



## **SENATOR MINERALS INC.**

**#4 – 362 East 3<sup>rd</sup> Street, North Vancouver, BC V7L 1E9  
Tel: 604-990-1012 Fax: 604-990-1015  
SNR: TSX-V**

### **MANAGEMENT DISCUSSION & ANALYSIS For the Three and Nine Months Ended September 30, 2015 Date Prepared: November 27, 2015**

#### **General**

The following management, discussion and analysis ("MD&A") for Senator Minerals Inc. ("Senator" or the "Company") for the three and nine months ended September 30, 2015 should be read in conjunction with the Company's Consolidated Interim Financial Statements for the nine months ended September 30, 2015 and the Company's Audited Consolidated Financial Statements and accompanying notes for the year ended December 31, 2014. The Consolidated Interim Financial Statements together with the following MD&A are intended to provide readers with reasonable basis for assessing the financial performance of the Company.

All dollar figures presented are expressed in Canadian dollars unless otherwise noted. Financial statements and summary information derived therefrom are prepared in accordance with International Financial Reporting Standards ("IFRS").

#### **Forward Looking Information**

Information set forth in this MD&A may involve forward looking information under applicable securities laws. Forward looking information is information that relates to future, not past, events. In this context, forward looking information often addresses expected future business and financial performance, and often contains words such as "anticipate", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the future expenditures and capital needs of the Company and the future exploration on, and the development of, the Company's projects are forward looking information. By its nature, forward looking information involves known and unknown risks, uncertainties and other factors which may cause Senator's actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward looking information. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the potential for conflicts of interest among certain officers, directors, promoters with certain other projects; the absence of dividends; competition; dilution; the volatility of the Company's common share price and volume and the additional risks identified in the "Risk Factors" section of this MD&A, and other reports and filings with applicable Canadian securities regulations.

Forward looking information is in addition based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long term price of commodities; that the Company can access financing, appropriate equipment and sufficient labor and that the political environment will continue to support the development and operation of mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward looking information. Accordingly, readers are advised not to

place undue reliance on forward looking statements. Forward looking information is made based on management's beliefs, estimates and opinions on the date that information is given and the Company does not intend to update forward looking statements or information, except as may be required by applicable law.

### **Description of Business and Overview**

The Company was incorporated in the Province of Ontario and continued into the Province of British Columbia, is listed on the TSX Venture Exchange (symbol: "SNR"), and has its principal, registered and records office at 1600 – 609 Granville Street, Vancouver, B.C. V7Y 1C3.

The Company is in the business of acquiring, exploring and evaluating mineral resource properties, and either joint venturing or exploring and evaluation these properties further or disposing of them when the evaluation is completed.

### **Material Events/Transactions since December 31, 2014**

On August 24, 2015, the Company entered into an agreement with an arm's-length vendor to acquire a 100% interest in the Pardoe Lake uranium project. The project is located in the Wollaston Domain of Northern Saskatchewan, approximately 30 kilometers southeast of the Athabasca Basin. Under the terms of the agreement, the Company can earn a 100% interest in the project by paying \$7,500 (paid) to the vendor within 30 calendar days upon signing, with an additional \$22,500 due in 24 months.

On August 27, 2015, the Company announced that it has completed the sale of its wholly-owned subsidiary, Senator Minerals US Inc., to an arm's length buyer for total consideration of \$50,863, consisting of \$10,000 cash and forgiveness of \$40,863 in debt incurred to keep the subsidiary and its assets in good standing.

On September 25, 2015, the Company completed a split of its common share capital on a 3-to-1 basis. Shareholders of the Company are entitled to receive an additional two common shares of the Company for every one share they presently hold.

Additional information relating to the Company is available at [www.sedar.com](http://www.sedar.com).

### **Exploration and Evaluation Assets**

On January 13, 2014 the Company acquired an option to earn an undivided 100% interest in the Harbey Gold Project, British Columbia. The option can be earned by paying \$130,000 (paid upon signing the agreement) and completing \$3,500,000 in exploration expenditures within three years from the date of signing the agreement. A 1% net smelter royalty ("NSR") interest can be purchased at any time by the Company for a payment of \$1,500,000.

