# GREYWACKE EXPLORATION LTD.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the three month period ended December 31, 2014 and 2013

## INDEX

**GREYWACKE EXPLORATION LTD.**
**MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**
**FORM 51-102F FOR THE THREE MONTHS ENDED DECEMBER 31, 2014 and 2013**

## INTRODUCTION

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") of Greywacke Exploration Ltd. ("Greywacke," the "Company") (Formerly Minerva Minerals Limited) should be read in conjunction with the unaudited interim financial statements for the three month period ended December 31, 2014 and 2013 (the "Financial Statements") and the related notes and the audited annual financial statements for the years ended September 30, 2014 and 2013 and the related notes. The accompanying unaudited interim financial statements have been prepared by management and are in accordance with International Financial Reporting Standards ("IFRS") and all amounts are expressed in Canadian dollars unless otherwise noted. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Financial Statements. In this discussion and analysis, unless the context otherwise dictates, a reference to the Company refers to Greywacke Exploration Ltd. Additional information relating to the Company is available for viewing under the Company's profile on the SEDAR website at www.sedar.com.

This discussion and analysis contains forward-looking statements. Please refer to the cautionary language on page 15.

## DATE OF REPORT

This MD&A is prepared as of February 10, 2015. All amounts in the financial statements and this MD&A are expressed in Canadian dollars unless otherwise indicated.

## OVERVIEW

Greywacke was incorporated on June 5, 2006 under the Canada Business Company's Act. The shares of the Company are listed on the Canadian National Stock Exchange ("the CNSX"), and commenced trading on August 13, 2007. The Company is in the business of location, acquisition, exploration and development of mineral properties.

The Company's exploration efforts are focused on the exploration and development of its properties in Canada. The Company is in the process of exploring its resource properties and has not yet determined whether the properties contain minerals or mineral reserves that are economically recoverable.

These unaudited interim financial statements have been prepared in accordance with IFRS applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. All monetary amounts are in Canadian dollars unless otherwise noted.

The general business strategy of the Company is to acquire mineral properties either directly or through the acquisition of operating entities. The continued operations of the Company and the recoverability of mineral property costs and any related deferred costs is dependent upon the existence of economically recoverable mineral reserves, confirmation of the Company's interest in the underlying mineral claim, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production from the property or proceeds from the disposition thereof. The Company has incurred recurring operating losses since inception and has not generated any operating revenues to date. The Company will require additional funds to meet its obligations and maintain its operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in this regard are to raise equity financing through private or public equity investment in order to support existing operations and expand its business. There is no assurance that such additional funds will be available to the Company when required or on terms acceptable to the Company. The September 30, 2013 and 2012 audited financial statements do not include any adjustments that would be necessary to the carrying amounts and classifications of assets and liabilities that might result from this uncertainty.

On June 21, 2011, the Company closed a non-brokered private placement of 4,000,000 units (the "Units") at a price of $0.07 per Unit for proceeds of $280,000 (the "Private Placement"). Each Unit consists of one common share and one-half of one share purchase warrant (the "Warrants"); each whole Warrant entitles the holder to purchase one additional common share at a price of $0.10 per common share until June 21, 2012.

The Company paid finder fees totaling $42,480 and issued an aggregate 320,000 finder's warrants (the "Finder's Warrants") to finders who assisted with this placement, in accordance with regulatory policies. Each Finder's Warrant will entitle the holder to purchase one common share at a price of $0.10 per common share until June 21, 2012. The net proceeds from the Private Placement were used for general working capital purposes.

On April 8, 2013, the Company announced it entered into an option agreement with K & K Consulting Limited and Keith Metcalfe to acquire a 100% interest in five (5) mineral claim tenures totaling 13,777 hectares (34,044 acres) located within the La Ronge Gold Belt District of north-central Saskatchewan (the "Greywacke Property"). Pursuant to the terms of the option agreement, as amended on September 10, 2013, the Company can acquire a 100% interest in the Greywacke Property by making cash payments of $50,000 payable in instalments; $15,000 has been paid on signing, the remaining $35,000 is due on or before December 31, 2013; by issuance of 1,000,000 post-consolidated common shares and by incurring $15,000 in expenditures on the Greywacke Property prior to December 31, 2013 and $35,000 by December 31, 2014. The Greywacke Property is subject to a 1% net smelter returns royalty, which may be purchased by the Company for $1,000,000, less any previously paid NSR payments. At December 31, 2014, all requirements under the option agreement have been satisfied.

