FAIRMONT RESOURCES INC.

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED OCTOBER 31, 2015

The following Management Discussion and Analysis ("MD&A") of Fairmont Resources Inc. (the "Company" or "Fairmont") has been prepared by management, in accordance with the requirements of National Instrument 51-102 as of February 9, 2016, and should be read in conjunction with the financial statements for the year ended October 31, 2015 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is presently a "Venture Issuer" as defined in NI 51-102.

All financial information in this MD&A related to 2015, 2014 and 2013 has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

Forward Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These forward-looking statements include statements regarding the future price of metals, the timing and amount of estimated future production, costs of production, capital expenditures, the success of exploration activities, permitting time lines, currency fluctuations, the requirements of future capital, drill results and the estimation of mineral resources and reserves. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained in this report should not be unduly relied upon. These statements speak only as of the date of this report. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about general business and economic conditions; the supply and demand for, deliveries of, and the level and volatility of prices of iron ore and other commodities; the availability of financing for the Company's exploration programs; the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; and the ability to attract and retain skilled staff.

These forward-looking statements involve risks and uncertainties relating to, among other things, changes in commodity and, particularly, iron ore prices, access to skilled mining development personnel, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors hereinabove. Additional risk factors are described in more detail hereinafter. **Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The forward-looking statements contained in this report are expressly qualified by this cautionary statement.** The Company intends to discuss in its quarterly and annual reports referred to as the Company's management's discussion and analysis documents, any events and circumstances that occurred during the period to which such document relates that are reasonably likely to cause actual events or circumstances to differ materially from those disclosed in this management discussion and analysis.

Qualified Person

Neil Pettigrew, P.Geo, and a director of the Company, is a Qualified Person as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* and has reviewed and approved all technical information in this management discussion and analysis. Mr. Roger Ouellet, P. Geo, consultant to Fairmont Resources and a Qualified Person ("QP") under NI 43-101 regulations, reviews and approves technical work on our Quebec Projects.

Description of Business

Fairmont Resources Inc. (the "Company") is primarily focused on the exploration and development of two iron-titanium-vanadium properties and three quartz properties. The iron-titanium-vanadium properties are called the Buttercup Property and Hearth Property, both of which are located in south central Quebec, 250 km North of Quebec City. Near these properties we have an option on a quartz property called Lac Bouchette. We also have options on two more quartz properties located about 400 km North East of Quebec City and named Forestville and Baie Comeau.

The Company has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production from the mineral properties or proceeds from the disposition of the mineral properties.

Overall Performance

For the year ended October 31, 2015, the Company incurred a net loss of $478,828 (2014 – $1,273,609). The decreased loss was caused by lower losses on write down of properties taken in 2015 as compared to the prior year. This reduction was offset by increases in management fees, share based payments.

During the year ended October 31, 2015, 75,000 options at an average exercise price of $0.51 per share expired and 1,000,000 stock options were issued to the Company's directors, officers and certain consultants. As a result, the total share based payments calculated from vesting those options in the year ended October 31, 2015 was $60,334 (2014 –$nil).

On November 21, 2013 5,290,000 common shares were issued at a price of $0.05 per common share for gross proceeds of $264,500. In conjunction with the private placement 295,000 shares at a price of $0.05 per common shares were issued as a finders fee.

On November 26, 2013, the Company entered into a letter agreement with an arm's length party (the "Optionor") to earn a 40% interest in certain mineral claims known as the Lac Elan property in the province of Quebec. To acquire the 40% interest, the Company agreed to issue a total of 1,000,000 common shares and incur a total of $100,000 in exploration expenditures before the second anniversary of the agreement, with $25,000 of that being spent before the first anniversary. On November 24, 2014, the Company and the optionor agreed to amend the agreement and the minimum expenditure requirement to be spent by the first anniversary was removed. On November 13, 2015 the Company abandoned its mineral claims of the Lac Elan Property so that it can focus its resources on those properties that show more promising results. All capitalized costs were written-off.

On December 7, 2013 the Company entered into a letter of intent with an arm's length party (the "Vendor") whereby the Vendor agreed to enter into a definitive purchase agreement with the Company to acquire a 100% interest in certain mineral claims known as the Buttercup property in the province of Quebec. In consideration of entering into the letter of intent, the Company paid $50,000 to certain suppliers of the Vendor. On January 28, 2014, the Company and the Vendor entered into the definitive purchase agreement whereby the Company acquired the Buttercup Property and, in consideration of which, the Company issued to the Vendors a total of 1,000,000 common shares. Under the terms of the purchase agreement, the Company agreed to pay $50,000 within 60 days of receiving final permits to commence commercial production (settled by the issuance of 1,000,000 common shares at a price of $0.05 per share) and $100,000 on commencement of commercial production. Further the net profits from production will be split 80% to the Vendor and 20% to the Company until the Vendor has received a total payment of $3,000,000. Thereafter the Vendor will receive 5% of the net profits and the Company will receive 95%.

