

**ROCKEX MINING CORPORATION**  
(a development stage company)

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
of  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

For the nine-month period ended September 30, 2015

*This Management’s Discussion and Analysis (“MD&A”) should be read in conjunction with the unaudited condensed interim financial statements of Rockex Mining Corporation (“Rockex” or the “Corporation”) for the nine months ended September 30, 2015 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards (“IFRS”). This MD&A contains “forward-looking statements” that are subject to risk factors set out in a cautionary note contained herein. All figures are in Canadian dollars unless otherwise noted. This MD&A has been prepared as of November 10, 2015.*

## Table of Contents

1. Date .....	3
2. General .....	3
3. Nature of the Corporation’s Business .....	3
4. Recent Events .....	4
5. Outlook and Strategy .....	10
6. Mineral Properties .....	15
7. Results of Operations for the three and nine-month periods ended September 30, 2015 and 2014 .....	16
8. Summary of Financial Position as at September 30, 2015 and December 31, 2014 .....	17
9. Summary of Cash Flow for the three and nine-month periods ended September 30, 2015 and 2014 ...	19
10. Summary of Quarterly Results .....	20
11. Explanation of Material Variations by Quarter for the Last Eight Quarters .....	20
12. Off-Balance Sheet Arrangements .....	20
13. Transactions with Related Parties .....	21
14. Internal Control and Procedures .....	22
15. Status of Rockex’s Transition to International Financial Reporting Standards (“IFRS”) .....	22
16. Business Activities and Key Performance Measures .....	23
17. Information Technology Systems .....	23
18. Critical Accounting Policies, Estimates and Judgments .....	23
19. Financial Instruments .....	25
20. Share Data .....	25
21. Risk and Uncertainties .....	26
22. Corporate Governance .....	30
23. Caution regarding Forward-looking Statements .....	30
24. Approval .....	31
25. Additional Information .....	31

**ROCKEX MINING CORPORATION**  
**Management's Discussion and Analysis**  
**For the nine-month period ended September 30, 2015**

**1. Date**

This Management's Discussion and Analysis ("MD&A") of Rockex Mining Corporation ("Rockex" or the "Company" or the "Corporation") covers the nine-month period ended September 30, 2015 and was prepared as of November 10, 2015.

**2. General**

This MD&A provides analysis of the Corporation's financial results for the nine-month period ended September 30, 2015 and should be read in conjunction with all recent press releases and the Corporation's unaudited condensed interim financial statements and notes thereto for the nine-month period ended September 30, 2015 and the Corporation's audited financial statements for the year ended December 31, 2014.

The following discussion of the financial condition and results of operations of the Corporation constitutes management's review of the factors that affected the Corporation's financial and operating performance for the nine-month period ended September 30, 2015.

Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars and all financial information (as derived from the Corporation's financial statements) has been prepared in accordance with International Financial Reporting Standards ("IFRS"), including comparative figures.

Management is responsible for the preparation of the unaudited condensed interim financial statements and other financial information relating to the Corporation included in this MD&A. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting. In furtherance of the foregoing, the Board of Directors has appointed an Audit Committee composed of three directors, a majority of whom are independent and not members of management. The Audit Committee meets with management and, if advisable, with the auditors in order to discuss results of operations and the financial condition of the Corporation prior to making recommendations and submitting the financial statements to the Board of Directors for its consideration and approval for communication to shareholders. On the recommendation of the Audit Committee, the Board of Directors has approved the Corporation's unaudited condensed interim financial statements for the nine-month period ended September 30, 2015.

This MD&A contains forward-looking statements. For example, statements about the adequacy of the Corporation's cash resources or the need for future financing are forward-looking statements. All forward-looking statements are made subject to the cautionary language at the end of this MD&A and readers are directed to refer to that cautionary language when reading any forward-looking statements.

**3. Nature of the Corporation's Business**

Rockex is a mineral exploration company focussed on the exploration and development of the iron potential of its 100%-owned exploration properties in Northwestern Ontario around the Lake St. Joseph area about 300 kilometres north of Thunder Bay, Ontario.

#### **4. Recent Events**

##### ***Preliminary Economic Assessment for Hot Briquetted Iron (2015)***

On October 14, 2015, Rockex announced that it had received the results of an updated Preliminary Economic Assessment (the “PEA”) prepared by CIMA+ (“CIMA+”) for the production of 4.3 million tonnes per year of hot briquetted iron (“HBI”) from the Company’s 100% owned Lake St. Joseph Project (“Lake St. Joseph”) in Northwestern Ontario. The PEA was filed on SEDAR on October 26, 2015.

Highlights of the PEA include:

- 9.42 Billion Net Present Value (pre-tax) using a 6% discount rate
- \$ 6.85 Billion Net Present Value (post-tax) using a 6% discount rate
- \$ 6.58 Billion Net Present Value (pre-tax) using an 8% discount rate
- \$ 4.67 Billion Net Present Value (post-tax) using an 8% discount rate
- 22.5% Internal Rate of Return (pre-tax)
- 19.5% Internal Rate of Return (post-tax)
- 3.7 year undiscounted payback (pre-tax)
- 4.1 year undiscounted payback (post-tax)
- Initial Investment of \$3.772 billion (not including sustaining capital)
- Total cost of production estimated at \$135.35/tonne of HBI
- Resource Estimate of an Indicated Mineral Resource of 1.287 billion tonnes at 28.39% Fe, plus an Inferred Mineral Resource of 108 million tonnes at 31.03% Fe.
- Life of Mine Production of 4.3 million tonnes of HBI per year for 30 years, with an expected metallization of 94% Fe.
- Low strip ratio of 0.51 to 1

\* Unless otherwise expressly stated all references to currency, are references to Canadian currency.

\* The PEA uses a currency exchange rate of US\$0.85 = Cdn\$1.00.

The PEA is based on the production of 4.3 million tonnes of HBI per year at a grade of 94% total iron (“Fe”) at the Rockex Lake St. Joseph Project in northwestern Ontario. The average run of mine feed of 17.3 million tonnes per year used is based on mill recovery of 80% from the Eagle Island deposit operating year-round. The life of mine of 30 years is based on 512 million tonnes of in-pit resources at a grade of 28.9% Fe which uses less than half of Eagle Island’s estimated Indicated Resources of 1.287 billion tonnes at a grade of 28.39% Fe, allowing the opportunity for continuing production for many years following the 30-year life of mine used for the PEA. The PEA contemplates a process whereby iron ore concentrate will be transferred by pipeline to a pelletizing plant and HBI plant to be built near Sioux Lookout, Ontario. The plant is expected to produce 4.3 million tonnes per year of HBI. Initial capital expenditures are estimated to be \$3.772 billion. The PEA uses an average operating cost of \$135.35 per tonne of HBI, and assumes an HBI sales price of US\$ 350 per tonne FOB Sioux Lookout. Calculated Net Present Value for the Lake St. Joseph Project is \$9.42 billion (pre-tax) using a 6% discount rate and \$6.58 billion (pre-tax) using an 8% discount rate. The PEA is based on the 2013 independent mineral resource estimate completed by Met-Chem Canada Inc. (“Met-Chem”) which defined 1.287 billion tonnes of Indicated Resources at a grade of 28.39% Fe and 108 million tonnes of Inferred Resources at a grade of 31.03% Fe. The resource is summarized in Table 1 below.

**Table 1: Summary of Mineral Resource Estimate (2013)**

Mineral Resource Category	Metric Tonnes (Millions)	Fe (%)
Indicated	1,287	28.39
Inferred	108	31.03

The PEA includes Inferred Mineral Resources that are considered too speculative to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the PEA will be realized.

The Mineral Resource estimates discussed herein may be affected by subsequent assessments of mining, environmental, processing, permitting, taxation, socio-economic, legal, political and other factors. There is insufficient information available to assess the extent to which the potential development of the Mineral Resources described herein may be affected by these risk factors.

The Mineral Resources are reported in accordance with Canadian Securities Administrators (“CSA”) NI 43-101 and have been classified in accordance with standards as defined by the “Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) CIM Definition Standards for Mineral Resources and Mineral Reserves”. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

The updated PEA (2015) is based on the same basic mining method and processing flow sheet utilized in the original (2013) PEA; however, the updated PEA evaluates the economic impact of further processing the mine’s production to HBI as an end product in place of pellet feed concentrate.

The updated PEA (2015) is based on the transformation of iron ore concentrate into HBI as an end product to supply the North American electric arc furnace industry and grey foundry industry. HBI is considered to be a cleaner, higher quality, finished iron product for the steel industry. HBI is an ideal, high quality alternative to scrap steel, which is a vital component in the steel manufacturing process. The HBI process requires access to an abundant and low cost source of natural gas. Rockex’ proximity to the TransCanada Natural Gas Pipeline and year-round transportation infrastructure positions the company well for the manufacturing of HBI to supply the North American market in the United States immediately south of the Great Lakes and in Canada.

### ***Strategic Co-operation Agreement with Danieli***

In May 2015, Rockex signed a co-operation agreement with Danieli & C. Officine Meccaniche S.p.A. of Buttrio (Udine), Italy, for the two parties to co-operate and collaborate to develop Rockex’s 100% owned Eagle Island iron ore deposit near Sioux Lookout in northwestern Ontario.