On June 25, 2013, the Company announced that the proposed share consolidation was completed. As such the Company exchanged one (1) new common share without par value for every two (2) old common shares, with any fractional shares being rounded to the nearest lower whole share.

On February 26, 2014, the Company announced the settlement of $29,500 of indebtedness to a creditor, who is a related party and insider of the Company, by issuing 590,000 shares at a price of $0.05 per share.

On July 2, 2014 the Company issued 200,000 shares as a finders' fee, at a price of $0.02 per share, for bringing a property to the Company.

## SELECTED FINANCIAL INFORMATION

The following information has been extracted from the Company's financial statement information for the most recent three month period ended December 31, 2014 and the two most recently completed financial years:

| | | December 31, 2014 | September 30, 2014 | September 30, 2013 |
|---|---|---|---|---|
| (i) | Net sales or total revenue ($000s) | **$Nil** | $Nil | $Nil |
| (ii) | Net loss: | | | |
| | (i) in total | **$ (31,620)** | $ (210,891) | $ (153,526) |
| | (ii) per share [1] | **($0.00)** | ($0.04) | ($0.02) |
| (iii) | Total assets | **$ 4,904** | $ 5,768 | $ 80,492 |
| (iv) | Total long-term financial liabilities | **$Nil** | $Nil | $Nil |
| (v) | Cash dividends declared per share | **n/a** | n/a | **n/a** |

(1) Fully diluted loss per share amounts have not been calculated as they would be anti-dilutive.

## SUMMARY OF QUARTERLY RESULTS

The following tables summarize information derived from the Company's financial statements for each of the eight most recently completed quarters:

| | 2015 Q1 | 2014 Q4 | 2014 Q3 | 2014 Q2 |
|---|---|---|---|---|
| (a) Revenue | $ - | $ - | $ - | $ - |
| (b) Net loss | (31,620) | (69,675) | (22,967) | (48,429) |
| (c) Net loss per share (basic & fully diluted) | $ - | $ 0.01 | $ 0.01 | $ 0.01 |

| | 2014 Q1 | 2013 Q4 | 2013 Q3 | 2013 Q2 |
|---|---|---|---|---|
| (a) Revenue | $ - | $ - | $ - | $ - |
| (b) Net loss | (69,820) | (83,229) | (30,702) | (31,433) |
| (c) Net loss per share (basic & fully diluted) | $ 0.01 | $ 0.02 | $ - | $ - |

## RESULTS OF OPERATIONS

### Three months ended December 31, 2014

Our general and administrative expenses consist primarily of personnel costs, legal costs, shareholder/investor relations costs, accounting costs and other professional, administrative costs and exploration activities. For the period ended December 31, 2014 the Company recorded a net loss of $31,620 (2013 – $69,820) or $(0.00) per share (2013 – ($0.01)). The decrease in the loss is due to a smaller exploration program of $5,814 (2013 - $48,307) as a result of the Greywacke option agreement and acquisition through staking of the Brunswick property (See page 6).

Exploration Activities

| | | Year ended September 30, | | | | Cumulative to date |
|---|---|---|---|---|---|---|
| | | **2014** | | 2013 | | |
| Greywacke | **$** | **5,814** | | 48,307 | **$** | **144,318** |
| Brunswick | | **-** | | - | | **23,097** |
| **Exploration and evaluation expenditures** | **$** | **5,814** | $ | 48,307 | **$** | **167,415** |

The Company's exploration properties are in the exploration stage, have not commenced commercial production and consequently the Company has no history of operating earnings or cash flow from operations. The success of exploration programs and other property transactions can have a significant impact on spending requirements. The Company currently finances its activities primarily by the private placement of securities. There is no assurance that equity funding will be accessible to the Company at the times and in the amounts required to fund the Company’s activities. There are many conditions beyond the Company’s control which have a direct bearing on the level of investor interest in the purchase of Company securities. The Company may also attempt to generate additional working capital through the operation, development, sale or possible joint venture development of its properties; however, there is no assurance that any such activity will generate funds that will be available for operations.

**Greywacke Claims, Saskatchewan, Canada**

Effective April 8, 2013 the Company acquired a 100% mineral interest in a 13,777 hectare property located within the La Ronge gold belt district, north-central Saskatchewan for cash consideration of $50,000, issuance of 1,000,000 post consolidation shares and work commitments. At December 31, 2014, all requirements under the option agreement have been satisfied.