The Company's oldest exploration interest is its 100% interest in the Taurus property, a porphyry copper-molybdenum-gold deposit in the Tintina Gold Belt in southeastern Alaska, being part of the White Gold mineral trend centered in the Yukon. The Taurus property was the most significant property in Senator's portfolio in the mid-1990s, with substantial previous work by majors before Senator (known then as Cross Canada Resources). The property was lost but re-acquired on a 100% basis in 2004. Because of the perceived size and projected costs of exploration of Taurus the Company is weighing alternatives available to it, ranging from financing further work to enhance the value of the project to finding a major company to earn an interest in the property.

During exploration for gold on Ivanhoe Creek, one of Senator's optioned Nevada properties, a bentonite deposit of undetermined size was discovered. Consequently, seven placer claims were staked in order to

acquire the right to exploit this deposit in the event it proves economic. In April 2012, Senator sold its 50% interest in the IC Bentonite claims for a nominal \$100 and retained a 3% Production Royalty in the property. In an acquisition finalized and announced May 31, 2011, the Company acquired a 100% interest in the 20 claim Rosebud property, Mohave County, Arizona. A 100% interest in the property, net of a 3% Net Smelter Returns ("NSR"), was optioned to an arms-length private company, IDH Gold LLC ("IDH Gold"), on March 6, 2012 (Initial payment of \$15,000US (received)). The optionor was also required to make further option payments as follows: \$15,000US on March 6, 2013 (received); \$25,000US on March 6, 2014 (received); and \$75,000US on March 6, 2015 (not yet received to date). Lastly, IDH Gold has agreed to pay the Company up to \$210,000US in common shares of IDH Gold if and when it obtains a common share listing on a recognized Canadian or US stock exchange. IDH Gold may also repurchase up to one percentage point of the NSR for a series of payments, totaling \$110,000US up to the fourth anniversary (The payment of \$20,000US on the second anniversary can be made by paying either \$20,000US cash or \$40,000US worth of IDH Gold common shares within 3 days of IDH Gold being listed on an acceptable stock exchange.) of the Agreement or by paying \$900,000US at any time up to the date of first commercial production from the property.

Effective April 29, 2013, in consideration of the termination and cancellation of various service agreements, the Company assigned the rights to any future payments received from IDH Gold, in connection with this option agreement, to a former director.

Ownership of mineral property interests may involve certain risks due to difficulties in determining the validity of certain claims as well as the potential for problems arising from the ambiguous conveyancing history characteristic of some mineral properties. The Company had investigated ownership of the mineral properties in which it has an interest and, to the best of its knowledge, all properties are in good standing.

It is the Company's policy to expense exploration and evaluation expenditures as incurred.

## Financial Information

A summary of selected financial information for the most recent three fiscal years is as follows:

<i>(IFRS)</i>	2014 \$	2013 \$	2012 \$
Total revenue	-	60,000	104,514
Net and comprehensive loss	181,648	151,745	87,022
Net loss per share, basic and diluted	0.01	0.03	0.03
Total assets	3,888	142,420	28,671

## Overall Performance and Discussion of Operations

### Summary of Quarterly Results and Financial Position

Quarter ended	Sep-30 2015 \$	Jun-30 2015 \$	Mar-31 2015	Dec-31 2014 \$	Sep-30 2014 \$	Jun-30 2014 \$	Mar-31 2014 \$	Dec-31 2013 \$
General and administrative expenses	17,431	19,117	19,549	31,176	9,413	3,190	7,423	30,025
Net loss for the quarter	14,841	19,935	19,549	31,176	9,413	3,636	137,423	30,025
Loss per share, basic and diluted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total assets	5,792		5,384	3,888	5,858	7,887	1,775	142,420
Total liabilities	129,378	113,391	94,194	73,149	43,943	36,536	26,787	30,033

General and administrative expenses were substantially higher for the three and nine months ended September 30, 2015 when compared to the same period in 2014: \$17,434 and \$56,100 respectively versus \$9,413 and \$20,026. This is a direct result of an increase in management fees and filing and listing fees for the three and nine months ended September 30, 2015. The net and comprehensive loss for the three months ended September 30, 2015 was \$24,934 (\$0.00 per share). For the nine months ended September 30, 2015 the net loss was \$64,418 (\$0.00 per share).