On January 10, 2014 the Company staked 96 claims near our Buttercup property called the Hearth Property. The Hearth Property contains the apparent strike extensions of the Buttercup mineralized zones and consolidates the area so that Fairmont should be able to continue exploration unencumbered.

On January 29, 2014 the Company abandoned its Marmion South Contact property so that it could focus on those properties that showed more promising results. In order to abandon the property with no further obligations the Company agreed to issue the optionors 100,000 common shares at a fair value of $0.12 per share.

On February 13, 2014 the Company agreed to terms with the optionors of the Clay Powell property to extend the option until December 13, 2014. The Company agreed to issue 25,000 common shares to cover past obligations and to issue 100,000 common shares for the extension to December 13, 2014. On May 2, 2014, the Company issued 25,000 shares at a price of $0.15 per share, and 100,000 shares at a price of $0.16 per share on June 17 of the same year. The minimum exploration expenditure obligations of $500,000 that were originally due by October 15, 2013 were postponed to December 31, 2014 by the optionors. On November 28, 2014 the Company terminated its option for the Clay Powell property in order to focus on its Quebec properties. All remaining capitalized costs were written-off as of October 31, 2014.

On June 23, 2014, 1,291,667 units were issued at a price of $0.15 per unit for gross proceeds of $193,750. Each unit consists of one common share (a "Share") and one half share purchase warrant (a "Warrant"). Each Full Warrant will entitle the holder to purchase one Share for a period of 12 months at an exercise price of $0.25 per Share (the "Warrant Term"). No finder's fee was paid in connection with the closing of this private placement.

On July 31, 2014 the Company abandoned its Houghton Creek property and instead will focus on those projects that show better prospects.

On October 24, 2014 the Company entered into an agreement with an arms length party (the "Optionor") to acquire 100% interest in the 435 hectare Lac Bouchette Quartz Property. The Lac Bouchette Quartz Property is located 15 kilometres south of Lac St-Jean, and less than 100 km from Port Alfred and less than 100 km from the Grand Anse Sea Terminal. Fairmont (the "Optionee") will:

- (i) pay to the Optionor $50,000 in cash or equivalent in common shares upon the earlier of the execution of the Definitive Agreement and completion of the Due Diligence Period (paid $25,000 and issued 135,135 common shares at a price of $0.175 per share subsequent to year end);
- (ii) pay to the Optionor $50,000 in cash or equivalent in common shares on or before December 31, 2014 (issued 344,827 common shares at a price of $0.155 per share subsequent to year end);
- (iii) pay to the Optionor another $100,000 cash or equivalent in common shares in installments of $50,000 on June 1, 2015 (issued 263,158 common shares at $0.19 per share) and $50,000 on December 1, 2015 (issued 1,000,000 common shares at $0.05 per share);
- (iv) The Optionee shall be responsible for keeping the Property in good standing including the filing of required assessment work and completing regulatory work expenditures or making cash payments in lieu of work 60 days before required under the rules of the jurisdiction;
- (v) The Property shall be subject to a 20 kilometre area of interest (the "AOI"). with the exception of existing claims held by the Optionor or Optionee, other than the Property, in AOI at the time of signing; and
- (vi) The Property will be subject to a $2 per tonne royalty for all ore currently stockpiled on the property and a 2% gross royalty for any new mined ore in favor of the Optionor.

On February 17, 2015 the Company entered into an option agreement to acquire a 100% interest in the Forestville and Baie Comeau Quartzite properties (the "Properties"). The Forestville Quartzite property is located 20 kilometres north-northwest of the town of Forestville, Quebec. The Baie Comeau Quartzite property is 8 kilometres northwest of Baie Comeau, Quebec, and partially crosses highway 389. The properties have been optioned for the purpose of testing the chemical and physical properties of the quartzite as potential raw material source of high purity glass, fibre optics, ferrosilicon and silica metal.

To acquire 100% of the Properties, the Company will:

- i) pay to the Optionor 500,000 shares on the date of acceptance of the TSX Venture Exchange (the "Exchange Approval Date") (paid);
- ii) pay $6,000 on the Exchange Approval Date (by mutual consent the $6,000 payment has been delayed indefinitely);
- iii) pay $100,000 in shares on or before January 21, 2016 (issued 2,000,000 common shares at a price of $0.05 per share);
- iv) pay $50,000 in shares on or before July 21, 2016; and
- v) incur $60,000 of exploration expenditures on the Forestville Quartzite Property on or before December 31, 2015.

The Optionee shall be responsible for keeping the Properties in good standing including the filing of required assessment work and completing regulatory work expenditures or making cash payments in lieu of work 120 days before required under the rules of the jurisdiction.

On March 15, 2014, 945,666 warrants at $0.80 expired.