**Brunswick Claims, Ontario, Canada**

Effective March 31, 2014 the Company acquired a 100% mineral interest in a 3,136 hectare property located within the Cote Lake gold district, northern Ontario for cash consideration of $18,000 for staking costs, issuance of 200,000 shares as a finder’s fee and a 1% NSR on the property.

Ownership of mineral interests involves inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance histories of many mineral interests. The Company has investigated ownership of its mineral interests and, to the best of its knowledge, such ownership interests are in good standing.

## LIQUIDITY AND CAPITAL RESOURCES

The Company's exploration properties are in the exploration stage, have not commenced commercial production and consequently the Company has no history of earnings or cash flow from its operations. As a result, the Company is reviewing its 2015 exploration and capital spending requirements in light of the current and anticipated global economic environment.

The Company currently finances its activities primarily by the private placement of securities. There is no assurance that equity funding will be accessible to the Company at the times and in the amounts required to fund the Company's activities. There are many conditions beyond the Company's control which have a direct bearing on the level of investor interest in the purchase of Company securities. The Company may also attempt to generate additional working capital through the operation, development, sale or possible joint venture development of its properties; however, there is no assurance that any such activity will generate funds that will be available for operations. Debt financing has not been used to fund the Company's property acquisitions and exploration activities and the Company has no current plans to use debt financing. The Company does not have "standby" credit facilities, or off-balance sheet arrangements and it does not use hedges or other financial derivatives. The Company has no agreements or understandings with any person as to additional financing.

At December 31, 2014, the Company had cash of $4,484 (September 30, 2014 - $2,150), working capital deficit of $166,495 (September 30, 2014 – $134,875) and an accumulated deficit of $967,397 (September 30, 2014 - $935,777) and shareholders' equity of ($166,495) (September 30, 2014 - ($134,875)). As at December 31, 2014, the Company does not have sufficient cash to meet its obligations for accounts payable and accrued liabilities. Cash outflow used in operations for the period ended December 31, 2014, were down significantly comparison with the same period in 2013 as a result of net loss for the period and exploration activities. The movement in working capital in 2014 resulted from the planned expenditures and investments on exploration, project development, corporate costs and other operating activities. The Company has no long-term debt, and all capital commitments were satisfied by the end of 2014, which includes $35,000 of eligible exploration activities. Current liabilities at December 31, 2014, were $171,399 (September 30, 2014 - $140,643).

## Cash Flow

*Operating activities***:** The Company's cash generated in operating activities was $2,334 (2013 – used $60,844) through the three months ended December 31, 2014. Changes in trade and other receivables resulted in an increase of $3,198 compared to an increase of $5,422 in 2013. There was an increase in trade and other payables of $30,756, compared to an increase of $3,553 in 2013.

## Dividends

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

## Financial Instruments

The Company has designated its cash as FVTPL, which is measured at fair value. Trade and other receivables are classified for accounting purposes as loans and receivables, which are measured at amortized cost which equals fair value. Trade and other payables are classified for accounting purposes as other financial liabilities, which are measured at amortized cost which also equals fair value. Fair values of trade and other receivables trade and other payables are determined from transaction values which were derived from observable market inputs. Fair values of these financial instruments are based on Level 2 measurements. The Company records its financial instruments at their carrying amounts which approximates fair value, unless otherwise disclosed in the financial statements. The carrying amounts approximate fair values due to the short-term maturities of these financial instruments.

The Company's financial instruments are exposed to a number of financial and market risks, including credit, liquidity and foreign exchange risks. The Company may, or may not, establish from time to time active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of its operations would warrant such hedging activities.

The Company places its cash with high credit quality financial institutions.

## SHARE CAPITAL

At February 10, 2015, the Company had:

- Authorized capital stock consists of an unlimited number of common shares with no par value.
- 6,390,499 common shares issued and outstanding (September 30, 2014- 6,390,499 common shares) or 6,390,499 on a fully diluted basis.

On February 26, 2014, the Company announced the settlement of $29,500 of indebtedness to a creditor, who is a related party and insider of the Company, by issuing 590,000 shares at a price of $0.05 per share.

On July 2, 2014 the Company issued 200,000 shares as a finders' fee, at a price of $0.02 per share, for bringing a property to the Company.

## OUTLOOK

The information below is in addition to the disclosure concerning specific operations included in the Review of Operations section of this MD&A.

