Executive Officer and the Chief Financial Officer, have reviewed the effectiveness of the design and operation of the Company's disclosure controls and procedures as a whole. Based on their review, including a review of the compensating controls relating to the lack of segregation of duties noted above, they have concluded that the Company's internal controls and procedures, as defined in National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Filings of the Canadian Securities Regulators, were effective overall.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable, but not absolute, assurance that all material information is obtained, analyzed and reported to senior management on a timely basis in order for management to make reasonable decisions regarding public disclosure.

The Company's certifying officers, the Chief Executive Officer and the Chief Financial Officer, have reviewed the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on their review, they have concluded that the Company's disclosure controls and procedures, as defined in National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Filings of the Canadian Securities Regulators, were effective and provide reasonable assurance that information required to be disclosed in interim, annual and special filings are submitted under Canadian securities laws and are recorded, processed, summarized and reported in a timely fashion.