SILVER SHIELD RESOURCES CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015

The following Management's Discussion and Analysis ("MD&A") of the Company has been prepared based on information available to the Company as at November 20th, 2015 and analyzes the Company's results for the third quarter ended September 30, 2015. The financial statements of the Company have been prepared by Management in accordance with Canadian generally accepted accounting principles, but have not been reviewed by the Auditors for the Company. The Company's financial reporting framework is International Financial Reporting Standards (IFRS).

Overview

The Company's principal business activity is the acquisition, exploration and development of high potential natural resource properties, with particular focus on silver and gold. Metal prices have been extremely volatile over the past year and the decline in Oil prices has added to the confusion in commodity price direction.

Share values for mining issuers have been in decline for over 3 years and remain under pressure at this time.

Recognizing that change was required some members of management elected not to stand for re-election as directors at the AGM held in December 2013. A new Board and Management was put into place to attempt to revitalize the Company. Also passed at the AGM were resolutions to consolidate the share capital of the Company, to settle debt with shares, and to investigate other properties and alternative businesses. These were considered the tools needed by the new management to create value, and will be implemented at the appropriate time.

In 2014 the Company was unable to fund the preparation of Annual Financial Statements for the Year End of 2013. The Company was subject to a Cease Trade Order issued by the British Columbia Securities Commission ("BCSC") on May 8, 2014, a Cease Trade Order issued by the Ontario Securities Commission ("OSC") on May 20, 2014 and a Cease Trade Order issued by the Alberta Securities Commission ("ASC") on June 19, 2014 for failure to file financial statements (collectively, the "Orders").

The Company's common shares were listed on the NEX Board of the TSX Venture Exchange (the "Exchange") (downgraded from tier 2). The Exchange suspended trading in the Company's common shares as a result of the issuance of the Cease Trade Orders.

As of May 8, 2015, the Company had filed all outstanding continuous disclosure documents, including the Audited Financial Statements for the Year Ending December 31, 2014, required to be filed under Ontario Securities Law, and the Corporation is currently up-to-date in all of its required disclosure filings. As a result of this the Ontario Securities Commission, British Columbia Securities Commission and Alberta Securities Commission have granted a full revocation of the cease trade orders (the "CTOs") that were previously filed against the Company. Please refer to the Company's Press Release dated May 8, 2015, filed on SEDAR, for further details.

Application was subsequently made to the TSX-Venture Exchange for resumption in trading of the shares in the Company, and the common shares resumed trading, at opening, on the NEX Board on Thursday May

21st, 2015. Please refer to the Company's Press Release dated May 20, 2015, filed on SEDAR, for further details.

Management continued to discuss financings for the mining assets, including sales of certain assets, and Joint-venturing of certain other assets, however during the quarter no agreements resulted.

Management was also in the process of seeking business opportunities for the Company, in accordance with the resolution passed at the December 2013 AGM. The Company's ability to continue as a going concern may be dependent upon its ability to identify new business opportunities, obtaining the necessary financing to meet its obligations, receive the continued financial support from its officers and directors and repay any liabilities arising from normal business operations as they come due. No agreements relating to a particular business opportunity have been entered into, the Company continues to solicit and review resource and non-resource opportunities.

There can be no assurance that a viable business opportunity that can be adequately financed will be identified and available to the Company. Additional equity and/or debt financing is subject to the global financial markets and prevailing economic conditions, which have recently been volatile and distressed. These factors will likely make it more challenging to obtain financing for the company going forward.

On June 3rd, 2015 the Corporation announced that it had applied for, and received approval from the TSX Venture Exchange to consolidate its common shares on the basis of one new common share for every ten common shares outstanding or 10:1. The change in the number of issued and outstanding common shares resulted from the share consolidation has not materially affected any shareholder's ownership percentage in the Corporation, although such ownership was represented by a smaller number of common shares. The Board had concluded that the consolidation is in the best interests of Corporation as it will improve the Corporation's ability to obtain financing. The Corporation had 82,570,350 common shares outstanding at that time, and following the share consolidation has 8,257,035 common shares outstanding. The consolidation took effect on Thursday June 4th, 2015. The Corporation will retain its current trading symbol.