### General Economic Conditions

Volatility of exchange traded commodity prices over the past year, including precious and base metal prices which had been unusually high near the begin of the year and has steadily declined throughout. It is difficult in these conditions to forecast metal prices and demand trends for products that we would produce if we had current mining operations. Credit market conditions have also increased the cost of obtaining capital and limited the availability of funds. Accordingly, management is reviewing the effects of the current conditions on our business.

It is anticipated that for the foreseeable future, the Company will rely on the equities markets to meet its financing need. The Company will also consider entering into joint venture arrangements to advance its projects.

### Capital and Exploration Expenditures

Under the terms of the option agreement on the Greywacke property, the Company performed $35,000 of exploration work on the property by the end of December 2014. Upon reviewing the results of the exploration program, the Company has given notice of exercising its rights under the property option agreement and is in the process of transferring the claims to the Company.

We are currently concentrating our exploration activities in Canada and examining data relating to the potential acquisition or joint venturing of additional mineral properties in either the exploration or development stage.

## OFF-BALANCE SHEET ARRANGEMENTS

During the period ended December 31, 2014, the Company was not a party to any off-balance-sheet arrangements that have, or are reasonably likely to have, a material current or future effect on the results of operations, financial condition, revenues or expenses, liquidity, capital expenditures or capital resources of the Company.

## CONTRACTUAL OBLIGATIONS

The Company's activities are subject to environmental regulation (including regular environmental impact assessments and permitting) in each of the jurisdictions in which its mineral properties are located. Such regulations cover a wide variety of matters including, without limitation, prevention of waste, pollution and protection of the environment, labour relations and worker safety. The Company may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. It is likely that environmental legislation and permitting will evolve in a manner which will require stricter standards and enforcement. This may include increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a higher degree of responsibility for companies, their directors and employees.

The Company has not determined and is not aware whether any provision for such costs is required and is unable to determine the impact on its financial position, if any, of environmental laws and regulations that may be enacted in the future due to the uncertainty surrounding the form that these laws and regulations may take.

**Asset purchase agreements obligations**
The Company has one asset purchase agreement with an unrelated entity under which the Corporation is committed to conduct exploration work representing the following capital expenditures for these Vendors, in each of the calendar years indicated:

| | Exploration Commitment | |
|---|---|---|
| | **2014** | **2015** |
| **Greywacke Property** | **$ 35,000** | **$ -** |

In the event that the Corporation fails to comply with the above mentioned conditions the Corporation shall remedy to any non-compliance by paying the Vendor an amount in cash that is equal to 60% of the difference between the required capital expenditure for any given year and the amount actually spent. If the default has not been remedied within the said 90 day period from default, the two agreements allow them to take back partial ownership from the purchased assets at the rate of 25% of each uncompleted year.

In the period the Company has made the cash payment and incurred the required exploration expenditures as required under the option agreement and has notified the Optionor that it was exercising its rights under the option agreement.

## EVENTS AFTER THE REPORTING PERIOD

Subsequent to period end, the Company exercised its 100% option on the Greywacke property.

## CHANGES IN ACCOUNTING POLICIES

The IASB issued a number of new and revised International Accounting Standards, International Financial Reporting Standards, amendments and related interpretations which are effective for the Company's financial years beginning on or after October 1, 2013. For the purpose of preparing and presenting the financial information for the relevant periods, the Company has consistently adopted all these new standards for the relevant reporting periods.

At the date of authorization of these financial statements, the IASB and IFRIC have issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods:

- IFRS 9 *'Financial Instruments: Classification and Measurement'* – effective for annual periods beginning on or after January 1, 2018, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.
- IAS 32 '*Financial instruments, Presentation'* – In December 2011, effective for annual periods beginning on or after January 1, 2014, IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date.

The Company has not early adopted these standards, amendments and interpretations; however, the Company is currently assessing what impact the application of these standards or amendments will have on the financial statements of the Company.