On June 23, 2014, the Company issued 766,667 units for gross proceeds of $115,000, and 525,000 units as a payment of $78,750 for consulting fees. Each unit consists of one common share and one half of a warrant, Each full warrant can be exchanged for one common share at a price of $0.25 per common share. The Company has an Acceleration Right that provided the average closing price for the Common Shares on the principal exchange or market on which the Common Stock trades has been equal to or greater than $0.35 per share for 10 consecutive trading days prior to the date that the Company exercises the acceleration right. To exercise the Acceleration Right, the Company shall issue a news release announcing that it has elected to exercise the Acceleration Right (the "Acceleration Notice"). If the Company exercises the Acceleration Right, the holder shall exercise such Warrant on or before 5:00 PM Pacific time on the day that is 30 days after the issuance of the news release announcing that it has elected to exercise this Acceleration Right

On September 5, 2014 3,000,000 units, consisting of one common share and one half of a warrant, were issued at a price of $0.15 per unit for gross proceeds of $449,400. In conjunction with the private placement 141,000 shares at a price of $0.15 per common shares were issued as a finder's fee. Each full warrant can be exchanged for one common share at a price of $0.25 per share. The Company has an Acceleration Right that provided the average closing price for the Common Shares on the principal exchange or market on which the Common Stock trades has been equal to or greater than $0.35 per share for 10 consecutive trading days prior to the date that the Company exercises the acceleration right. To exercise the Acceleration Right, the Company shall issue a news release announcing that it has elected to exercise the Acceleration Right (the "Acceleration Notice"). If the Company exercises the Acceleration Right, the holder shall exercise such Warrant on or before 5:00 PM Pacific time on the day that is 30 days after the issuance of the news release announcing that it has elected to exercise this Acceleration Right.

On February 6, 2015 the company announced the issuance of 1,000,000 stock options to its directors, officers and certain consultants. Each option entitles the holder to purchase one share at $0.25 per share**.**

On June 23, 2015, 645,833 warrants at $0.25 per warrant expired.

On September 5, 2015, 1,500,000 warrants at $0.25 per warrant expired

At October 31, 2015, the Company had cash of $14,555 (October 31, 2014 – $155,065). At October 31, 2015 the company had a working capital deficit of $376,346 (October 31, 2014 – $ 109,557). To date, the Company's sole source of financing has been derived from the issuance of common shares.

Other Events and Transactions

Appointments and Resignations

On February 27, 2014 Fairmont appointed Ernest Cleave as a director. Mr. Cleave is currently the Chief Financial Officer of Largo Resources Ltd. and a Director of Firesteel Resources Inc. Mr. Cleave is a business professional with over 20 years' experience in finance strategy, M&A, compliance, financial reporting, internal control and strategic planning.

He served as Director, Chief Financial Officer, Corporate Controller and in senior finance positions for large, multi-national companies in the mining, manufacturing and retail sectors, including Bata Limited, Falconbridge Limited, and Goldcorp Inc. He started his career with PricewaterhouseCoopers in 1993 and has also served as Chief Financial Officer for numerous junior mining companies, including Alturas Minerals Corp., Cline Mining Corporation and Grandview Gold Inc.

On February 27, 2014 John Bevilacqua resigned as director. Fairmont would like to thank John for all his help and cooperation and wish him the best of success in his other projects.

Commitments

Lac Elan Property (Quebec)

On November 26, 2013, the Company signed a definitive option agreement with ElanOre Resources (the "Optionor") to acquire a 40% undivided interest in the 388.5 sq km Lac Elan property located near Saguenay, Quebec.

The Company may exercise the option by the issuance of 1,000,000 common shares of the Company (issued), and by incurring a total of $100,000 in exploration or development expenditures on the properties within 24 months of signing, with $25,000 being incurred before the first anniversary.

On November 24, 2014, the Company and the optionor agreed to amend the agreement and the minimum expenditure requirement to be spent by the first anniversary was removed.

On November 13, 2015 the Company abandoned its mineral claims of the Lac Elan Property so that it can focus its resources on those properties that show more promising results. All capitalized costs were written-off in the year ended October 31, 2015.

Buttercup Property (Quebec)

On January 28, 2014, the Company signed a Mineral Property Purchase Agreement with two prospectors to acquire 100% interest in the 25 claim, Buttercup Property, located near Saguenay, Quebec.

The Company issued 1,000,000 shares to acquire the property the Property. The Company will also be required to pay a further $150,000 in cash. The schedule for the cash payments are: $50,000 within 60 days of Fairmont receiving final permits to conduct commercial production (settled by the issuance of 1,000,000 common shares at a price of $0.05 per share), and $100,000 on the commencement of commercial production. The first $3 million in net profits are to be split 80% (Vendors) and 20% (Fairmont), thereafter the net profits shall be split 95% (Fairmont) and 5% (Vendors). In the event the vendors do not receive proceeds totaling $3 million prior to the 6th anniversary of the definitive agreement, then Fairmont shall issue up to a maximum 20 million shares based on standard dilution pro rata to top up what the vendors received prior to the 6th anniversary. If commercial production does not occur within three years of entering the definitive agreement, the Property will revert back to the Vendors.