Other items contributing to increased costs for the three months ended September 30, 2015 when compared to September 30, 2014 are discussed below:

- Filing and listing fees increased in the three months ended September 30, 2015, as compared to the same period in 2014. Filing and listing fees was \$8,949 in 2015 versus \$2,230 in the comparable 2014 period.
- Interest costs increased in the three months ended September 30, 2015, as compared to the same period in 2014, due to outstanding loans: Interest expense was \$2,156 in 2015 versus \$517 in the comparable 2014 period.
- Management fees increased in the three months ended September 30, 2015, as compared to the same period in 2014, due to changes in management: \$6,000 in 2015 versus \$3,000 in the comparable 2014 period.

## Liquidity and Capital Resources

### Liquidity

The consolidated interim financial statements have been prepared using International Financial Reporting Standards (“IFRS”) on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for a foreseeable future.

The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. While management is attempting to raise additional cash through private placements of common shares, alliances with other mineral exploration and mining entities, and/or other business and financial transactions, no definite proposals have been received to date. Management is closely monitoring the commodity prices of precious and base metals, individual equity movements and the stock markets to determine the appropriate course of action to be taken by the Company.

The consolidated interim financial statements do not include adjustments relating to the recoverability and reclassification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

The Company is in the process of exploring and evaluating its exploration and evaluation assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves and upon future production or proceeds from the disposition thereof.

	September 30, 2015	December 31, 2014
Working capital deficiency	\$ (123,586)	\$ (69,261)
Deficit	\$ (7,873,906)	\$ (7,819,581)

As of September 30, 2015, the Company had cash of \$3,958 (December 31, 2014 - \$2,262). Cash used in operating activities in first nine months of 2015 was \$46,104 compared to \$161,423 in 2014. No funds were raised or used in investing activities in either 2015 or 2014. The Company received loans totaling \$45,738 (September 30, 2014 - \$25,500) and accrued interest totaling \$2,062 (September 30, 2014 - \$Nil).

In future capital must be obtained from debt or equity financing. See "Risk Factors".

### **Loans Payable**

Loans payable in the amount of \$89,355 (December 31, 2014 - \$46,700) from arm's length parties are unsecured and bear interest at 10% per annum. The Loans will be repaid upon the completion of the Company's restructuring and the lenders have the option to be repaid in cash or shares of the Company. As of September 30, 2015, the Company has accrued \$6,494 (December 31, 2014 - \$1,348) in interest expense.

### **Share Capital**

As at September 30, 2015 the details of share capital were as

follows: Authorized:

Unlimited number of common shares without par value

Unlimited number of special shares issuable in series without par value

Common shares issued: 33,456,537 issued for cash \$7,423,151

On June 14, 2013, the Company's shares were consolidated on the basis of one new share for forty old shares as authorized by its shareholders at the Company's annual general and special meeting held on May 24, 2013. As a result of the share consolidation the number of common shares issued and outstanding was 1,152,179, taking into account rounding of fractional shares. All references to share and per share amounts have been retroactively restated to reflect the share consolidation.

On October 29, 2013 the Company closed the first tranche of a non-brokered private placement, which consisted of 8,000,000 units. On November 12, 2013 the Company closed the second tranche, which consisted of 2,000,000 units. The price of each unit was \$0.06 for aggregate gross proceeds of \$600,000. Each unit is comprised of one common share of the Company and one warrant exercisable to acquire a common share of the Company at \$0.08 per share for five years.

On September 25, 2015, the Company completed a split of its common share capital on a 3-to-1 basis. Shareholders of the Company are entitled to receive an additional two common shares of the Company for every one share they presently hold.

Warrants outstanding: Nil

Options outstanding: Nil

### **Related Party Transactions and Balances**

#### *Key Management Compensation*

Key management compensation for the nine months ended September 30, 2015 consisted of the following: management fees in the amount of \$24,000 (2014: \$9,000) paid to two companies controlled by directors of the Company.

### **Commitments**

Until March 31, 2013, the Company had an office and service agreement with a company controlled by a director and officer of the Company. The terms of the agreement required the Company to pay \$1,315 per month, with a time limitation tied to the term of the officer's tenure. The monthly payment included \$375 per month for administrative services which has been included in management fees.

Similarly, the Company had a management services agreement until March 31, 2013 with a company controlled by a director and officer of the Company. That agreement required the Company to pay \$10,000 per month, continuing for the duration of the officer's tenure, but was voluntarily modified to \$3,500 per month commencing September 2012.