On June 4th, 2015 the Corporation announced that it commenced a non-brokered private placement financing to raise a maximum of Five Hundred Thousand Dollars ("$500,000.00") CDN by the sale of five million ("5,000,000") units of the Corporation at a price of $0.10 per unit. Each unit is comprised of one common share of the Corporation and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of the Company for $0.15 for a period of 12 months from the closing date. The private placement was to close on or before September 30th, 2015 but this date was extended to July 31, 2015 and the extended again to September 4, 2015. The common shares and warrants to be issued under the Private Placement are subject to a 4 month hold period. In connection with the offering, a finder's fee may be paid consisting of a cash commission equal to 8% of the gross proceeds raised under the offering and that number of non-transferable finder's fee warrants as is equal to 8% of the number of shares. Each finder's fee warrant will be exercisable into one common share of the Company at $0.15 per share for a period of 12 months from the closing date. Net proceeds of the financing will be used for strategic acquisitions, development and for working capital.

On July 2nd, 2015 the Corporation announced that pending final approval from the TSX Venture Exchange, the Corporation has agreed to issue an aggregate of Three Million, Three Hundred & Twenty-Eight Thousand, Six Hundred & Twenty Five ("3,328,625") Shares at a deemed price of $0.10 per Share to settle debts owed to arm's length and non-arm's length parties, as approved by shareholders at the AGM in December 2013. All Shares issued in connection with the shares for debt transaction are subject to TSX Venture Exchange approval and to a four-month statutory hold period.

On July 24th, 2015 the Corporation announced the closing of the first and final tranche of its non-brokered private placement which was announced on June 4th, 2015. One Million Five Hundred and Forty-Nine Thousand Six Hundred (“1,549,600”) units were sold for gross proceeds of One Hundred and Fifty-four Thousand Six Hundred Dollars (“$154,600.00”) CDN. No commission or finder's fee is payable with respect to this tranche of the placement. Each unit is comprised of one common share of the Corporation and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of the Corporation for $0.15 for a period of 12 months from the closing date.

On September 22nd, 2015 the Corporation announced that it had commenced another non-brokered private placement financing to raise a maximum of Three Hundred & Forty-Five Thousand, Four Hundred Dollars ("$345,400.00") CDN by the sale of Three Million Four Hundred and Fifty-Four Thousand ("3,454,000") units of the Corporation at a price of $0.10 per unit. Each unit of the private placement were comprised of one common share of the Corporation, and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of the Corporation for $0.15 for a period of 12 months from the closing date. The common shares and warrants of this placement are subject to a four-month and one day statutory hold period.

Concurrently, on September 22nd, 2015 the Corporation announce that it has closed the First Tranche of the Private Placement offering. One Million, Nine Hundred and Sixty-Six Thousand ("1,966,000") units were sold raising One Hundred and Ninety-Six Thousand & Six Hundred Dollars ("$196,600.00") CDN in gross proceeds. No commission or finder's fee is payable with respect to the closing of this tranche of the placement.

Furthermore, on September 22nd, 2015 the Corporation also announced that it has received approval from the TSX Venture Exchange to issue Eight Hundred Thousand, Six Hundred and Twenty-Five ("828,625") common shares at a deemed price of $0.10 per common share to settle certain debts owed to both arm's length, and non-arm's length, creditors totaling Eighty-Two Thousand, Eight Hundred & Sixty-Two Dollars & Fifty Cents ("$82,862.50") CDN. The common shares of the shares for debt settlement are subject to a four month and one day statutory hold period.

On September 24th, 2015 the Corporation announced the closing of the second tranche of its non-brokered private placement which was announced on September 22nd, 2015. Seven Hundred and Thirty-Four Thousand ("734,000") units were sold raising an additional Seventy-Three Thousand, Four Hundred Dollars ("$73,400.00") CDN of gross proceeds. No commission or finder's fee is payable with respect to this tranche of the placement. Each unit is comprised of one common share of the Corporation and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of the Corporation for $0.15 for a period of 12 months from the closing date. The shares and warrant shares issued under this tranche of the private placement are subject to a four-month-and-one-day hold period expiring on Jan. 25th, 2016, pursuant to applicable securities legislation and the policies of the TSX Venture Exchange. The warrants have an expiry date of Sept 24th, 2016.

As At September 30th, 2015 the Corporation has raised Two Hundred and Seventy Thousand Dollars ("$270,000.00") CDN via the current offering.