At the date of authorization of these financial statements, the IASB and IFRIC have issued the following new and revised Standards and Interpretations which have been adopted for the relevant reporting periods:

- IAS 36 'Impairments of Assets' - amended by the IASB in May 2013 to clarify the requirements to disclose the recoverable amounts of impaired assets and require additional disclosures about the measurement of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. The amendments to IAS 36 are effective for annual periods beginning on or after January 1, 2014.
- IAS 39 'Financial Instruments: Recognition and Measurement' - amended by the IASB in June 2013 to clarify that novation of a hedging derivative to a clearing counterparty as a consequence of laws or regulations or the introduction of laws or regulations does not terminate hedge accounting. The amendments to IAS 39 are effective for annual periods beginning on or after January 1, 2014.
- IFRIC 21 'Levies' - issued in May 2013. IFRIC 21 provides guidance on the accounting for levies within the scope of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"). IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("obligating event"). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods commencing on or after January 1, 2014.

The adoption of these pronouncements had no significant financial impact on the financial statements.

## CRITICAL ACCOUNTING ESTIMATES

The preparation of these financial statements requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to recoverability of trade and other receivables, valuation of deferred income tax amounts and the calculation of share-based payments. Significant estimates and judgments made by management in the preparation of these financial statements are outlined below:

***Income taxes***

Tax interpretations, regulations and legislation in the various jurisdictions in which the Company operates are subject to change and interpretation. As such, income taxes are subject to measurement uncertainty. The Company follows the liability method for calculating deferred taxes. Assessing the recoverability of deferred tax assets requires the Company to make significant estimates related to the expectations of future cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the deferred tax assets and liabilities recorded at the statement of financial position date could be impacted. Additionally, changes in tax laws could limit the ability of the Company to obtain tax deductions in the future.

***Calculation of share based payments and warrants***

The Black-Scholes option pricing model is used to determine the fair value for the share based payments and warrants and utilizes subjective assumptions such as expected price volatility and expected life of the option or warrant. Discrepancies in these input assumptions can significantly affect the fair value estimate.

## RISKS AND UNCERTAINTIES

The Company faces a number of uncertainties, including the ability to raise sufficient capital to fund exploration activities and ongoing administrative expenses. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production on any or all of its properties or even a loss of property interests. The business of the Company, mineral exploration and development, involves a high degree of risk. The exploration, development, mining and processing of minerals from the Company's properties will require substantial additional financing. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. Nor is there any assurance that if such properties contain such ore bodies that the Company will be able to discover and develop them. The extraction of metals and minerals from ore involves complicated metallurgical processes and recovery rates and costs can vary; there is no assurance that ore bodies, if discovered, will be able to be mined economically or successfully.

## (a) Nature of Mineral Exploration and Mining

At the present time, the Company does not hold any interest in a mining property in production. The Company's viability and potential success lie in its ability to discover, 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 even 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 Company has an interest will result in a profitable commercial mining operation.

The operations of the Company are subject to all of the hazards and risks normally incidental to 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 Company may be subject to prolonged disruption of activities or scheduled work programs, due to weather conditions, barriers to property access, whether natural (such as floods or road damage) or man-made (such as blockades), depending on the location of operations in which the Company 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 Company may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks is such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which the Company 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 Company 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, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting and environmental protection. The effect of these factors cannot be accurately predicted, and the combination of these factors may result in the Company not receiving an adequate return on invested capital.

## (b) Commodity Price Risk

The price of the common shares in the capital the Company, its financial results, exploration and development activities have been, or may in the future be, adversely affected by declines in the price of gold and/or other metals. Gold, copper, nickel, platinum or any other minerals discovered prices fluctuate widely and are affected by numerous factors beyond the Company's control, such as the sale or purchase of commodities by various central banks, financial institutions, expectations of inflation or deflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, international supply and demand, speculative activities and increased production due to new mine developments, improved mining and production methods and international economic and political trends. The Company's revenues, if any, are expected to be in large part derived from mining and sale of precious and base metals or interests in properties related thereto. The effect of these factors on the price of precious and base metals, and therefore the economic viability of any of the Company's exploration projects, cannot accurately be predicted.

**(c) Competition**

The mineral exploration and mining business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Company, in the search for and acquisition of attractive mineral properties. The ability of the Company 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 Company will continue to be able to compete successfully with its competitors in acquiring such properties or prospects.

**(d) Financing Risks**

The Company has limited financial resources and no current revenues. 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 Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company 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 Company with the possible dilution or loss of such interests.

**(e) Permits and Licences**

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

**(f) No Assurance of Titles**

The acquisition of title to mineral projects is a very detailed and time consuming process. Although the Company has taken precautions to ensure that legal title to its property interests is properly recorded in the name of the Company where possible, there can be no assurance that such title will ultimately be secured. Furthermore, there is no assurance that the interest of the Company in any of its properties may not be challenged or impugned. Some of the Company’s properties may be subject to claims from aboriginal peoples which may affect exploration activities and costs.