The agreement contemplates the development of an integrated operation comprising a concentration plant, a pelletizing plant, and Energiron direct reduction plant and related auxiliary systems, all of which would be designed to ultimately produce 4.0 million tonnes per year of HBI. The first stage of the co-operation effort establishes Danieli as a technological partner for marketing and promoting the Eagle Island project to possible strategic partners, financiers and final product off-takers that can support Rockex’s efforts and expenses for the preparation of a bankable feasibility study. The agreement has an initial term of two years and, on achieving certain milestones, will automatically extend for an additional two years. If a positive bankable feasibility study is completed and certain levels of financing and off-take commitments are achieved, the agreement contemplates that Danieli and Rockex will negotiate in good faith a cost-competitive definitive agreement for Danieli to supply the concentration plant, the pelletizing plant and the direct reduction plant. If the parties are unable to settle the terms of such an agreement or if Rockex sells Eagle Island without Danieli’s ongoing participation then, in certain circumstances, Rockex will be obligated to pay a break fee to Danieli.

### ***Exploration Activities***

In October 2011, a drilling program started at the Eagle Island Deposit with a view to upgrading the classification of various parts from Inferred Resources to Measured and Indicated Resources and adding to the estimated size of the deposit. The program was designed to test the anomalies identified in the Corporation’s recent airborne survey, and the mineralized zone at Eagle Island at depths below 300 metres, as well as the mineralized zone at Fish Island. A drill arrived on site in early October with a second drill having arrived later in the same month. On November 30, 2011, the Corporation announced

the first set of assay results from its drill program in its Western Lake St. Joseph Project. Drill hole EI-106 intersected 524.3 metres of mineralization with an average grade of 29.93% total iron. The intercept extended known mineralization at Eagle Island to an estimated vertical depth of 564 metres, nearly 200 metres below the deposits outlined resources. The true width of the mineralized zone at depth was estimated to be 495 metres.

On February 2, 2012, the Corporation announced additional results of its drill program at its Western Lake St. Joseph Project. Drill hole EI-110 in the Southwest Extension at Fish Island (3 km west of the Main Zone at Eagle Island) intersected 470.6 metres (248 metres estimated true width) with an average grade of 29.2% total iron, including 132 metres (69 metres estimated true width) grading 37.02% total iron and 234.5 metres (130 metres estimated true width) grading 33.82% total iron. The first drill hole by Rockex in the Southwestern Extension at Fish Island indicated that the iron mineralization reaches a vertical depth of 390 metres. Historical records prepared by Pierre Mauffette in 1956-57 and by A.E. Boerner in 1957 and by Hanna Mining and Algoma Steel in 1975 show the Fish Island Deposit was tested only to a depth of 180 metres and was estimated to hold 258 million tons with a grade of 33% soluble iron. (This historical estimate pre-dated NI 43-101 and, accordingly, is not compliant with the requirements of NI 43-101. No qualified person has done sufficient work to classify the historical estimate as current mineral resources or reserves. As a result, the historical estimate cannot be relied upon. Rockex is not treating the historical estimate as current mineral resources or mineral reserves.) The Company also announced three additional holes in the Southeast Extension at Eagle Island, the best of which was 337 metres of 27.7% total iron (262 metres estimated true width).

On April 17, 2012, the Corporation announced new assay results from seven drill holes completed in its drill program at its Western Lake St. Joseph Project. Drill hole EI-112 tested the Southwest Extension at Fish Island and intercepted 33.43% total iron over 375 metres (estimated true width: 251 metres). This mineralization included two well-defined horizons that intercepted respectively 35.85% total iron over 204 metres (estimated true width: 131 m) and 33.32% total iron over 153 metres (estimated true width: 106 m). This second drill hole by Rockex in the Southwest Extension was drilled facing the previously-reported EI-110 diamond-drill hole and the grades reported are comparable to the ones reported in the February 2012 announcement described above.

From east to west, drill holes EI-115, EI-111, EI-117, EI-113 and EI-114 targeted the southern portion of the Main Zone over a strike length of 850 metres. Drill hole EI-115 intersected the Main Zone between 338 and 752 metres for an average grade of 22.24 % total iron over 441 metres (estimated true width: 381 m). That intersection ends 180 metres below the currently defined resources. The top portion of the hole was collared on the southern side of the bay which hosts a north-dipping iron formation; assays of 21.74 % total iron over 51.3 metres are to be considered down-dip values. Drill holes EI-111 and EI-117 are on the same section. The deeper drill hole EI-111 returned 23.99% total iron over 402 metres (estimated true width: 312 m). A first iron formation assayed 27.27 % total iron over 195 metres (estimated true width: 142 m). A second higher grade iron formation reported 30.00 % total iron over 120 metres (estimated true width: 100 m). The deepest intersection on holes EI-111 tested the iron formation 185 metres below the current resources. Drill hole EI-117, located 150 metres above EI-111 returned 25.40 % total iron over 330 metres (estimated true width: 266 m). Drill hole EI-113 intersected 210 metres (estimated true width: 185 m) of iron grading 24.56 % total iron, 100 metres below currently defined resources, whereas diamond drill hole EI-114 intersected two distinct iron formations grading, respectively, 26.72% over 189 metres (estimated true width: 153 m) and 26.42 % total iron over 24 metres (estimated true width: 21 m) on the western side of the Main Zone. The larger intersection met the iron formation 78 metres below existing resources whereas the smaller formation was never encountered in historical drilling work.

On the southeastern part of Eagle Island, the iron formation extends to form the north and south limbs of a fold. Diamond drill hole EI-116 reported in the April 17, 2012 news release was designed to intercept known iron mineralization on the Southeast Zone's south limb as well as to test the magnetic anomaly highlighted in the airborne magnetometric survey undertaken in the summer of 2011 that is sitting in the channel between Eagle Island and the mainland. The first intersection returned 27.55 % total iron over 66 metres (estimated true width: 55 metres) for the Southeast Zone. The magnetometric anomaly was

successfully encountered at depth and returned values of 19.53 % total iron over 87 metres (estimated true width: 87 m).

### ***Stock Exchange Listing***

On December 6, 2013, the Company's shares began trading on the CNSX. In early 2014, the CNSX changed its name to the Canadian Securities Exchange (the "CSE"). The common shares of the Corporation trade under the symbol "**RXM**".

### ***Debt Restructuring***

Rockex signed agreements with a number of its creditors effective September 30, 2013, to convert \$1,048,521 of accounts payable and other debts owed by Rockex into long-term obligations with maturity dates in January 2015, subject to extensions for an additional year to January 2016. Such creditors had the right to tender such obligations in whole or in part in financings proposed by Rockex. Large portions of that debt were converted to equity, as described below.

### ***Completed and Proposed Financings***

On August 15, 2013, Rockex announced completion of a non-brokered private placement (the "Private Placement") of units (each a "Unit") at \$0.055 per Unit. The Corporation issued a total of 2,250,000 Units to accredited investors for aggregate gross proceeds of \$123,750. Insiders of the Corporation subscribed for a total of 900,000 Units. Each Unit was comprised of one common share of the Corporation (each a "Common Share") and one (1) warrant of the Corporation (each a "Warrant"). Each Warrant entitles the holder to purchase one Common Share at a price of \$0.10 per share at any time within 36 months after the issuance of the Units. The Private Placement received disinterested shareholder approval from the holder of more than 50% of the voting securities of the Corporation.

On November 26, 2013, following the de-listing of the Corporation's shares from the TSX, Rockex completed a non-brokered private placement (the "Private Placement") of units (each a "Unit") at \$0.04 per Unit. The Corporation issued a total of 25,754,083 Units to accredited investors and *bona fide* creditors of the Corporation. An aggregate of 24,004,083 Units were issued to creditors in settlement of \$960,163.32 of debt and an aggregate of 1,750,000 Units were issued for gross cash proceeds of \$70,000. Closing of the Private Placement was one of the conditions of listing on the CNSX. Each Unit was comprised of one Common Share and one (1) transferable warrant of the Corporation (each a "Warrant"). Each Warrant entitles the holder to purchase one Common Share at a price of \$0.05 per share at any time within 6 months after the issuance of the Units, or \$0.075 per share within 6 to 12 months after the issuance of the Units, or \$0.10 per share thereafter until expiry of the Warrants 48 months after issuance of the Units.

The following officers and directors of the Corporation (collectively, the “Insiders”) participated in the Private Placement for an aggregate of 20,739,009 Units representing 46.86% of the Corporation’s issued and outstanding Common Shares on a partly diluted basis following the closing of the Private Placement:

<b>Name and Position with the Corporation</b>	<b>No. of Common Shares held (and %) prior to Private Placement</b>	<b>No. of Common Shares issued and issuable upon exercise of warrants under the Private Placement (and %)</b>	<b>No. of Common Shares held (and %) following completion of Private Placement</b>
Gilles Filion <i>Director</i>	1,390,000 (2.21%)	750,000 (0.85%)	1,765,000 (1.99%)
Pierre Gagné <i>Director and Officer</i>	27,983,464 (44.60%)	37,943,654 (42.87%)	46,955,291 (53.06%)
Sam Garofalo <i>Officer</i>	845,925 (1.35%)	859,364 (0.97%)	1,275,607 (1.44%)
Edward Yew <i>Officer</i>	150,000 (0.24%)	1,425,000 (1.61%)	862,500 (0.97%)
Armando Plastino <i>Director</i>	2,200,000 (3.50%)	500,000 (0.56%)	2,450,000 (2.77%)
<b>Total:</b>	<b>32,569,389 (51.90%)</b>	<b>41,478,018 (46.86%)</b>	<b>53,308,398 (60.23%)</b>

The cash proceeds received by the Corporation from the sale of the Units were required to satisfy CNSX listing requirements and for general corporate overhead expenses. The balance sheet of the Corporation was improved by the conversion of almost \$1,000,000 in long-term debt into equity which will facilitate the success of future financings.