Company officials have taken all possible cost-cutting steps in order to ensure the continued survival of the Company and have been considering other properties that have potential to generate cash flow in the near term period. Management has been working without pay during this period of little to no working capital, and have not used the funds advanced by Blackbirch to sustain the Company other than for the purposes intended in the Loan Agreement. Management continues to actively seek additional capital financing from other Investors.

There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit its interests in some or all of its properties and reduce or terminate its operations.

Overall Performance

The company has not been active for over one year due to a lack of cash and the lack of suitable financing.

The primary focus of the Company had been the further development of the La Cumbre Property, and the Temixco project in Guerrero State Mexico. These two projects are wholly owned, and will remain the primary targets for further exploration and development activities by the Company. No work plans are in place for these projects at this time.

With no funds available for significant exploration in Canada the Company had attempted to sell some of the other Canadian properties to generate funds to sustain the Company. No interested purchasers came forward and the Hislop property was lost as a result of failing to perform and report assessment work. No work plans are in place for the Canadian projects at this time.

The Company is not in production and does not currently derive any revenue from its operations. Its ability to conduct exploration on its properties and develop properties that could prove to be economical is based on its ability to raise capital through equity financing. While the Common shares of the Company have commenced trading again the market is weak and Company’s ability to raise capital by equity financing remains impaired.

Review of Operations

Mexican Properties

All Mexican properties are held in Silver Shield SA de CV, incorporated in Mexico for the purpose of holding the projects.

Silver Shield Resources acquired the Temixco concession in the state of Guerrero, Mexico by staking the concession which totals 1,058 ha in size. The concession hosts a deposit of historic tailing, along with 3 old mines. Mineralization is located in veins and consists of gold, silver and copper. It is not known how many tonnes or the grade of mineralization that may have been removed by previous owners. No work has been performed by the Company at this time on the old mines. All expenditures on the Temixco property have been written off at year end 2013.

A diamond drilling program intended to outline near-surface mineralization in the area of the historic mine workings was completed at the Jaripo I property in June 2010. Silver Shield has abandoned the Jaripo I and Jaripo II properties, rather than continue to make costly property payments, and not carry on meaningful exploration. The Jaripo III Property covers a total of 2,950 ha surrounding the Jaripo I and Jaripo II concessions. It is dominated by a north-south trending fault that has been traced for over 10 kilometres, and remains 100% owned by the Company. All expenditures on the Jaripo group have been written off at year end 2013.

In January of 2008, the Company carried out a drilling program on the La Cumbre project in Mexico. The 18 hole surface drilling program was designed to test the La Cumbre Zone while also exploring other areas near the Company's main holdings. Promising silver values, with frequent gold and copper have been intersected in most drill holes. All expenditures on the La Cumbre group have been written off at year end 2013.

The company remains interested in the properties and has only taken the step of writing off the investment as the properties may be lost due to the inability to keep taxes and advance royalties current. Once the Company is positioned to pay the amounts owing exploration programs will be developed to advance them.

Canadian Properties

In March 2012 the Company entered into an agreement to pay 2 private companies $6,000 and 2,200,000 shares to acquire 21 mining claim units in Hislop Township, Ontario. The properties are subject to a 2% NSR Royalty and Silver Shield can buy back 1% for $1,000,000. No work was carried out on these projects, and all interest in the properties has been lost.

The final agreement for the Lost Dog project acquisition was announced in February 2010. The property consists of 36 un-patented mining claim units in south central Denton Township. The Lost Dog project is located thirty kilometres south-west of the Timmins city center, in the South Central Denton Township. The Lost Dog claims cover an area of 575 ha, located about 5 km south of the inferred location of the Porcupine-Destor Fault Zone (DPFZ), which is an important feature to most of the largest past producers in The Timmins Camp. Geophysical surveys have outlined a structure trending in the same direction as the DPFZ. The exploration program, including line cutting, magnetic and IP surveys was completed and now covers 100% of the ground position. Results require additional analysis and ground follow-up, including geochemical surveys, which it is hoped will generate drill targets. The Company has been actively seeking a Joint Venture or other arrangement on the property in order to fund the required extensive drilling program that will be required to properly test for gold values. No interested parties have come forward.