**(g) Environmental Regulations**

The operations of the Company 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 mineral exploration and mining operations, 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 in a manner which means stricter standards and enforcement; fines and penalties for non-compliance are 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.

**(h) Conflicts of Interest**

The directors and officers of the Company 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 interest of the Company. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director is required by the *Business Corporations Act* to disclose the conflict of interest and to abstain from voting on the matter.

From time to time several companies may participate in the acquisition, exploration and development of natural resource properties 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 occur 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 Company 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 Company may be exposed and its financial position at that time.

**(i) Political Risk**

All of the Company's properties are located in Canada. Accordingly, the Company is subject to risks normally associated with exploration for and development of mineral properties in that country. The Company's mineral exploration activities could be affected in varying degrees by such political instability, aboriginal land claims and government regulation relating to foreign investment and the mining business. Operations may also be affected in varying degrees by terrorism, military conflict or repression, crime, extreme fluctuations in currency rates and high inflation.

**(j) Dependence on Key Personnel**

The Company is dependent on a relatively small number of key people, the loss of any of whom could have an adverse effect on its operations.

**(k) Interest Rate Risk**

The Company invests cash surplus to its operational needs in investment-grade short term deposits certificates issued by the bank where it keeps its Canadian bank accounts. The Company periodically assesses the quality of its investments with this bank and is satisfied with the credit rating of the bank and the investment grade of its short term deposits certificates.

**(l) Liquidity Risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2014, the Company had current assets of $4,904 (September 30, 2014 - $5,768) and current liabilities of $171,399 (September 30, 2014 - $140,643). All of the Company's financial liabilities and receivables are subject to normal trade terms. The Company had current working capital deficiency as of December 31, 2014, of ($166,495) and September 30, 2014 of ($134,875).

### (m) Liquidity Risk

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

### (n) Internal Control over Financial Reporting

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. 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.

## RELATED-PARTY TRANSACTIONS

Our proposed business raises potential conflicts of interests between certain of our officers and directors and us. Certain of our directors are directors of other mineral resource companies and, to the extent that such other companies may participate in ventures in which we may participate, our directors may have a conflict of interest in negotiating and concluding terms regarding the extent of such participation. In the event that such a conflict of interest arises at a meeting of our directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases, we will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, involvement in a greater number of programs and reduction of the financial exposure with respect to any one program. It may also occur 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 we will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to us, the degree of risk to which we may be exposed and its financial position at that time. Other than as indicated, we have no other procedures or mechanisms to deal with conflicts of interest. We are not aware of the existence of any conflict of interest as described herein.

Other than as disclosed below, during the period ended December 31, 2014 and 2013, none of our current directors, officers or principal shareholders, nor any family member of the foregoing, nor, to the best of our information and belief, any of our former directors, senior officers or principal shareholders, nor any family member of such former directors, officers or principal shareholders, has or had any material interest, direct or indirect, in any transaction, or in any proposed transaction which has materially affected or will materially affect us.

There have been no transactions or proposed transactions with officers and directors during the last twelve months to which we are a party except as follows:

During the period ended December 31, 2014, the Company incurred management fee expenses of $15,000 (2013 - $15,000) to a shareholder of the Company, for providing officers, directors and investor relation services to the Company. In addition, the Company borrowed $70,954 from this shareholder to cover the staking costs of the Brunswick property and general operating costs. As at December 31, 2014 $128,400 of these amounts are included in trade and other payables.

During the year ended September 30, 2014, the Company incurred exploration expenses of $13,307 and made an additional $35,000 payment, pursuant to the Greywacke option agreement, to K&K Consulting Limited ("K&K"). K&K is related to the Company by virtue of its ownership position in the Company. In conjunction with the Company's acquisition of the Greywacke property, in 2013 1,000,000 (or 17.8% of the issued and outstanding shares at the time of the issuance) were issued to K&K.

## FORWARD-LOOKING STATEMENTS

This management discussion and analysis (“MD&A”) contains certain forward-looking statements and information relating to the Company that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital and the estimated cost and availability of funding for the continued exploration and development of the Company’s exploration properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

## APPROVAL

The Board of Directors of Greywacke Exploration Ltd. has approved the disclosure contained in this management discussion and analysis and is effective as of February 10, 2015.