Lac Bouchette Quartz Property (Quebec)

On October 24, 2014 the Company entered into an agreement with two prospectors (the "Optionor") to acquire 100% interest in the 435 hectare Lac Bouchette Quartz Property. Fairmont (the "Optionee") will:

- (i) pay to the Optionor $25,000 cash and $25,000 in shares of Fairmont within five days of TSX Venture Exchange acceptance of the agreement, (paid $25,000 and issued 135,135 common shares at a price of $0.175 per share).
- (ii) pay $50,000 in shares of Fairmont on or before December 31, 2014, (issued 344,827 common shares at a price of $0.155 per share)
- (iii) pay $50,000 on or before June 1, 2015 (issued 263,158 common shares at a price of $0.19 per share), and
- (iv) pay $50,000 on or before December 1, 2015 (issued 1,000,000 shares at a price of $0.05 per share).

At the election of Fairmont, the payments set out in paragraphs (ii) to (iv) may be settled by the issuance of common shares of Fairmont, subject to TSX Venture Exchange Acceptance.

The Optionor agreed with the Company to extend the December 31, 2014 payment until January 2015. On January 14, 2015 344,827 common shares were issued at a price of $0.155 per share.

The Optionee shall be responsible for keeping the Property in good standing including the filing of required assessment work and completing regulatory work expenditures or making cash payments in lieu of work 60 days before required under the rules of the jurisdiction.

The Property will be subject to a $2 per tonne royalty for all ore currently stockpiled on the property and a 2% gross royalty for any new mined ore in favor of the Optionor.

Forestville and Baie Comeau Properties

On January 21, 2015 the Company acquired a 100% interest in the Forestville and Baie Comeau Quartzite properties (the "Properties"). The Forestville Quartzite property is located 20 kilometres north-northwest of the town of Forestville, Quebec. The Baie Comeau Quartzite property is 8 kilometres northwest of Baie Comeau, Quebec, and partially crosses highway 389. The properties have been optioned for the purpose of testing the chemical and physical properties of the quartzite as a potential raw material for use in products such as: high purity glass, fibre optics, ferrosilicon and silica metal.

To acquire 100% of the Properties, the Company will:

i) pay to the Optionor 500,000 shares on the date of acceptance of the TSX Venture Exchange (the "Exchange Approval Date") (paid);
ii) pay $6,000 on the Exchange Approval Date;
iii) pay $100,000 in shares on or before January 21, 2016 (issued 2,000,000 shares at a price of $0.05 per share);
iv) pay $50,000 in shares on or before July 21, 2016; and
v) incur $60,000 of exploration expenditures on the Forestville Quartzite Property on or before December 31, 2015 (incurred).

The Optionee shall be responsible for keeping the Properties in good standing including the filing of required assessment work and completing regulatory work expenditures or making cash payments in lieu of work 120 days before required under the rules of the jurisdiction.

Clay and Powell Properties (Ontario)

On September 14, 2010, the Company entered into a Letter of Intent with Rainy Mountain Royalty Corp. and Mega Uranium Ltd. (the "Optionors") for an option to purchase a 70% undivided interest in 11 mineral tenures comprising the Powell property and 10 mineral tenures comprising the Clay property (the "Properties") located near Thunder Bay, Ontario.

On February 13, 2014 the Company agreed to terms with the optionors of the Clay Powell property to extend the option until December 31, 2014. The Company agreed to issue 100,000 common shares (on approval from the TSX Venture Exchange) for the extension to December 31, 2014, and on May 2, 2014 the Company issued 25,000 common shares to cover past obligations. Minimum expenditure obligations that were due on October 15, 2013 were extended to December 31, 2014. The Optionors may also purchase back the option with a payment of $1,000 if they receive a bona fide offer from a third party that wishes to purchase the option. The Company therefore wrote down the value of the property to $1,000.

On November 28, 2014, the Company informed the Optionors that we would be cancelling the option agreement effective December 28, 2014. The remaining value of the property was written off in the year ended October 31, 2014.

Houghton Creek Property (Ontario)

On July 25, 2012, the Company entered into a letter agreement with an arm's length party (the "Optionor") to earn a 100% interest in certain mineral claims known as the Houghton Creek property. The property is located in the Patricia Mining Division, Ontario. To acquire the 100% interest, the Company agreed to pay $22,000, issue a total of 56,250 common shares and incur a total of $150,000 in exploration expenditures.

In July-August of 2012 the Company conducted a one week reconnaissance prospecting, soil sampling and lake sediment sampling program.

On July 31, 2014 the Company abandoned its mineral claims of the Houghton Creek Property so that it could focus on those projects that show better results.