In March 2011 the Company staked additional land in Ontario in the Elk Lake region to protect its holdings at the Welsh Mine. By the end of May 2011 the Company had completed a 10 hole, 1,283 metre diamond drilling program at the Welsh mine Property. The drilling targeted seven holes into the area south of Silverclaim Lake where high-grade silver was intersected in 2008 (see details below), and three holes into the immediate Welsh Mine area to test for eastward extensions to the veins developed by the Welsh mine workings. Drilling is complete and the vein swarms intersected in the previous drilling were again intersected. While all of the holes intersected mineralized veins, only one returned significant assay values.

The Company does not currently derive any revenue from its operations, aside from interest revenue on short-term investments. Its ability to conduct exploration on its properties and develop properties that could prove to be economical is based on its ability to raise capital through equity financing. The Company's ability to raise capital by equity financing in the near future will be affected by the price of silver and gold and general market sentiment.

Information on the Company’s properties has been reviewed by Stephen G. Mlot, P.Eng., a qualified person under NI 43-101, and a director of the Company.

Readers are encouraged to read the Company's public filings on SEDAR at www.sedar.com for more details on exploration results.

Financing Activities (Equity) (since last financing activity):

The Corporation currently has an active Private Placement offering underway to raise a maximum of Five Hundred Thousand Dollars (“$500,000.00”) CDN by the sale of five million (“5,000,000”) units of the Corporation at a price of $0.10 per unit. Each unit is comprised of one common share of the Corporation and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of the Company for $0.15 for a period of 12 months from the closing date. The private placement was to close on or before September 30th, 2015 but this date was extended to July 31, 2015 and the extended again to September 4, 2015. The common shares and warrants to be issued under the Private Placement are subject to a 4 month hold period.

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Furthermore, on September 22nd, 2015 the Corporation also announced that it has received approval from the TSX Venture Exchange to issue Eight Hundred Thousand, Six Hundred and Twenty-Five ("828,625") common shares at a deemed price of $0.10 per common share to settle certain debts owed to both arm's length, and non-arm's length, creditors totaling Eighty-Two Thousand, Eight Hundred & Sixty-Two Dollars & Fifty Cents ("$82,862.50") CDN. The common shares of the shares for debt settlement are subject to a four month and one day statutory hold period.

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Results of Operations

As an exploration stage company, the Company does not have operating revenue from mining operations. In the quarter ended September 30, 2015 the Company did not earn any income (2014 - Nil).

Operating Expenses

Operating expenses for the quarter ended September 30, 2015 were $67,895 compared with $14,160 for the second quarter of the previous year ended September 30, 2014. The major expenses incurred were for audit fees for 2014 of $13,622, consulting and management fees of $35,645, transfer agent and filing fees of $9,500, and BlackBirch Capital loan Interest of $5,000.

The Company has not paid a cash dividend to its shareholders and does not anticipate paying cash dividends in the near future.

Financial Overview and Selected Financial Information

Liquidity and Capital Resources

The mineral properties of the Company are in the exploration and development stage and, as a result, the Company has no source of operating cash flow. The exploration and development of the Company's properties depends on the ability of the Company to obtain financing. If the Company's exploration programs are successful, additional funds will be required to develop the Company's properties and, if successful, to place them into commercial production. The only sources of future funds presently available to the Company are the exercise of warrants, the sale of equity capital of the Company, or the sale by the Company of an interest in any of its properties in whole or in part.

Highlights of Quarterly Results

For the quarter ending	*Sep 30, 2015*	*Jun 30, 2015*	*Mar 31, 2015*	*Dec 31, 2014*	*Sep 30, 2014*	*Jun 30, 2014*	*Mar 31, 2014*	*Dec 31, 2013*	*Sep 30, 2013*
Income (Loss)	$(2,689)	$(28,561)	$(44,207)	$(18,242)	$(14,515)	$(15,719)	$(22,702)	$(25,717)	$(38,953)
Earnings (Loss) per share	$(.0003)	$(.001)	$(.001)	$(.001)	$(.0002)	$(.001))	$(.001)	$(.001)	$(.001)
Cash and Cash Equivalents	$383,558	$36,877	$ NIL	$ NIL	$ NIL	$ NIL	$ NIL	$ NIL	$(196)

Mineral Properties	2,204,175	2,204,500	2,204,500	2,204,500	2,204,500	2,204,500	2,204,500	2,204,500	3,680,758
Total Assets	2,603,641	2,254,755	2,212,545	2,210,975	2,211,276	2,211,603	2,213,637	2,213,627	3,687,000
Shareholder's Equity	1,679,208	1,155,710	1,177,271	1,228,748	1,246,720	1,261,235	1,276,954	1,299,656	2,860,679

The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit its interests in some or all of its properties and reduce or terminate its operations.