The Private Placement was a “related party transaction” within the meaning of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions (“MI 61-101”) insofar as Insiders purchased Units. A formal valuation was not required under MI 61-101 because Rockex was not, at the time, listed on the TSX nor any other exchange specified in MI 61-101 and minority shareholder approval was also not required because Rockex was entitled to rely upon the financial hardship exemption. During the month of September 2013, many of the Company’s service providers, including several of the Insiders, converted their accounts payable into long-term debt (promissory notes) in order to improve the balance sheet of the Company and reduce its working capital deficiency as at September 30, 2013 to a manageable level. A term of the promissory notes issued to the service suppliers granted them the right to tender their promissory notes in payment of the purchase price for securities in any financing undertaken by Rockex. Accordingly, a total of approximately \$1,048,521 short-term liabilities were converted into long-term debt as at the end of the fiscal quarter. Nevertheless, as at September 30, 2013, Rockex’ working capital deficiency was \$149,711, a situation which would have prevented the listing of the Common Shares on the CNSX if Rockex had not raised sufficient funds through the Private Placement to achieve a minimum of \$50,000 working capital. Rockex was pleased that service suppliers holding promissory notes totaling the principal amount of \$960,163.32 elected to tender their promissory notes in payment of the subscription price for Units, thus improving even further the Corporation’s balance sheet. The CNSX listing and the improvements to the Corporation’s balance sheet have greatly improved Rockex’ chances for successful future financings. Rockex will require significant amounts of cash to pursue the pre-feasibility and feasibility activities recommended in the National Instrument 43-101 technical report released on October 11, 2013 summarizing the results of a formal Preliminary Economic Assessment for the Corporation’s 100% owned Eagle Island Project (see below).

At a duly constituted board meeting of Rockex held on Wednesday, October 16, 2013, all directors in attendance determined that the Corporation was in serious financial difficulty, the Private Placement



would improve the financial position of Rockex and the terms of the Private Placement were reasonable in the circumstances. The board took into consideration the fact that the Common Shares were to be delisted from the TSX upon the close of trading on Wednesday, October 23, 2013 and, absent the Private Placement, Rockex would not qualify to become listed on the CNSX. Also, the purchase price of a Unit was greater than the closing trading price of the Common Shares on the TSX on October 15, 2013, the day prior to the board meeting, being \$0.035 per share. The sole independent director in attendance arrived at the same conclusions.

Given the critical timing set forth above, and the uncertainty as to whether Insiders would participate in the Private Placement, and to what extent, until hours before the closing of the Private Placement, Rockex did not have the opportunity to announce this related transaction 21 days in advance of closing.

On July 8, 2014, the Corporation completed a non-brokered private placement consisting of the issue and sale of 4,641,400 units at a price of \$0.04 per unit for aggregate gross proceeds of \$185,656. Each unit was comprised of one common share of the Corporation and one transferable warrant of the Corporation. Each warrant entitles the holder to purchase one common share at a price of \$0.05 per share at any time within 6 months after the issuance of the units, or \$0.075 per share at any time within 6 to 12 months after the issuance of the units, or \$0.10 per share thereafter until expiry of the warrants 48 months after the issuance of the units.

On December 15, 2014, the Corporation completed a non-brokered private placement consisting of the issue and sale of 10,500,000 units at a price of \$0.02 per unit to accredited investors and bona fide creditors. An aggregate of 4,250,000 Units were issued to creditors in settlement of \$85,000 of debt and an aggregate of 6,250,000 Units were issued for gross cash proceeds of \$125,000. Each unit was comprised of one common share and one transferable warrant. Each Warrant entitles the holder to purchase one common share at a price of \$0.05 per share at any time within 60 months after the issuance of the units. Insiders of the Corporation participated in the private placement, acquiring 9,250,000 of the units. Rockex applied for and was granted an exemption from the CSE's minimum price rule of \$0.05 per security.

On July 31, 2015, the Corporation issued 160,000 shares at a price of \$.05 per common share for services rendered to the Corporation with a fair value of \$8,000.

On August 26, 2015, the Corporation issued 1,000,000 shares on the exercise of 1,000,000 warrants at an exercise price of \$.05 per common share with an allocated value of \$69,420.

### ***Cost Reduction Initiatives***

The Company has also initiated cost-control initiatives. Staff has been reduced. Compensation payable to certain executives has also been curtailed. More specifically, the compensation payable for the services of the President and Chief Executive Officer was reduced to \$4,000 per month. In addition, the Company's office in Toronto was surrendered to the landlord without further obligation. Other cost control measures have also been implemented.

On July 8, 2014, the Corporation signed an agreement with the holder of royalties on the Corporation's Western Lake St. Joseph Project to suspend payment of advance royalties from October 1, 2013 until the earliest of (i) completion of a pre-feasibility study, (ii) a change of control, amalgamation, plan of arrangement, take-over bid or other fundamental change involving Rockex, (iii) completion of a transaction with a strategic investor, or (iv) September 30, 2015. As a result of this agreement, no royalties were accrued for the three-month period ended June 30, 2015.

### ***Executive Changes***

In February 2015, Armando Plastino was appointed Chief Executive Officer. Mr. Plastino has been a director of Rockex since 2011 following his retirement as Chief Executive Officer of Essar Steel. He is also currently Chairman of the Board of Governors of Algoma University in Sault Ste. Marie, Ontario.

In July 2015, Tammy Lehtinen was appointed Vice President of Corporate Affairs of Rockex. Tammy will initially focus her attention in the areas of Stakeholder Engagement, Government Relations (including federal, provincial and municipal), Aboriginal Relations, Investor Relations and Strategic Corporate Planning.

### ***Other Working Capital Improvement Transactions***

In late 2013 in order to improve its working capital condition, Rockex entered into an agreement with a company controlled by a director of the Corporation to sell the surface rights to certain properties owned by Rockex in the Lake St. Joseph area for \$250,000, approximately Rockex's costs to acquire those properties from arm's length vendors. The sale was completed on November 20, 2013. The purchaser agreed to pay the purchase price with a promissory note due and payable in full on December 31, 2013. The promissory note was off-set against other obligations owed to the creditor and, accordingly, fully retired. Rockex retained an option to re-purchase the properties at any time within seven (7) years (until December 31, 2020), during the first two (2) years (until December 31, 2015) at the same price plus taxes paid to maintain the properties and thereafter at a price which includes both taxes paid and an increase in the cost base proportionate to the increase in the national consumer price index in Canada from January 1, 2014 to the date of completion of the exercise of the re-purchase option.

On July 31, 2015, the Corporation issued 160,000 common shares to management at \$0.05 per share as shares for services. The Corporation also has an agreement with one of those officers to pay \$1,000 per month of the fees for that officer's services by issuing common shares over the next several months at the greater of \$0.05 per share or the current market price in lieu of payment in cash.

### ***Stock Options***

On March 26, 2014, the board of directors of the Corporation approved the grant of options, pursuant to the stock option plan, to officers, directors and consultants to purchase 2,775,000 common shares at a price of \$0.10 per share at any time within 5 years, vesting immediately.

On November 26, 2014, the board of directors of the Corporation approved the grant of options, pursuant to the stock option plan, to an officer and director to purchase 250,000 common shares at a price of \$0.05 per share at any time within 5 years, vesting immediately.

## **5. Outlook and Strategy**

The Company's strategy is to move forward with various studies, exploration activities and other initiatives to advance its various iron projects in the Lake St. Joseph and North Spirit Lake areas of Northwestern Ontario, subject to the availability of financing.

The Company has implemented various cost reduction initiatives.

It has also pursued a strategy of working cooperatively with its service suppliers with a view to restructuring the Company's accounts payable by converting such current accounts payable into long-term debt. Effective September 30, 2013, \$1,048,521 of accounts payable were converted to long-term debt, of which \$960,163 was subsequently converted to equity in satisfaction and settlement of those liabilities. In December 2014, a further \$85,000 was converted to equity in satisfaction and settlement of liabilities.

In addition, in order to improve its working capital condition, Rockex completed an agreement with a company controlled by a director of the Corporation to sell the surface rights to certain properties owned by Rockex in the Lake St. Joseph area for \$250,000, approximately Rockex's costs to acquire those properties from arm's length vendors, while retaining an option to re-purchase the properties at any time within seven (7) years (until December 31, 2020).

As well, the Corporation signed an agreement with the holder of royalties on the Western Lake St. Joseph project on July 8, 2014 to suspend payment of advance royalties from October 1, 2013 until the earliest of (i) completion of a pre-feasibility study, (ii) a change of control, amalgamation, plan of arrangement, take-over bid or other fundamental change involving Rockex, (iii) completion of a transaction with a strategic investor, or (iv) September 30, 2015. As a result of this agreement, no royalties were accrued for the nine-month period ended September 30, 2015. The company has initiated discussions regarding a possible extension of the suspension of advance royalties; however, no agreement has been reached.

### ***Preliminary Economic Assessment for Pellet Feed Concentrate (2013)***

On August 27, 2013, Rockex announced the results of a Preliminary Economic Assessment ("2013 PEA") prepared by Met-Chem Canada Inc. ("Met-Chem") for the production of pellet feed concentrate from the Corporation's 100% owned Eagle Island Project ("Eagle Island") in Northwestern Ontario. The 2013 PEA was filed on SEDAR on October 11, 2013.