Marmion South Contact Property (Ontario)

On January 7, 2011, the Company entered into a letter agreement with Karl Bjorkman (the "Optionor") to earn a 100% interest in 47 mineral claims known as the Marmion South Contact property. The agreement was amended on January 7 and July 4, 2013. On January 29, 2014 the Company decided to abandon its option to the Marmion property so that it could concentrate its efforts and capital on its other projects.

Selected Annual Information

The Company is the providing the following selected information with respect to the Company's audited financial statements for the fiscal years ended October 31, 2015, 2014 and 2013. The audited financial statements for these fiscal years were prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

	Year ended October 31, 2015 ($)	Year ended October 31, 2014 ($)	Year ended October 31, 2013 ($)
Total Revenue	-	-	-
Operating Expenses	(418,954)	(396,753)	(404,526)
Loss Before Other Items and Income Tax	(418,954)	(396,753)	(404,526)
Write-Off Exploration and Evaluation Assets	59,874	(876,856)	(963,204)
Interest Income	-	-	537
Future Income Tax Recovery	-	-	-
Other income on settlement of flow-through share premium liability	-	-	-
Net Loss	(478,828)	(1,273,609)	(1,367,193)
Basic and Diluted Loss Per Share	(0.03)	(0.10)	(0.27)

	As at October 31, 2015 ($)	As at October 31, 2014 ($)	As at October 31, 2013 ($)
Balance Sheet Data			
Total assets	621,142	522,749	852,330
Total liabilities	398,073	83,282	177,176
Total equity	223,069	439,467	675,154

Results of Operations

During the year ended October 31, 2015, the Company incurred a net comprehensive loss before income taxes, interest and other income of $478,828 (2014 – $1,273,609). The expenses for the year ended October 31, 2015 include the following items:

- Accounting and audit of $48,750 (2014 – $45,560).
- Advertising and promotion of $27,571 (2014 – $34,951).
- Consulting $105,999 (2014 – $148,308). The consulting fees increase over the year ended October 31, 2015 was due to work done for the Company by outside contractors to acquire more Quebec properties.
- Management fees were $102,000 (2014 – $40,500). Management fees have increased due to our president charging fees this year but only for four months of the year ending October 31, 2014.
- Legal fees were $4,745 (2014 – $21,402). Legal fees decreased for the year ended October 31, 2015 from the prior year because of the properties that we negotiated for and purchased in 2014.

Project Updates

Lac Elan

The Lac Elan property is located directly north the town of St-David-de-Falardeau itself located some 20km North of Chicoutimi in the Lac St-Jean region of Quebec located on NTS map sheets 22D10, D11, D14 and D15 and covering 38851ha or 388.5 km^2.

On November 13, 2015 the Company abandoned its mineral claims of the Lac Elan Property so that it can focus its resources on those properties that show more promising results. All capitalized costs were written-off.

Buttercup

In two places on the Buttercup property, stripping has shown that the south west ends of low lying ridges are composed of, medium grained titaniferous magnetite. These two occurrences lie close to the base line at 3N and 9N. At the latter locality the exposure measures about 150 feet by 170 feet. An outcrop of titaniferous magnetite was un-covered close to the base line some 15 feet east of an exposure of brecciated anorthosite. Other trenches and test pits were attempted in the area which only obtained bedrock in two locations near 18N 4 250tE and 15N + 500'E. In both cases, ore was encountered.

The deposits appear to lie along a major N.M. trending structure as indicated by a preliminary dip needle survey and brecciation in the surrounding anorthosite. A zone, one mile long and up to 1000 feet wide, has been roughly suggested within which dip needle readings are erratic and no outcrop of anorthosite has been found.

The Company announced in August, 2014 that it has received permits from the Ministère des Forêts, de la Faune et des Parcs (MFFP) for the Buttercup "BEX 1270" claim. These permits allow for the site preparation including tree removal as well as road construction to the site.

WSP Canada Inc. (http://www.wspgroup.com/en/WSP-Canada/), formerly Genivar has been engaged by the Company and it has undertaken additional site, hydrological and biological work requested by the Ministère du Développement durable, de l'Environnement et des Parcs (MDDEP) (formerly the Ministère du Développement durable, de l'Environnement et de la Lutte aux changements climatiques (MDDELCC)).

Subsequent to receiving the permits, the Company announced that it has commenced site preparation and road construction. Approximately 600m of new road to the Buttercup site from the existing and well-maintained secondary access road has been initiated. In addition to road construction, logging companies have been on site to assess the removal of timber from the Buttercup site, utilizing the site plans prepared by WSP Canada Inc.

Sécuritech Forêt commenced fieldwork in the second half of August, 2014, related to the road traffic and safety assessment on the secondary access road to the Buttercup deposit. This fieldwork is the basis for the report that will address visibility and obstructions, existing and recommended signage and general road condition on the secondary access road.