There are no stock options outstanding as of September 30, 2015 that could represent a potential source of financing to the Company. All stock options have been expired at August 23, 2015.

As at September 30, 2015 the Company had total current assets of $2,603,641 to meet its current liabilities of $924,433.

Contractual Obligations and Commitments

The Company had a consulting contract with Mr. Tim Towers which ended in December 31, 2013, when he was not re-elected to the Board, details noted below.

Welsh Silver Mines Option Agreement

Pursuant to the Welsh Option Agreement, SSR optioned the Welsh Property from WSM and Robert Welsh (collectively the Optionor) such that SSR can earn 100% title and interest in the Welsh Property subject to a 2% net returns royalty. Advance Royalties of $30,000 per year commence in 2009. The effective date of the agreement was July 17, 2006. The final payment was made April 25, 2008.

La Cumbre Property Agreement

On June 29, 2007 the Company entered into an agreement to acquire 2 mining concessions from Hector Gonzalez Flores in Guerrero State Mexico. Under terms of the agreement the Company has acquired a 100% interest in the Property by paying the Vendor a total of $68,000 USD. The Company has paid the Vendor the required amount. The Vendor has also retained a $1.00 USD per tonne royalty on the property for ore extracted, mined and milled.

Lost Dog Property Agreement

On October 29, 2009 the Company entered into an agreement for the option to acquire 36 unpatented mining claims in Denton Township, west of Timmins, Ontario, which form the Lost Dog Property. The company has fulfilled the terms of the option agreement as of March 31, 2012. The Company paid a total of Fifty

Thousand ($50,000) and Seven Hundred Fifty thousand (750,000) common shares, to acquire a 100-per-cent interest in the property. The Vendors retain a royalty of 2% of NSR that Silver Shield has the right to purchase 1% of at any time, for $1,000,000.

Consulting Agreement with Mr. Tim D. Towers

The Company and Tim D. Towers entered into a consulting agreement (the "Towers Services Agreement") dated September 1, 2007. Mr. Towers declined to stand as a director of the Company at the Annual Meeting held in December 2013 and as a result all obligations under this agreement have ended.

BlackBirch Capital Loan Agreements

Silver Shield Resources had entered into a loan agreement with BlackBirch Capital of Toronto for the amount of Fifty Thousand Dollars ("$50,000.00") CDN. Use of the loan proceeds will be used exclusively to complete and file the 2013 Audited Financial Statements, the Q1 - Q3 2014 interim financial statements, and for any other costs the Company will need to incur that are necessary in order for current Cease Trade Orders to be removed, and for any other costs associated in being reinstated back onto the TSX Venture Exchange.

The loan bears an interest rate of 24% per annum and the Company, will issue BlackBirch Capital Fifty Thousand (50,000) common share purchase warrants, once the current trading suspension is lifted and pending approval by the TSX Venture Exchange.

Repayment of the loan is due within six months from the commencement date however the lender has the option to extend the repayment date from six months to one year. Each share purchase warrant shall allow the holder to acquire one common share of the Company at a price of $0.10 per share. The warrants shall expire 24 months from the date of issuance.

As a pre-condition to the Loan, BlackBirch Capital required that certain major creditors of Silver Shield (listed in Silver Shield Resources Corp. AGM-2013 Management Information Circular) agree for BlackBirch Capital to purchase the debt of the named creditors.

In May 2015 the Company entered into a secondary loan agreement with BlackBirch Capital for the amount of Twenty-Five Thousand Dollars ("$25,000.00") CDN. The secondary loan bears an interest rate of 24% per annum and pending approval by the TSX Venture Exchange the Company will issue BlackBirch Capital Twenty-Five Thousand ("25,000") common share purchase warrants. Each share purchase warrant shall allow the holder to acquire one common share of the Company at a price of $0.10 per share. The warrants shall expire 12 months from the date of issuance. Repayment of the secondary loan is due within six months from the commencement date however the lender has the option to extend the repayment date from six months to one year.