### ***Preliminary Economic Assessment for Hot Briquetted Iron (2015)***

Based on the trade-off study of producing three different products: fines, pellets and hot briquetted iron ("HBI") contained within the 2013 PEA, Rockex initiated a focused study of HBI to investigate the feasibility. On October 14, 2015, Rockex announced that it had received the results of an updated Preliminary Economic Assessment (the "PEA") prepared by CIMA+ ("CIMA+") for the production of HBI from the Company's 100% owned Lake St. Joseph Project ("Lake St. Joseph") in Northwestern Ontario. The PEA was filed on SEDAR on October 26, 2015.

Highlights of the PEA include:

- \$ 9.42 Billion Net Present Value (pre-tax) using a 6% discount rate
- \$ 6.85 Billion Net Present Value (post-tax) using a 6% discount rate
- \$ 6.58 Billion Net Present Value (pre-tax) using an 8% discount rate
- \$ 4.67 Billion Net Present Value (post-tax) using an 8% discount rate
- 22.5% Internal Rate of Return (pre-tax)
- 19.5% Internal Rate of Return (post-tax)
- 3.7 year undiscounted payback (pre-tax)
- 4.1 year undiscounted payback (post-tax)
- Initial Investment of \$3.772 billion (not including sustaining capital)
- Total cost of production estimated at \$135.35/tonne of HBI
- Resource Estimate of an Indicated Mineral Resource of 1.287 billion tonnes at 28.39% Fe, plus an Inferred Mineral Resource of 108 million tonnes at 31.03% Fe.
- Life of Mine Production of 4.3 million tonnes of HBI per year for 30 years, with an expected metallization of 94% Fe.
- Low strip ratio of 0.51 to 1

\* Unless otherwise expressly stated all references to currency, are references to Canadian currency.

\* The PEA uses a currency exchange rate of US\$0.85 = Cdn\$1.00.

The PEA is based on the production of 4.3 million tonnes of HBI per year at a grade of 94% total iron (“Fe”) at the Rockex Lake St. Joseph Project in northwestern Ontario. The average run of mine feed of 17.3 million tonnes per year used is based on mill recovery of 80% from the Eagle Island deposit operating year-round. The life of mine of 30 years is based on 512 million tonnes of in-pit resources at a grade of 28.9% Fe which uses less than half of Eagle Island’s estimated Indicated Resources of 1.287 billion tonnes at a grade of 28.39% Fe, allowing the opportunity for continuing production for many years following the 30-year life of mine used for the PEA. The PEA contemplates a process whereby iron ore concentrate will be transferred by pipeline to a pelletizing plant and HBI plant to be built near Sioux Lookout, Ontario. The plant is expected to produce 4.3 million tonnes per year of HBI. Initial capital expenditures are estimated to be \$3.772 billion. The PEA uses an average operating cost of \$135.35 per tonne of HBI, and assumes an HBI sales price of US\$ 350 per tonne FOB Sioux Lookout. Calculated Net Present Value for the Lake St. Joseph Project is \$9.42 billion (pre-tax) using a 6% discount rate and \$6.58 billion (pre-tax) using an 8% discount rate. The PEA is based on the 2013 independent mineral resource estimate completed by Met-Chem Canada Inc. (“Met-Chem”) which defined 1.287 billion tonnes of Indicated Resources at a grade of 28.39% Fe and 108 million tonnes of Inferred Resources at a grade of 31.03% Fe.

The updated PEA (2015) is based on the same basic mining method and processing flow sheet utilized in the original 2013 PEA; however, the updated PEA evaluates the economic impact of further processing the mine’s production to HBI as an end product in place of pellet feed concentrate. As illustrated in the table below, the updated PEA (2015) further improves the project economics relative to the previous study.

Category	PEA 2013 (Fines)	PEA 2015 (HBI)	
<b>Production Rate</b>			
Pellet Feed Concentrate (Mtpa)	6.0	6.0	
Pellet (Mtpa)	-	6.1	
HBI (Mtpa)	-	4.3	
<b>Projected Mine Life (yrs)</b>	30	30	
<b>Commodity Price Assumption</b>			
Pellet feed, FOB Sioux-Lookout (\$US/t)	105	-	
HBI, FOB Sioux-Lookout (\$US/t)	-	350	
<b>LOM Revenue (M\$)</b>	19,812	52,683	
<b>Initial Capital (M\$)</b>	1,559	3,772	
<b>Working Capital (M\$)</b>	48.1	129.6	
<b>Sustaining Capital (M\$)</b>	543	538	
<b>Closure Cost (M\$)</b>	65.7	65.7	
<b>Average Operating Costs</b>	<b>\$/t of pellet feed</b>	<b>\$/t of pellet feed</b>	<b>\$/t of HBI</b>
Mining cost	12.76	12.76	17.88
Concentrator & tailings cost	18.05	18.05	25.29
Concentrate dewatering cost	1.83	-	-
Railroad	0.20	0.20	0.28
General & administration cost	3.79	4.52	6.33
Pelletizing cost	-	-	19.13
Briquetting cost	-	-	66.44
<b>Total Operating Cost (\$/tonne)</b>	<b>\$36.63</b>	<b>-</b>	<b>\$135.35</b>

<b>Manpower Requirements</b>		
Mine	180	180
Concentrating & Tailings	114	114
Concentrate dewatering	36	-
General & administration	49	89
Rail	6	6
Pelletizing	-	127
Briquetting	-	200
<b>Total Manpower</b>	<b>385</b>	<b>716</b>
<b>Pre-Tax Economic Indicators</b>		
NPV @ 8%	2,217	6,577.5
IRR (%)	20.7	22.5
Payback (yrs)	4.2	3.7
<b>Post-Tax Economic Indicators</b>		
NPV @ 8%	1,553.7	4,672.6
IRR (%)	18.1	19.5
Payback (yrs)	4.4	4.1

The updated PEA (2015) is based on the transformation of iron ore concentrate into HBI as an end product to supply the North American electric arc furnace industry and grey foundry industry. HBI is considered to be a cleaner, higher quality, finished iron product for the steel industry. HBI is an ideal, high quality alternative to scrap steel, which is a vital component in the steel manufacturing process. The HBI process requires access to an abundant and low cost source of natural gas. Rockex' proximity to the TransCanada Natural Gas Pipeline and year-round transportation infrastructure positions the company well for the manufacturing of HBI to supply the North American market in the United States immediately south of the Great Lakes and in Canada.

The PEA operating costs were estimated based on economic assumptions and estimates of consumable prices from suppliers. The Table below outlines the estimated operating costs for a typical operating year as:

<b>Operating Costs</b>	<b>\$/tonne HBI</b>
Mining	17.88
Concentrating and tailings	25.29
General and administration	6.33
Rails	0.28
Pelletizing	19.13
Briquetting	66.44
<b>Total</b>	<b><u>\$135.35</u></b>

The release of this economic report is a major milestone for Rockex and marks the culmination of many years of work by the Rockex team. This PEA presents Lake St. Joseph's strong economic potential and confirms management's belief in the quality of the deposit and overall project. Furthermore, this PEA is a critical valuation and marketing document that will give Rockex excellent positioning for hosting the first HBI plant in Canada, which should attract negotiations with a strategic partner.

Management believes ongoing test work and feasibility trade-off studies will further improve the overall capital and operating costs of the project. Rockex recently entered into a Co-operation Agreement with Danieli & C., a large multi-national engineering and technology firm with expertise in the design and construction of HBI plants. Rockex' management team, in collaboration with Danieli & C., will continue to market and promote the project to potential strategic partners, financiers and final product off-takers that can support Rockex' plans for the preparation of a bankable feasibility study.

### ***NI43-101 Mineral Resources***

An updated independent mineral resource estimate by Met-Chem in 2013 defined 1.287 billion tonnes of Indicated Resources at a grade of 28.39% Fe, and 108 million tonnes of Inferred Resources at a grade of 31.03% Fe. The resources estimate includes the Main Zone and South-east Zone deposits on Eagle Island only and forms the basis for both the 2013 PEA and the 2015 PEA. The updated resource is summarized in the Table below.

The updated resource is summarized in the Table below.

<b>Mineral Resource Category</b>	<b>Metric Tonnes (Million)</b>	<b>Fe (%)</b>
Indicated	1,287	28.39
Inferred	108	31.03

### ***Regional Economic Impact Study***

The Corporation initiated the preparation of an economic impact study on its Eagle Island Deposit. Rockex' plans on which the study is to be based contemplate an iron mine producing 20 million tonnes of iron ore per year and a processing plant which produces approximately 5 to 6 million tonnes of iron concentrate or pellets with a grade of 65–67% iron or Hot Briquetted Iron. The economic impact measurements would include the annual overall economic impact on the region, the annual number of direct and indirect jobs created in the region and the overall tax impact for governments including property, income and sales taxes.

### ***Community Relations***

The Corporation continues to maintain and advance its community relations efforts based on effective communication and support for local initiatives. The Corporation's representatives have had meetings with various local communities around the Lake St. Joseph area, including meetings with Chiefs, Council members, consultants and other advisors of various First Nations, and the Corporation has committed the resources to further develop these positive working relationships. The addition of Tammy Lehtinen to the Rockex management team is intended to enhance the Corporation's efforts in these regards.