In December 2014, the Company received the Certificate of Authorization for the Buttercup Project. The Certificate of Authorization allows 300,000 tonnes annually of aggregate production from the property. The current plan is to produce titano-magnetite aggregate from Lens A, and quarry towards Lens B thereafter. Pursuant to the Certificate of Authorization, the Company's plan is to extract 300,000 tonnes per year of titano-magnetite aggregate from the Buttercup Property.

A test blast was completed this spring. Potential customers have visited the site to assess logistics for crusher locations to complete custom crushing on site.

The commencement of production on the Buttercup Property will not be based on a NI 43-101 mineral resource or reserve estimate, a preliminary economic assessment, pre-feasibility study or feasibility study. As a result, there is no assurance that the Company will be able to economically extract the titano-magnetite aggregate from the Buttercup Property. The commencement of production on the Buttercup Property is subject to the Company obtaining sales contracts for the purchase of titano-magnetite aggregate and sufficient financing.

Description of the Ore

The titaniferous magnetite is a glistening black mineral on fresh surface weathering to 'polished shoe' black. In hand specimen obtained from the surface, the break is characteristically a rusty yellow colour, an occasional small crystal of a green mineral can be seen. The mineralization is often quite granular in appearance exhibiting well developed crystals. No apatite or sulphides were seen in any of the specimens examined.

Results of analyses carried out by the Quebec Department of Natural Resources on chip samples taken from three of the main exposures are tabulated as follows:

Sample	Fe %	TiO2 %	SiO2 %	Al2O3%	MgO%	CaO %	P2O5%	S %	V2)5%
BM 30	51.14	19.51	0.61	6.38	3.44	0.14	0.01	0.002	0.65
BM 31	51.14	19.19	0.57	6.72	3.20	0.14	0.01	0.012	0.64
BM 32	50.75	20.10	0.69	6.53	2.87	0.17	0.01	0.002	0.67
Average	51.0	19.60	0.63	6.55	3.17	0.15	0.01	0.003	0.65

A Davis tube magnetic separation test of a composite sample powered to minus 200 mesh gave the following results.

	West Percentage	Fe %	TiO2
Magnetic Portion	77.8%	57.46%	15.94%
Non Magnetic Portion	22.1%	27.15%	32.06%

This information combined with an examination of a polished section under high magnification by Mr. J. P. Giraud of the Quebec Department of Natural Resources indicates that the ore is an Ulvo Spinal with a certain amount of intergrown ilmenite and very similar to La Blache mineralization.

Hearth Claims

On January 10, 2014 the Company staked 96 claims near our Buttercup property called the Hearth Property. The Hearth Property contains the apparent strike extensions of the Buttercup mineralized zones and consolidates the area so that Fairmont should be able to continue exploration unencumbered.

While being underexplored, it is apparent from regional airborne magnetic surveys that the lithological package of rocks that occur on both the Buttercup Property extend onto the Hearth Property, although at this time it is inconclusive if any economic mineralization continues onto the Hearth Property.

Lac Bouchette

The past producing Lac Bouchette Mine, which Fairmont's Lac Bouchette Property surrounds, was in production as early as 1933. In Quebec Government updates on Silica Exploration, historic production of 62,000 tonnes at a average grade of 99.8% SiO2, 0.06% Al2O3, 0.03% Fe2O3, and nil TiO2 were reported. Quartz masses in granitic pegmatites and quartz lenses also constitute potential sources of silica in the Grenville geological Province. Quartz masses associated with granitic pegmatites, hydrothermal quartz veins or lodes injected in quartzites, marbles and granitic gneisses locally exhibit high silica grades ranging from 97.6% to 99.2% SiO2. The Lac Bouchette Mine was producing from a hydrothermal quartz vein, and was of higher purity than typical deposits in the region.
(Source : http://www.mern.gouv.qc.ca/mines/industrie/mineraux/mineraux-exploration-silice.jsp)

Forestville

The Grenville Province hosts numerous silica deposits associated with quartzites derived from metasedimentary assemblages. The Forestville Property contains this type of quartzite. These consist of pure to very pure quartzite horizons, where the average

silica content ranges from 98.2% to 99.5% SiO2. Certain high purity quartzite horizons locally exhibit grades up to 99.7% SiO2. (http://www.mern.gouv.qc.ca/mines/industrie/mineraux/mineraux-exploration-silice.jsp). From the Sigeom database a total of 162 surface samples were collected from the Forestville Quartzite Property. These samples were dominantly collected in a north to south transect along the western portion of the claims covering more than 4 kilometres. The highest grade SiO2 sample listed in the Sigeom database of the Forestville claims is sample 1989027907 which assayed **99.91% SiO2.** Historical assay information was provided by the Quebec government through Sigeom Systèmed'information géominière du Québec.