After the trading ban was lifted the Company has issued 50,000 common share purchase warrants. In addition, an aggregate $295,749 of accrued and unpaid debts to companies related to or controlled by officers and directors of the Company has been transferred to BlackBirch Capital loan at the date of the debt settlement agreement was executed.

Transactions with Related Parties

Transactions with related parties in the normal course of business measured and recorded at the exchange amount, as agreed between the parties.

On September 17, 2015, companies related to or controlled by officers and directors of the Company were paid $31,736 by BlackBirch Capital of Toronto, the amount owing under terms of the debt settlement agreements with the Company, and received an aggregate 3,173,600 of post consolidated common shares issued at $.10 per share in exchange to the agreement. An aggregate $317,347 of accounts payable and accrued liabilities with respect to consulting and management fees was settled and no further payments are required with respect to the agreement.

On September 17, 2015, Northern Nickel Mining Inc. related to or controlled by directors of the Company were paid $1,127 by BlackBirch Capital of Toronto, the amount owing under terms of the debt settlement agreements with the Company, and received an aggregate 112,650 of post consolidated common shares issued at $.10 per share in exchange to the agreement. Total $11,265 of accrued liabilities with respect to corporate expenditures paid by Northern Nickel Mining Inc. on behalf of the Company was settled and no further payments are required with respect to the agreement.

Prepaid expenses and deposits includes $5,250 due from the CEO with respect to the reorganization process and will be expensed given expense receipts are provided.

Disclosure Controls and Procedures

Management, with the participation of the directors, has evaluated the effectiveness, as of August 28, 2015, of the Company's disclosure controls and procedures (as defined by the Canadian Securities Administrators). Based on that evaluation, the certifying officers have concluded that such disclosure controls and procedures are effective to provide reasonable assurance that material information relating to the Company and its subsidiary is known to them and to others within the Company.

Critical Accounting Estimates

The preparation of financial statements requires the Company to estimate the effect of various matters that are inherently uncertain as at the date of the financial statements. Each of these required estimates varies with respect to the level of judgment involved and the potential impact on the Company's reported financial results. Estimates are deemed critical when the Company's financial condition, change in financial condition or results of operations would be materially impacted by a different estimate or a change in estimate from period to period. The Company's significant accounting policies are discussed in note 1 of the Notes to Consolidated Financial Statements. Critical estimates inherent in these accounting policies are discussed in the following paragraphs.

Income taxes

The Company operates in Canada. The breadth of the Company's operations and the complexity of the taxing legislation and practices require the Company to apply judgment in estimating its ultimate tax liability. The final taxes paid will depend on many factors, including the Company's interpretation of the legislation and the outcomes of audits by and negotiations with tax authorities. Ultimately, the final taxes may be adjusted based on the resolution of these uncertainties.

The Company follows the liability method of accounting for income taxes. Under this method, future tax liabilities and assets are recognized for the estimated tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Future tax liabilities and assets are measured using enacted tax rates. The effect on future tax liabilities and assets of a change in tax rates is recognized in the period that the change occurs.

Nature of Operations

The Company is an exploration company. Its mineral properties are currently being explored and the Company has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amount shown for mineral properties is dependent upon the existence of economically recoverable reserves (as established in accordance with NI 43-101), the ability of the Company to obtain the necessary financing to complete exploration and development and upon future profitable production or proceeds from disposition of such properties.

The Company tries to maximize its exposure to promising exploration opportunities, to manage the risks inherent in exploration and to make appropriate use of financial management resources. The Company intends to hire several employees that worked the properties in the past, hence, are familiar with the legacy workings and historic infrastructure; further, they are familiar with the historic mine data and government reports that identify some of the positive attributes of the properties. The Company attempts to hire employees that have worked the properties in the past, hence, are familiar with the legacy workings and historic infrastructure; further, they are familiar with the historic mine data and government reports that identify some of the positive attributes of the properties. This experience and knowledge base would mitigate the risk associated with otherwise unknown properties.