### ***Airborne Geophysical Studies***

Rockex completed airborne geophysical surveys over some of its Lake St. Joseph projects to better delineate the magnetic signature of particular mineralized zones in order to assist the Corporation in defining the extensions and other characteristics of the deposits. The results of such geophysical surveys will help the Corporation to prioritize and design future drilling programs at its Eagle Island Deposit and other projects at Lake St. Joseph.

### ***Metallurgical Studies***

The Corporation recovered some mineralized material from the Eagle Island Deposit and the Fish Island Deposit. Samples were sent to a qualified independent laboratory in order to conduct some metallurgical tests on the material using current laboratory techniques and methods to confirm and, if possible, improve upon the historical reports completed for prior owners of the Western Lake St. Joseph property. Historical tests on samples from the Eagle Island Deposit were reported to have been successful in producing

concentrates with 65-67% iron with overall iron recoveries to concentrate in the range of 80%. *The historical test work was completed prior to the implementation of NI 43-101 and, accordingly, cannot be relied upon.* However, recent test results conducted on samples that were sent in 2012 and 2013 for laboratory analysis indicate and confirm that the results are representative of the historical tests on samples from the Eagle Island Deposit performed by the prior owners.

On June 10, 2013, Rockex, announced that positive metallurgical test results were obtained from representative samples from the Eagle Island Deposit. The test work, which was overseen by Met-Chem and undertaken by SGS Mineral Services (“SGS”) from Lakefield, Ontario, yielded favourable iron recoveries of up to 80 % and Fe concentrate grades of up to 65 %. These results confirm the successful pilot plant study conducted by Algoma Steel Company Ltd. in 1974. The metallurgical testing phase has been the longest phase within the Corporation’s preliminary economic assessment.

SGS performed a full analysis on the concentration specifications. The results are shown in the table below. Management is confident that these results show that the Corporation’s proposed concentrate to be produced from the Eagle Island deposit will be relatively clean with no significant issues pertaining to environmental concerns, as well as meeting end-user furnace specifications.

	Element	Total
	Fe % Recovery	80.00
Grade (% w/w)	Fe % Grade	66.3%
	SiO <sub>2</sub>	5.23%
	Al <sub>2</sub> O <sub>3</sub>	0.60%
	MgO	0.21%
	CaO	0.81%
	Na <sub>2</sub> O	0.15%
	K <sub>2</sub> O	0.16%
	TiO <sub>2</sub>	0.14%
	P <sub>2</sub> O <sub>5</sub>	0.085%
	P	0.037%
	MnO	0.043%
	Cu	0.004%
	Pb	0.003%
	Zn	0.003%
	As	<0.001%
Sn	<0.002%	
S	0.048%	

### **Environmental Studies**

Rockex initiated environmental studies in the area in and around its Western Lake St. Joseph Property and anticipates further work on environmental studies as funds permit.

### **6. Mineral Properties**

Rockex has a 100% direct interest in the Western Lake St. Joseph Iron Project, consisting of 13 contiguous mining claims covering a nominal area of approximately 2,592 hectares located approximately 100 kilometres northeast of Sioux Lookout and 80 kilometres south-southwest of Pickle Lake.

In February 2011, Rockex received a technical report providing a Mineral Resources Estimate for its Eagle Island Deposit in its 100%-owned Western Lake St. Joseph Iron Ore Project. That report has been superseded by the updated resource estimate included within the PEA which was filed on Sedar on October 11, 2013 and described above.

In addition, Rockex holds a 100% interest in three other iron projects in relative close proximity to its Western Lake St. Joseph Project: (i) East Soules Bay, a property consisting of 4 contiguous mining claims (640 hectares) and 1 non-contiguous mining claims (16 hectares), staked in March 2013 in and along the eastern end of Lake St. Joseph, approximately 40 kilometres east of Rockex' Western Lake St. Joseph Iron Project, and (ii) the Root Lake Project, a property consisting of 5 contiguous claims (1,152 hectares), approximately 100 kilometres north of Sioux Lookout near the west end of Lake St. Joseph.

On September 14, 2012, the Corporation acquired 8 contiguous mining claims (1,536 ha) 170 km northeast of Red Lake in the Buckett Lake and Hewett Lake Townships, known as the North Spirit Lake property. These claims were acquired by staking. The property is underlain by Archean ultramafic komatite flows and peridotite subvolcanic intrusive rocks intercalated with oxide facies iron formation. Historical work estimates the oxide facies iron formation may contain 1.3 million long tons per vertical foot (based on 1500 m diamond core analyses, 33.94% Fe to a depth of 400ft). In 2010, HTX Minerals (previous claim holders), completed mapping and sampling of the Iron formation including the collection of large test samples for grinding, mineralogy and metallurgical test work. The average total wt% Fe for the HTX data is 34.16 % (OGS, 2007). *(This historical estimate pre-dated NI 43-101 and, accordingly, is not compliant with the requirements of NI 43-101. No qualified person has done sufficient work to classify the historical estimate as current mineral resources or reserves. As a result, the historical estimate cannot be relied upon. Rockex is not treating the historical estimate as current mineral resources or mineral reserves.)*

## **7. Results of Operations for the three and nine-month periods ended September 30, 2015 and 2014**

The following table contains some selected financial information taken from the Corporation's unaudited condensed interim financial statements for the three and nine-month periods ended September 30, 2015 and 2014.

For the periods ended	Three Months		Nine Months	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Loss and total comprehensive loss	\$45,437	\$55,057	\$161,547	\$444,360
Basic and diluted loss per share	\$0.00	\$0.00	\$0.00	\$0.00

### **For the three-month periods ended September 30, 2015 and 2014**

The Corporation incurred a net loss of \$45,437 or \$0.00 per share for the three-month period ended September 30, 2015, compared with a net loss of \$55,057 or \$0.00 per share for the same period in September 30, 2014.

The Corporation had non-cash share-based compensation of \$nil for the three-month period ended September 30, 2015, compared to \$nil for the same period in 2014. Stock-based compensation expenses are booked based on the valuation of options using the Black-Scholes model. The expense varies based on the number of options issued and the underlying assumptions used in the model. During the third quarter of 2015 and 2014 no stock options were granted.

Management and consulting fees remained relatively constant at \$22,000 for the three-month period ended September 30, 2015 compared to \$24,000 for the same period in 2014.

General and administrative costs decreased for the three-month period ended September 30, 2015 by \$9,143 to \$7,074 in 2015 from \$16,217 in the same period in 2014. The decrease is attributable to ongoing cost-cutting measures.

Professional fees remained relatively constant at \$11,904 for the three-month period ended September 30, 2015 compared to \$10,000 for the same period in 2014.



Promotion and investor relations remained relatively constant at \$968 for the three-month period ended September 30, 2015 compared to \$2,260 for the same period in 2014.

Compliance and regulatory filings expense remained relatively constant at \$2,703 for the three-month period ended September 30, 2015 compared to \$1,596 for the same period in 2014.

**For the nine-month periods ended September 30, 2015 and 2014**

The Corporation incurred a net loss of \$161,547 or \$0.00 per share for the nine-month period ended September 30, 2015, compared with a net loss of \$444,360 or \$0.00 per share for the same period in September 30, 2014.

The Corporation had non-cash share-based compensation of \$nil for the nine-month period ended September 30, 2015, compared to \$263,788 for the same period in 2014. Stock-based compensation expenses are booked based on the valuation of options using the Black-Scholes model. The expense varies based on the number of options issued and the underlying assumptions used in the model. During the nine-month period in 2015 no stock options were granted while 2,775,000 stock options were granted in the same period in 2014.

Management and consulting fees decreased for the nine-month period ended September 30, 2015 by \$27,140 to \$47,860 in 2015 from \$75,000 in the same period in 2014. The decrease is attributable to a reduction in compensation payable to some senior management, although the management team was recently increased by Tammy Lehtinen.

General and administrative costs decreased for the nine-month period ended September 30, 2015 by \$17,437 to \$34,038 in 2015 from \$51,475 in the same period in 2014. The decrease is attributable to ongoing cost-cutting measures.

Professional fees increased for the nine-month period ended September 30, 2015 by \$23,277 to \$54,908 in 2015 from \$31,631 in the same period in 2014. The increase is attributable to an increase of legal services in regards to general and corporate matters including contract negotiations.

Promotion and investor relations expense increased for the nine-month period ended September 30, 2015, by \$3,123 to \$14,530 from \$11,407 in the same period in 2014. The increase in costs is attributable to the increased activity at PDAC 2015 in the first quarter of 2015.

Compliance and regulatory filings expense remained relatively constant at \$7,847 for the nine-month period ended September 30, 2015 compared to \$8,107 for the same period in 2014.

**8. Summary of Financial Position as at September 30, 2015 and December 31, 2014**

The following table contains some selected financial information taken from the Corporation's unaudited condensed interim financial statements for the nine-month period ended September 30, 2015 and the audited financial statements as at December 31, 2014.

As at	September 30, 2015	December 31, 2014
Total Assets	\$18,288,031	\$18,342,701
Total Liabilities	\$2,123,374	\$2,104,497
Total Shareholders' Equity	\$16,164,657	\$16,238,204

As at September 30, 2015, the Corporation had a net working capital deficit of \$405,877 compared to a net working capital deficit of \$283,651 as at December 31, 2014. The increase in the working capital

deficit was due to the decrease in cash. Cash was used for ongoing operations without any additions to cash from financing activities and increase in accounts payable due to various service providers.