During the year ended October 31, 2015 drilling on the Forestville property was carried out to confirm the size and quality of the SiO2 deposits. Assay work has not yet been completed. Several new zones of quartzite we identified and extensions to historical and new zones have been staked. Logging on the first drill target exposed a wide zone of quartzite that was subsequently drilled. New roads have been completed to several of the drill targets. Permits have been applied to put a 7km road into the main target zone on the property that has been visited and sampled by producing Ferro-Silica and Silicon Metal producers this year. Drilling is expected to recommence in mid October.

Baie-Comeau

As is the case with the Forestville Property, the Baie-Comeau Property contains a quartzite derived from a metasedimentary package. Although chemically very similar to the Forestville property, the physical characteristics of the quartzite is quite different at Baie-Comeau. From the Sigeom database a total of 3 samples were found on the Baie-Comeau Quartzite Property. These samples occur within 300m of each other. The highest grade SiO2 sample listed in the Sigeom database of the Baie-Comeau claims is sample 1906012870 which assayed 99.09% SiO2. The site was visited by potential customers in the quartz countertop industry, and by producers of Silicon Metal and Ferro-Silica.

Clay and Powell

On September 14, 2010, the Company entered into a Letter of Intent with Rainy Mountain Royalty Corp. and Mega Uranium Ltd. (the “Optionors”) for an option to purchase a 70% undivided interest in certain mineral tenures comprising the Powell property and the Clay property (the “Properties”) located near Thunder Bay, Ontario.

On November 28, 2014, The Company informed the Optionors that we would be cancelling the option agreement effective December 28, 2014.

Houghton Creek Property

On July 25 2012 Fairmont entered into an option agreement to earn 100% interest in the Houghton Creek Property. The Houghton Creek Property consists of 1,312 hectares, and is located in the Savant Lake Greenstone belt which forms part of the Wabigoon Subprovince located in Northwestern Ontario.

On July 31, 2014 we terminated our option to purchase the Houghton Creek property so we could focus our resources in our mineral claim properties in Quebec.

Marmion South Contact

In fiscal 2011, the Company entered into a letter agreement whereby it was granted an option to acquire a 100% interest in the Marmion South Contact Property. The Marmion South Contact Property consists of 8,208 hectares and is located approximately 200 km west of Thunder Bay.

On January 29, 2014, we decided to terminate our option to purchase the Marmion property so that we could focus our energies on our properties in Quebec.

Summary of Quarterly Results

The following sets out a summary of the Company's quarterly results for the eight most recently completed quarters. All periods listed below were prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

	Three Months Ended October 31, 2015	Three Months Ended July 31, 2015	Three Months Ended April 30, 2015	Three Months Ended January 31, 2015
Total assets	$621,142	$ 969,815	$ 597,491	$ 465,840
Working capital (deficiency)	(376,346)	(303,543)	(198,467)	(29,139)
Shareholders' equity	223,069	643,324	385,128	413,582
Net loss	130,255	81,803	163,788	102,982
Loss per share	(0.1)	(0.00)	(0.01)	(0.01)

	Three Months Ended October 31, 2014	Three Months Ended July 31, 2014	Three Months Ended April 30, 2014	Three Months Ended January 31, 2014
Total assets	$ 522,749	$ 224,410	$ 262,322	$ 1,092,683
Working capital (deficiency)	109,557	(28,277)	(72,722)	(11,043)
Shareholders' equity	439,467	150,787	164,794	994,908
Net loss	157,459	225,055	841,349	49,746
Loss per share	(0.01)	(0.02)	(0.06)	(0.00)

Fourth Quarter Results

During the quarter ended October 31, 2015, the Company incurred a net comprehensive loss before income taxes, interest and other income of $130,255 (2014 – $157,459). The expenses for the quarter ended October 31, 2015 include the following items:

- Accounting and audit of $21,500 (2014 – $20,500).

- Advertising and promotion of $6,985 (2014 – $20,378). Advertising and promotion decreased in the quarter ended October 31, 2015 compared to October 31, 2014 due to less money being spent promoting the Buttercup property and the company not attending any conferences in 2015.

- Consulting $(2,470) (2014 – $43,308). The consulting fees decrease over the quarter ended October 31, 2015 was due to a decrease in work done for the Company by outside contractors to acquire more Quebec properties. The current quarter's consulting expense was negative due to an over accrual of expenses in the prior quarters.

- Management fees were $25,500 (2014 – $25,500).

- Legal fees were $107 (2014 – $5,946). Legal fees were higher in the quarter ended October 31, 2014 over the quarter ended October 31, 2015 because of the properties that we negotiated for and purchased in 2014.

Liquidity and Capital Resources

To date, the Company has not yet realized profitable operations and has relied on equity financings and trade credit to fund the losses. The Company does not have sufficient funds to satisfy its exploration expenditure plans for the current fiscal year and will be required to raise capital through the equity market.

These financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing.