Effective April 1, 2013, these two agreements for services were terminated and the director and officer resigned. In consideration for cancellation of these two agreements and the resignation, a company controlled by a director and officer of the Company and the officer ("the parties") are entitled to any cash received by the Company after April 1, 2013 from IDH Gold pursuant to its option of the Rosebud property (note 5). In addition, the parties are entitled to receive any IDH Gold common shares issued to the Company, pursuant to the IDH Gold "Special Warrants", in the event IDH Gold obtains a stock exchange listing, or \$US60,000 cash payable to the Company if IDH Gold does not obtain such a listing.

### **Critical Accounting Estimates**

The preparation of consolidated interim financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in the financial statements. The Company constantly evaluates these estimates and assumptions.

The Company bases its estimates and assumptions on the past experience and other factors that are deemed reasonable under the circumstances. This involves varying degrees of judgment and uncertainty, thus the amounts currently reported in the audited consolidated financial statements could prove to be inaccurate in the future.

### **Outlook**

In the next 6-12 months, depending on sufficient financing, the Company intends to concentrate on the acquisition of new assets to expand its project portfolio. The focus of these acquisition activities will be on properties with near-term resource potential. The ability of the Company to do so is contingent upon its ongoing ability to raise the capital necessary to acquire new assets. Management is concerned about the state of the economy and the lack of liquidity in the market of junior mineral exploration company shares. As mentioned elsewhere in this MD&A the Company is striving to find financing opportunities and alternatives. Despite the best efforts of the management there is no assurance that the Company will be successful in raising additional funds.

### **Accounting Policies**

For a complete summary of the Company's accounting policies and future accounting policies, see Note 2 to the consolidated interim financial statements of the Company for the nine months ended September 30, 2015.

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any if these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

#### *Adoption of new accounting standards*

The following standards, amendments and interpretations have been adopted by the Company as of January 1, 2013. There was no impact on the consolidated financial statements as a result of the adoption of these standards, amendments and interpretations.

- IFRS 10, Consolidated Financial Statements
- IFRS 11, Joint Arrangements
- IFRS 12, Disclosure of Interests in Other Entities
- IFRS 13, Fair Value Measurement
- IAS 28, Investments in Associates and Joint Ventures

*Accounting Standards Issued and Effective January 1, 2014:*

Amendments to IAS 32, *Financial Instruments: Presentation* provides for amendments relating to offsetting financial assets and financial liabilities.

*Accounting Standards Issued with the effective date to be finalized:*

IFRS 9 *Financial Instruments* replaces the current standards IAS 39 *Financial Instruments: Recognition and Measurement*, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized costs and fair value.

**Risk Factors**

The exploration of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not overcome. Certain of the more immediate factors are discussed as follows:

***Exploration, evaluation and development***

Mineral exploration, evaluation and development involve a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and evaluation activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that presently identified mineralization can be mined at a profit. Discovery of mineral deposits is dependent upon a number of factors and significantly influenced by the technical skill of the exploration personnel involved.

The commercial viability of a mineral deposits is also dependent upon a number of factors, some of which are beyond the Company's control such as commodity prices, exchange rates, government policies and regulations and environmental protection.

***Financing***

The Company does not currently have any operations generating cash to fund projected levels of exploration and evaluation activity and associated overhead costs. The Company is therefore dependent upon debt and equity financing to carry out its exploration and evaluation plans. There can be no assurance that such financing will be available to the Company. In the future, the Company will require additional funding to maintain its mineral properties in good standing. The lack of additional financing could result in delay or indefinite postponement of further exploration and possible, partial or total loss of the Company's interest in its exploration and evaluation assets.

***Commodity price volatility***

The market prices for commodities are volatile. The Company does not have any control over such prices or volatility. There is no assurance that if commercial quantities of mineralization are discovered, a profitable market will exist for a production decision to be made or for the ultimate sale of production at a profit. As the Company is currently not in production, no sensitivity analysis for price changes has been provided.

**Off Balance Sheet Arrangements**

The Company has no such arrangements at the date hereof.

**Financial Instruments**

The Company's financial instruments consist of cash, amounts receivable, trade and other payables, and loans payable. The fair value of the Company's amounts receivable, trade and other payables, and loans payable approximates their carrying value, due to their short-term maturities or ability of prompt liquidation.

For a complete summary of the Company's financial instrument risks see note 4 to the consolidated interim financial statements for the nine months ended September 30, 2015.

#### Approval

The board of directors of the Corporation has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.