Exploration and evaluation assets remained relatively constant at \$18,222,028 as at September 30, 2015 compared to \$18,170,985 as at December 31, 2014.

The Corporation signed an agreement with the holder of royalties on the Western Lake St. Joseph project on July 8, 2014 to suspend payment of advance royalties from October 1, 2013 until the earliest of (i) completion of a pre-feasibility study, (ii) a change of control, amalgamation, plan of arrangement, take-over bid or other fundamental change involving Rockex, (iii) completion of a transaction with a strategic investor, or (iv) September 30, 2015. As a result of this agreement, no royalties were accrued for the nine-month period ended September 30, 2015 and royalties that were previously accrued for the period October 1, 2013 to March 31, 2014 were reversed. The company has initiated discussions regarding a possible extension for the suspension of advance royalties but no agreement has been reached.

The Corporation has no revenue generating projects at this time. As at September 30, 2015, the Corporation had equity of \$16,164,657 compared to \$16,238,204 as at December 31, 2014.

The common share equity balance remained relatively constant at \$21,161,243 as at September 30, 2015 compared to \$21,083,823 as at December 31, 2014. There were no share financings in the nine-month period ended September 30, 2015.

The common share purchase warrants decreased by \$259,690 to \$1,024,175 as at September 30, 2015 compared to \$1,283,865 as at December 31, 2014. The decrease is attributable to warrants that expired in 2015.

The share-based payments reserve increased decreased by \$240,270 to \$4,086,837 as at September 30, 2015 compared to \$3,846,567 as at December 31, 2014. The increase is attributable to warrants that expired in 2015.

The Corporation's continued development is contingent upon its ability to raise sufficient financing in the long term. Since January 1, 2014, the Corporation has completed a series of private placements and other transactions, a summary of which is listed below, with a view to improving the Corporation's balance sheet and capital resources to fund its exploration activities and other operating expenses, all with a view to enhancing the Corporation's ability to access the capital markets and its ability to raise financing in the long term:

1. On July 8, 2014 the Corporation completed a non-brokered private placement consisting of the issue and sale of 4,641,400 units at a price of \$0.04 per unit for aggregate gross proceeds of \$185,656. Each unit was comprised of one common share of the Corporation and one transferable warrant of the Corporation. Each warrant entitles the holder to purchase one common share at a price of \$0.05 per share at any time within 6 months after the issuance of the units, or \$0.075 per share at any time within 6 to 12 months after the issuance of the units, or \$0.10 per share thereafter until expiry of the warrants 48 months after the issuance of the units.
2. On December 15, 2014 the Corporation completed a non-brokered private placement consisting of the issue and sale of 10,500,000 units at a price of \$0.02 per unit to accredited investors and bona fide creditors. An aggregate of 4,250,000 Units were issued to creditors in settlement of \$85,000 of debt and an aggregate of 6,250,000 Units were issued for gross cash proceeds of \$125,000. Each unit was comprised of one common share and one transferable warrant. Each Warrant entitles the holder to purchase one common share at a price of \$0.05 per share at any time within 60 months after the issuance of the units. Insiders of the Corporation participated in the private placement, acquiring 9,250,000 of the units. Rockex applied for and was granted an exemption from the CSE's minimum price rule of \$0.05 per security.
3. On July 31, 2015, the Corporation issued 160,000 common shares to management at \$0.05 per

share as shares for services. The Corporation also has an agreement with one of those officers to pay \$1,000 per month of the fees for that officer's services by issuing common shares over the next several months at the greater of \$0.05 per share or the current market price in lieu of payment in cash.

4. On August 26, 2015, 1,000,000 warrants were exercised at \$0.05 each, providing \$50,000 of cash for the Corporation.
5. On October 16, 2015, 1,000,000 warrants were exercised at \$0.05 each, providing \$50,000 of cash for the Corporation

### **9. Summary of Cash Flow for the three and nine-month periods ended September 30, 2015 and 2014**

The following table contains some selected financial information taken from the Corporation's unaudited condensed interim financial statements for the three and nine-month periods ended September 30, 2015 and 2014:

For the periods	Three months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Cash inflows (outflows) from:	\$	\$	\$	\$
Operating activities	(63,194)	(165,393)	(126,525)	(233,796)
Investing activities	(43,948)	(2,040)	(51,043)	(3,814)
Financing activities	80,000	178,000	80,000	178,000
Total increase (decrease) in cash and cash equivalents during the period	(27,142)	10,567	(97,568)	(59,610)

#### **For the three-month periods ended September 30, 2015 and 2014**

##### *Operating Activities*

Cash flow used by operating activities decreased by \$102,199 during the three-month period ended September 30, 2015 to \$63,194 compared to a cash outflow of \$165,393 during the same period in 2014 due to the timing of the collection of receivables and the payment of accounts payable.

##### *Investing Activities*

Cash flow used by investing activities increased by \$41,908 during the three-month period ended September 30, 2015 to \$43,948 compared to \$2,040 during the same period in 2014 due an increase in exploration and evaluation expenditures associated with the update of the preliminary economic assessment report.

##### *Financing Activities*

Cash flow provided by financing activities decreased by \$98,000 during the three-month period ended September 30, 2015 to \$80,000 compared to \$178,000 during the same period in 2014 due to the decrease in financing activity in the period. Proceeds received from financing activities are mainly due to the issuance of shares through private placements and the exercise of warrants.

## **For the nine-month periods ended September 30, 2015 and 2014**

### *Operating Activities*

Cash flow used by operating activities decreased by \$107,271 during the nine-month period ended September 30, 2015 to \$126,525 compared to a cash outflow of \$233,796 during the same period in 2014 due to the timing of the collection of receivables and the payment of accounts payable.

### *Investing Activities*

Cash flow used by investing activities increased by \$47,229 during the nine-month period ended September 30, 2015 to \$51,043 compared to \$3,814 during the same period in 2014 due an increase in exploration and evaluation expenditures associated with the update of the preliminary economic assessment report.

### *Financing Activities*

Cash flow provided by financing activities decreased by \$98,000 during the nine-month period ended September 30, 2015 to \$80,000 compared to \$178,000 during the same period in 2014 due to the decrease in financing activity in the period. Proceeds received from financing activities are mainly due to the issuance of shares through private placements and the exercise of warrants.

## **10. Summary of Quarterly Results**

Following are the highlights of financial data of the Corporation for the most recently completed eight quarters which have been derived from the Corporation's financial statements prepared in accordance with IFRS:

	<b>Q3 2015</b>	<b>Q2 2015</b>	<b>Q1 2015</b>	<b>Q4 2014</b>	<b>Q3 2014</b>	<b>Q2 2014</b>	<b>Q1 2014</b>	<b>Q4 2013</b>
	\$	\$	\$	\$	\$	\$	\$	\$
Loss and total comprehensive loss	45,437	59,544	56,566	116,850	55,057	72,842	316,461	210,200
Basic and diluted loss per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Assets	18,288,031	18,270,608	18,291,274	18,342,701	18,166,143	18,296,764	18,299,557	18,326,869
Total Liabilities	2,123,374	2,148,514	2,109,636	2,104,497	2,025,953	2,287,173	2,228,339	2,191,763
Total Shareholders' Equity	16,164,657	16,122,094	16,181,638	16,238,204	16,140,190	16,009,591	16,071,218	16,135,106

## **11. Explanation of Material Variations by Quarter for the Last Eight Quarters**

Other than variations in exploration and development operations and a general reduction of expenditures resulting from cost-cutting measures, the Corporation's activities have been relatively consistent and, as a result, there were no major fluctuations, except for the fact that total shareholders' equity increased in Q4 of 2013 due to the issuance of shares for debt which also caused total liabilities to decrease in the same period.

## **12. Off-Balance Sheet Arrangements**

The Corporation has not participated in any off-balance sheet or income statement arrangements.

### **13. Transactions with Related Parties**

Certain corporate entities that are related to the Corporation's officers and directors provide consulting and other services to the Corporation. Transactions were conducted in the normal course of operations and are measured at the exchange amounts.

The following is a summary of the Corporation's related party transactions during the nine-month period ended September 30, 2015:

#### a) Rental Payments

Rental payments of \$8,238 during the nine-month period ended September 30, 2015 (nine months ended September 30, 2014: \$24,714) were payable to a company which is controlled by a director of the Corporation. At September 30, 2015, \$12,412 (September 30, 2014: \$6,206) owing to this company was included in accounts payable and accrued liabilities.

#### b) Key Management Compensation

Key management personnel compensation comprised:

	September 30, 2015	September 30, 2014
	\$	\$
Management and consulting fees	47,860	75,000
Share-based payments (stock options)	-	83,316
	<u>47,860</u>	<u>158,316</u>

At September 30, 2015, \$6,793 (September 30, 2014: \$21,501) owing to key management was included in accounts payable and long-term promissory notes.

#### c) Exploration Expenditures

Exploration expenditures of \$1,360 for the nine-month period ended September 30, 2015 (nine month period ended September 30, 2014: \$nil) incurred in connection with the Corporation's exploration activities were paid to a company controlled by a director of the Corporation. At September 30, 2015, \$7,312 (September 30, 2014: \$8,278) was included in accounts payable.

#### d) Advance Royalty

Advance royalty payments of \$nil for the nine-month period ended September 30, 2015 (nine-month period ended September 30, 2014: \$nil) incurred in connection with the Corporation's properties were payable to one director of the Corporation. At September 30, 2015, \$nil (September 30, 2014: \$nil in accounts payable) was included in accrued liabilities.