Additional Funding Requirements

All of the mineral properties of the Company are in the exploration stage and, as a result, the Company has no source of operating cash flow. The Company needs to raise such additional funds as necessary to complete its projects. The Company does currently have the financial resources necessary to undertake all of its currently planned Canadian activities. At the present time the company does not have the resources to maintain its planned Mexican exploration and operations for the year 2015. The company has for the past months been diligently pursuing financing for Mexico. Certain financing initiatives have been at times potentially successful only to be terminated by circumstances beyond the Company's control. However there can be no assurance that the Company will be successful in obtaining any additional required funding necessary to conduct additional exploration, if warranted, on the Company's exploration properties or to develop mineral resources on such properties, if commercially mineable quantities of such resources are located thereon.

Incentive Stock Option Plan

The Company has established a stock option plan to provide incentive compensation to the Company's directors, officers, employees and consultants (the "Stock Option Plan").

The Stock Option Plan is administered by the board of directors of the Company. Stock options may be granted at any time to any director, senior officer, key employee or other person providing services to the Company, taking into consideration his or her contribution to the success of the Company and any other factor which the board of directors of the Company may deem proper and relevant. The aggregate number of Common Shares which may be reserved for issuance pursuant to the Stock Option Plan and any other share compensation arrangements of the Company will not exceed 10% of the total number of issued and outstanding Common Shares (calculated on a non-diluted basis) from time to time.

Stock options granted under the Stock Option Plan are exercisable over a period not exceeding five years, subject to earlier cancellation upon the termination of the optionee's employment, upon the optionee ceasing to be an employee, senior officer, director or consultant of the Company, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The stock options are non-assignable and non-transferable. The Stock Option Plan contains provisions for adjustment in the number of shares issuable in the event of a subdivision, consolidation, reclassification or change of the Common Shares, or a merger or other relevant changes in the Company's capitalization. The Stock Option Plan does not contain any provision for financial assistance by the Company in respect of stock options granted thereunder.

Mineral Properties and Deferred Exploration Costs

The Company defers the costs of exploration on existing projects and carries them as assets until production commences. The amounts at which mineral properties and deferred exploration expenditures are recorded do not necessarily reflect present or future values. If a project is successful, the related mineral properties and deferred exploration costs will be amortized over the estimated economic life of the project. If a project is unsuccessful, or if exploration has ceased because continuation is not economically feasible, the mineral properties and related exploration expenditures are written off.

Dividends

The Company has not paid any dividends on its Common Shares since incorporation and does not anticipate paying any dividends on its Common Shares in the foreseeable future. The Company has a limited operating history and there can be no assurance of its ability to operate its projects profitably.

Legal Proceedings

In February 2013 a judgement was recorded against the Company on a statement of claim by Elk Lake Enterprises for services in the amount of $16,598.40, interest and costs have been added and the amount of $22,276.57 is being carried in accounts payable. Management is aware of the judgement, and does not dispute it. Management intends to settle the claim when funds are available.

No other legal proceedings against the Company are known of.

Financial Instruments

The balance sheet carrying amounts for cash, GST recoverable, subscription receivable, prepaid expenses, deferred financing fees, accounts payable and accruals approximate fair value due to their short-term nature.

On June 3, 2015, the Company completed a one for ten share rollback transaction of its common shares which was approved on its Annual General Meeting at December 27, 2013. After the rollback, the Company had 8,257,035 common shares outstanding.

On July 3, 2015, the Company proposed to settle $332,862 dollars of debt for 3,328,625 common shares at a price of $.10 per common share.

On September 17, 2015, the Company issued 828,625 shares to extinguish related party debt in the amount of $82,862.50

On June 4 2015 the Company initiated a funding process to raise a maximum of $500,000 at a common share price of $.10 per share with ½ warrant at $.15 for twelve months. Details of the financing was press-released June 4, 2015.

As at September 30, 2015, the Company completed a private placement of 4,482,600 shares of common stock to certain accredited investors at a price of $.10 per share unit pursuant to the terms of a Securities Purchase Agreement. In addition, the investors received warrants to purchase an aggregate of 2,241,300 additional shares of common stock at an exercise price of $.15 per share. The number of share purchase warrants represents the number of shares that may be acquired on the exercise of the outstanding warrants.

Forward-Looking Statements

This document contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company, and its projects, the exploration expenditures, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, limitations of insurance coverage and regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; the future price of gold and silver; possible variations of ore grade or recovery rates; failure of the plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this document and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances, management's estimates or opinions should change, except as required by securities legislation. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements.

Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com.