#### e) Temporary Suspension of Advance Royalties

On July 8, 2014 the Corporation signed an agreement with the holder of royalties on the Corporation's Western Lake St. Joseph Project to suspend payment of advance royalties from October 1, 2013 until the earliest of (i) completion of a pre-feasibility study, (ii) a change of control, amalgamation, plan of arrangement, take-over bid or other fundamental change involving the Corporation, (iii) completion of a transaction with a strategic investor, or (iv) September 30, 2015. As a result of this agreement, no royalties were accrued for the nine-month period ended September 30, 2015. The company has initiated discussions regarding a possible extension for the suspension of advance royalty payments; however no agreement has been reached.

## **14. Internal Control and Procedures**

### **Disclosure Controls and Procedures and Internal Control over Financial Reporting**

The Chief Executive Officer and Chief Financial Officer have designed disclosure controls and procedures (“**DC&P**”) to provide reasonable assurance that material information relating to the Company is made known to them by others within the Corporation, particularly during the period in which the annual filings are being prepared and information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. The Chief Executive Officer and Chief Financial Officer have also designed internal controls over financial reporting (“**ICFR**”) to provide reasonable assurance regarding the reliability of financial reporting and preparation of the Corporation’s financial statements for external purposes in accordance with IFRS.

A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

### **Evaluation of Disclosure Controls and Procedures and Internal Control over Financial Reporting**

As at the end of the period covered by this management's discussion and analysis, management of the Corporation, with the participation of the Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Corporation's DC&P and ICFR as required by Canadian securities laws.

The Chief Executive Officer and the Chief Financial Officer have concluded that, as of the end of the period covered by this management's discussion and analysis, the Corporation's DC&P were effective to provide reasonable assurance that information required to be disclosed in the Corporation's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Corporation, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

As the Corporation has a limited number of personnel, management has concluded that a weakness exists in the design of ICFR caused by a lack of adequate segregation of duties. This weakness has the potential to result in material misstatements in the Corporation’s financial statements and should also be considered a weakness in its DC&P. Management has concluded that taking into account the present stage of the Corporation’s development and the best interests of its shareholders; the Corporation does not have sufficient size and scale to warrant the hiring of additional personnel to correct this weakness at this time. To help mitigate the impact of this weakness and to ensure quality financial reporting, there are additional supervisory controls exercised by management and audit committee oversight.

## **15. Status of Rockex’s Transition to International Financial Reporting Standards (“IFRS”)**

### **Transition to IFRS from GAAP**

In February 2008, the Canadian Accounting Standards Board confirmed that Canadian publicly accountable enterprises will be required to adopt International Financial Reporting Standards (“**IFRS**”) for financial periods beginning on and after January 1, 2011. The Corporation adopted IFRS with an adoption date of January 1, 2011 and a transition date of January 1, 2010.

## IFRS Conversion

The Corporation's IFRS conversion plan was comprehensive and addressed matters including changes in accounting policies, restatement of comparative periods, organizational and internal controls and any required changes to business processes. To facilitate this process and ensure the full impact of the conversion was understood and managed reasonably, the CFO attended several training courses on the adoption and implementation of IFRS. Through in-depth training and the preparation of reconciliations of historical Canadian GAAP financial statements to IFRS, the Corporation believes that its accounting personnel have obtained the necessary understanding of IFRS. In conjunction with the adoption of IFRS, the Corporation has implemented a new accounting system which will satisfy all information needs of the Corporation under IFRS. The Corporation has also reviewed its current internal and disclosure control processes and concluded that they did not need significant modification as a result of the conversion to IFRS.

## **16. Business Activities and Key Performance Measures**

The Corporation assessed the impact of transition to IFRS on business activities and key performance measures and found no significant impact.

## **17. Information Technology Systems**

The IFRS transition project did not have a significant impact on the Corporation's information technologies systems for the conversion periods.

## **18. Critical Accounting Policies, Estimates and Judgments**

The Corporation makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

### i) Exploration and Evaluation Expenditure

The application of the Corporation's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Corporation, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the profit or loss of the period in which the new information becomes available.

### ii) Title to Mineral Property Interests

Although the Corporation has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Corporation's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects and claims of third parties and aboriginal peoples.

### iii) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Corporation recognizes liabilities and contingencies for anticipated tax audit issues based on the Corporation's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Corporation records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Corporation recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

### iv) Share-based Payment Transactions

The Corporation measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 10 of the audited financial statements.

## Recent Accounting Pronouncements

The accounting policies adopted in the preparation of these consolidated financial statements have been prepared on the basis of all IFRS and interpretations effective as at December 31, 2014.

### Accounting standards issued and effective January 1, 2014

The Corporation has not applied the following revised or new IFRS that have been issued but were not yet effective at December 31, 2013. These accounting standards are not expected to have a significant effect on the Corporation's accounting policies or consolidated financial statements:

- IAS 32, Financial Instruments: Presentation clarifies the application of offsetting rules and requires additional disclosure on financial instruments subject to netting arrangements.
- IAS 36, Impairment of Assets modifies some of the disclosure requirements regarding the recoverable amount of non-financial assets.
- IFRIC 21, Levies provides guidance on when to recognize a liability for a levy imposed by a government, other than those levies within the scope of the other standards.

### Accounting standards issued and effective for annual periods beginning on or after July 1, 2014

The Corporation is currently assessing the impact that the following changes to accounting standards will have on the consolidated financial statements:

- IFRS 2, Share-based Payments clarifies the definition of a vesting condition and separately defines performance and service conditions.
- IFRS 3, Business Combinations requires that an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as a financial liability or as equity on the basis of definitions of IAS 32 and additionally clarifies that IFRS 3 does not apply to the formation of any joint arrangement and



- that the scope exemption only applies in the financial statements of the joint arrangement itself
- IFRS 8, Operations Segments requires disclosure of the judgments made by management in aggregating operating segments, and a reconciliation of segment assets to the total assets when segment assets are reported.
- IFRS 13, Fair Value Measurement clarifies that the portfolio exception in IFRS 13, which allows fair measurement as a group of financial assets and liabilities on a net basis, applies to all contracts within the scope of IAS 39 or IFRS 9.
- IAS 19, Employee Benefits clarifies the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.
- IAS 24, Related Party Disclosures requires a reporting entity to include as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Accounting standards issued and effective January 1, 2015

The Corporation is currently assessing the impact that the following changes to accounting standards will have on the consolidated financial statements:

- IFRS 7, Financial Instruments Disclosures requires new disclosures resulting from amendments to IFRS 9.
- IFRS 9, Financial Instruments introduces new requirements for the classification and measurement of financial assets and liabilities.

## **19. Financial Instruments**

The Corporation's financial instruments consist of cash and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest or credit risks arising from the financial instruments. The fair market value of these financial instruments approximates their carrying values, unless otherwise noted.

Currently, the Corporation's operations are all conducted in Canada, and therefore management believes that there is low risk of political or social disruptions.

In conducting business, the principal risks and uncertainties faced by the Corporation center around resource properties and the Corporation's efforts to explore and develop those properties. There is no assurance of the Corporation's ability to maintain and develop such properties. The Corporation relies on equity financing for its working capital requirements and to fund its future exploration programs. It does not currently have sufficient funds to explore or develop the properties held by Rockex. There is no assurance that the Corporation will be able to raise such funds, through equity or debt financing or through entering into joint venture arrangements with other parties.

## **20. Share Data**

The Corporation is authorized to issue an unlimited number of common voting shares without par value, an unlimited number of first preferred shares, an unlimited number of second preferred shares and an unlimited number of special shares issuable in series.

The following is a summary of share data:

	Common Shares	Warrants	Vested Stock Options
September 30, 2015	104,802,290	42,145,483	4,760,000
December 31, 2014	103,642,290	49,753,557	6,675,000

## **21. Risk and Uncertainties**

### ***Nature of Mineral Exploration and Mining***

At the present time, the Corporation does not hold any interest in a mining property in production. The Corporation's viability and potential for success lie in its ability to develop, exploit and generate revenue out of mineral deposits. The exploration and development of mineral deposits involve significant financial risks over a significant period of time which evens a combination of careful evaluation, experience and knowledge may not eliminate. While discovery of a mine may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that the current or proposed exploration programs on exploration properties in which the Corporation has an interest will result in a profitable commercial mining operation.

The operations of the Corporation are subject to all of the hazards and risks normally incidental to the exploration and development of mineral properties, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all damage. The activities of the Corporation may be subject to prolonged disruptions due to weather conditions depending on the location of operations in which the Corporation has interests. Hazards, such as unusual or unexpected formation, rock bursts, pressures, cave-ins, flooding or other conditions may be encountered in the drilling and removal of material. While the Corporation may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks are such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which the Corporation cannot insure or against which it may elect not to insure. The potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the future earnings and competitive position of the Corporation and, potentially, its financial position.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as its size and grade, recoverability of metals, costs of recovery processing, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, licensing and permitting, land use, importing and exporting and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Corporation not receiving an adequate return on invested capital.

### ***No Significant Revenues***

To date, the Corporation has not recorded any revenues, other than interest income, and it has no dividend record. The Corporation has not commenced commercial production on any property. There can be no assurance that significant losses will not occur in the near future or that the Corporation will be profitable in the future. The Corporation's operating expenses and capital expenditures will increase in subsequent years as consultants, personnel and equipment costs associated with advancing exploration, development and commercial production of the Corporation's properties increase. The Corporation expects to continue to incur losses unless and until such time as it enters into commercial production and generates sufficient revenues to fund its continuing operations. The development of the Corporation's properties will require the commitment of substantial resources to conduct time-consuming development. There can be no assurance that the Corporation will generate any revenues or achieve profitability.

### ***Financing Risks***

The Corporation has limited financial resources and there is no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under applicable agreements. Although the Corporation has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain

such additional financing could result in delay or indefinite postponement of further exploration and development of the property interests of the Corporation with the possible dilution or loss of such interests.

### ***Current Global Financial Condition***

Current global financial conditions have been characterized by increased volatility. Access to public financing was negatively impacted by the rapid decline in value of sub-prime mortgages, the liquidity crisis affecting the asset-backed commercial paper market, the increased government deficit spending and the strained economic relationships within the European Economic Community. More recently, the significant financial events in China followed by declines in other stock markets have added to the uncertainties and anxieties of the times. Although time has passed since some of these events, others are quite recent. In the circumstances, the markets remain volatile and uncertain and these factors may impact the ability of the Corporation to obtain equity or debt financing in the future on favourable terms. Additionally, these factors, as well as other related and unrelated factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such increased levels of volatility and market turmoil continue, the Corporation's operations could be adversely impacted, the trading price of its common shares may be adversely affected and its access to capital also adversely affected.

### ***Dilution and Future Sales of Common Shares***

The Corporation may issue additional shares in the future, which would dilute a shareholder's holdings in the Corporation. The Corporation's articles permit, among other things, the issuance of an unlimited number of common shares.

### ***Going Concern***

The Corporation has a limited history and its ability to continue as a going concern depends upon a number of significant variables. The amounts attributed to the Corporation's exploration properties in its financial statements represent acquisition and exploration costs and should not be taken to represent realizable value. Further, the Corporation has no proven history of performance, revenues, earnings or success. As such, the Corporation's ability to continue as a going concern is dependent upon the existence of economically recoverable resources, the ability of the Corporation to obtain the necessary financing to complete the development of its interests and future profitable production or, alternatively, upon the Corporation's ability to dispose of its interests on a profitable basis.

### ***Dependence on Key Personnel***

The Corporation is dependent on a relatively small number of key employees or consultants, the loss of any of whom could have an adverse effect on its operations. The Corporation currently does not have key person insurance on these individuals.

### ***No Assurance of Titles***

The acquisition of title to mineral projects is a very detailed and time-consuming process. Although the Corporation has taken precautions to ensure that legal title to its property interests is properly recorded in the name of the Corporation or a subsidiary where possible, there can be no assurance that such title will ultimately be secured. The holding of mineral rights does not provide full rights to the surface of the lands over those mineral rights – such surface rights may be held by third parties. Furthermore, there is no assurance that the interest of the Company in any of its properties may not be challenged or impugned by governmental decisions, First Nations, third parties or aboriginal peoples. Some of the Company's properties may be subject to claims from aboriginal peoples which may affect exploration activities and costs as well as title.

### ***Permits and Licences***

The operations of the Corporation require licences and permits from various governmental authorities. The Corporation believes that it presently holds all necessary licences and permits required to carry on with exploration activities which it is currently conducting under applicable laws and regulations and the Corporation believes it is presently complying in all material respects with the terms of such licences and permits. However, such licences and permits are subject to change in regulations and in various operating circumstances. There can be no assurance that the Corporation will be able to obtain all necessary licences and permits required to carry out future exploration and then development and mining operations at its projects.

### ***Fluctuating Prices***

Factors beyond the control of the Corporation may affect the marketability of any iron ore or any other minerals discovered. Resource prices have fluctuated widely and are affected by numerous factors beyond the Corporation's control. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, and government regulations, including regulations relating to prices, taxes, royalties, licensing and permitting, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Corporation not receiving an adequate return on invested capital and a loss of all or part of an investment in securities of the Corporation may result.

### ***Estimates of Mineral Resources***

Although indicated and inferred minerals resource estimates included in the Corporation's filings on SEDAR have been carefully prepared by independent mining experts, these amounts are estimates only and no assurance can be given that any particular level of recovery of iron ore or other minerals will in fact be realized or that an identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be economically exploited. Additionally, no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Estimates of mineral resources can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ dramatically from that indicated by results of drilling, sampling and other similar examinations. Short-term factors relating to mineral resources, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. Material changes in mineral resources, grades, stripping ratios or recovery rates may affect the economic viability of projects. Mineral resources are reported as general indicators of mine life. Mineral resources should not be interpreted as assurances of potential mine life or of the profitability of current or future operations. There is a degree of uncertainty attributable to the calculation and estimation of mineral resources and corresponding grades. Until ore is actually mined and processed, mineral resources and grades must be considered as estimates only. In addition, the quantity of mineral resources may vary depending on mineral prices. Any material change in resources or mineral resources, or grades or stripping ratios will affect the economic viability of the Corporation's projects.

### ***The Corporation's Activities are Subject to Extensive Governmental Regulation***

Exploration, development and mining of minerals are subject to extensive federal, provincial and local laws and regulations governing acquisition of the mining interests, prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, water use, land use, land claims of aboriginal peoples and local people, environmental protection and remediation, endangered and protected species, mine safety and other matters.

### ***Environmental Regulations***

The operations of the Corporation are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving toward stricter standards, and enforcement, fines and penalties for non-compliance are becoming more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Corporation's operations are subject to environmental regulation primarily by the Ministry of the Environment (Ontario). In addition, the Department of Fisheries & Oceans (Canada) and the Department of the Environment (Canada) have enforcement roles in the event of environmental incidents.

### ***Conflicts of Interest***

The directors and officers of the Corporation may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interests of the Corporation. In the event that such a conflict of interest arises at a meeting of the directors of the Corporation, a director is required by the *Business Corporations Act* (Ontario) to disclose the conflict of interest, to withdraw from meetings where such matters are discussed and to abstain from voting on such matters.

### ***Joint Ventures and Option Agreements***

From time to time several companies may participate in the acquisition, exploration and development of natural resource properties through options, joint ventures or other structures, thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also be the case that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In determining whether or not the Corporation will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Corporation may be exposed and its financial position at that time. In some of those arrangements, failure of a participant to fund its proportionate share of the ongoing costs could result in its proportionate share being diluted and possibly eliminated. The Corporation may enter into option agreements and joint ventures as a means of gaining property interests or raising funds. Any failure of any option or joint venture partner to meet its obligations to the Corporation or other third parties, or any disputes with respect to third parties' respective rights and obligations could have a material adverse effect on such agreement and the applicable properties.

In addition, the Corporation may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements.

### ***Competition***

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

## ***Infrastructure***

Some of the Corporation's properties are located at some distance from existing infrastructure. Active mineral exploitation at any such properties would require building, adding or extending infrastructure such as roads, railroads, electrical and gas transmission lines, which could add to time and cost required for mine development. Similarly, some of the Corporation's mineral deposits are located near or under lakes, which could require the construction of dams, dykes and other systems or the construction of underground mining facilities, which could add to time and cost required for mine development.

## ***Fluctuating Prices***

Factors beyond the control of the Corporation may affect the marketability of any iron or any other minerals discovered. Resource prices have fluctuated widely and are affected by numerous factors beyond the Corporation's control. The effect of these factors cannot accurately be predicted. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Corporation not receiving an adequate return on invested capital and a loss of all or part of an investment in securities of the Corporation may result.

## **22. Corporate Governance**

The Corporation's Board of Directors follows accepted corporate governance guidelines for public companies to ensure transparency and accountability to shareholders.

The Audit Committee of the Corporation fulfils its role of ensuring the integrity of the reported information through its review of the interim and audited annual financial statements prior to their submission to the Board of Directors for approval. The Audit Committee, comprised of three independent directors, meets with management and the external auditors of the Corporation on a quarterly basis to review the financial statements, including the MD&A, and to discuss other financial, operating and internal control matters.

## **23. Caution regarding Forward-looking Statements**

Certain information regarding the Corporation within this MD&A may include "**forward-looking statements**" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Corporation expects or anticipates will or may occur in the future, including such things as future business strategy, goals, expansion and growth of the Corporation's business, operations, plans and other such matters are forward-looking statements. When used in this MD&A, the words "**estimate**", "**plan**", "**anticipate**", "**expect**", "**intend**", "**believe**", "**will**", "**may**", "**would**", "**should**", "**could**" and similar expressions are intended to identify forward-looking statements. Such statements are subject to known and unknown risks and uncertainties that may cause actual results in the future to differ materially from those anticipated in the forward-looking statements. Although the Corporation has attempted to identify important factors that could cause actual results to differ materially (see, in particular, the "*Risks and Uncertainties*" section above), there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Without limiting the generality of the foregoing, the section above entitled "*Recent Events and Outlook*" contains some forward-looking statements with respect to opportunities for the Corporation to add value to its assets. Except as required by continuous disclosure obligations (specifically section 5.8(2) of National Instrument 51-102 "**Continuous Disclosure Obligations**"), the Corporation does not intend, nor does it undertake any obligation, to update or revise any forward-looking statements to reflect subsequent information, events, results, circumstances or otherwise.

**24. Approval**

The MD&A was reviewed and approved by the Board of Directors of the Corporation and is effective as of November 10, 2015.

**25. Additional Information**

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