	October 31, 2015	October 31, 2014	October 31, 2013
Working capital (deficiency)	$ (376,346)	$ 109,557	$ (169,952)
Deficit	$ (5,094,897)	$ (4,616,069)	$ (3,342,460)

Net cash used in operating activities during the year ended October 31, 2015, was $100,427 (2014 – $486,517). The cash used in operating activities for the period consists primarily of the operating costs offset by: non-cash share based payments, impairment of exploration and evaluation assets, increases in accounts payable and accrued liabilities and amounts due to related parties; and decreases in prepaids and amounts receivable.

Net cash provided by financing activities during the year ended October 31, 2015, was $nil (2014 – $822,422).

Net cash used in investing activities during the year ended October 31, 2015, was $40,083 (2014 – $184,407). During the year ended October 31, 2015 the Company received a tax credit from the government of Quebec in the amount of $46,728 for prior work done on the properties and $86,811 was spent on the properties.

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. If adequate financing is not available when required, the Company may be unable to continue operating. The Company may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Company has sufficient funds to cover anticipated administrative expenses and continue to conduct exploration activities throughout the current fiscal year. It will continue to focus on actively exploring its mineral properties.

Related Party Transactions

At October 31, 2015, there was a balance of $10,594 (October 31, 2014 – $10,594), owed to a company controlled by two of the Company's directors, Michael Thompson and Neil Pettigrew.

At October 31, 2015, there was a balance of $nil (October 31, 2014 – $1,052), owed to one of the Company's directors, Michael Dehn.

At October 31, 2015 there was a balance of $71,400 (October 31, 2014 – $nil), owed to a company controlled by one of the Company's directors, Michael Dehn.

At October 31, 2015, there was a balance of $5,000 (October 31, 2014 – $1,000), owed to one of the Company's directors, Greg Ball.

In the year ended October 31, 2015, the following amounts were paid or accrued to related parties:

a) Paid or accrued $90,000 (2014 –$28,500) in management fees and $12,000 (2014 –$10,000) in administrative fees to a company controlled by Michael Dehn, CEO and president of the Company.

b) Paid or accrued $12,000 (2014 –$12,000) in management fees to Greg Ball a director of the Company.

c) Share based payments include 575,000 (October 31, 2104 – nil) stock options granted to directors and officers recorded at a fair value of $34,692 (October 31, 2104 – nil)

The related party transactions are in the normal course of operations.

Changes in Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, the financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The financial statements of the Company are presented in Canadian dollars unless otherwise indicated, which is the functional currency of the Company.

Significant Accounting Policies

a) Statement of compliance and basis of presentation

These financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

b) Use of Estimates

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment of exploration and evaluation assets and deferred exploration costs, share-based payments and future income tax valuation allowance. Actual results could differ from those reported.

Significant assumptions about the future and other sources of estimated uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to the following:

1) the carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position,

2) the inputs used in the accounting for the deferred tax liability,

3) the inputs used in the accounting for stock-based payment expense included in profit or loss.

Actual results could differ from these estimates.

c) Cash

The Company considers all highly liquid instruments with a maturity of three months or less when purchased, or which are redeemable at the option of the Company, to be cash equivalents.

d) Exploration and evaluation assets

Pre-exploration costs are expensed in the period in which they are incurred.

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of mineral properties are capitalized by property. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the farmee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss. The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction." Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

e) Income Taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

f) Impairment

The carrying amounts of the Company's non-financial assets, other than deferred tax assets if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

g) Provision for closure and reclamation

The Company recognizes statutory, contractual or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset. Management has determined that there was no provision required for closure and reclamation as at October 31, 2015 or October 31, 2014.

h) Share-based payment

The Company applies the fair value method to share-based payments and all awards that are direct awards of stock, that call for settlement in cash or other assets or are stock appreciation rights that call for settlement by the issuance of equity instruments. Share-based payment expense is recognized over the applicable vesting period with a corresponding increase in equity reserves. When the options are exercised, the exercise price proceeds together with the amount initially recorded in equity reserves are credited to share capital.

i) Basic and diluted loss per share:

Basic loss per share is computed by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of the diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method. Since the Company has losses the exercise of outstanding options has not been included in this calculation as it would be anti-dilutive.

j) Flow-through Shares

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and the premium is recognized as other income.

k) Share Issue Costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to operations.

l) Financial Instruments

Financial assets:

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. The Company's cash is classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that provide objective evidence of impairment, which are recognized in earnings. The Company's investments are classified as available-for-sale and its receivables are classified as loans and receivables.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities:

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value plus directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized costs using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period or, where appropriate, a shorter period. The Company's financial liabilities consist of accounts payable, accrued liabilities and due to related parties, which are classified as other liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including embedded derivatives, are also classified as held for trading and recognized at fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in profit or loss.

Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted.

For all financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date of impairment is reversed does not exceed what the amortized cost would have been had the impairment not be recognized.

m) Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

Financial Instruments

Fair Values

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and due to related parties. The fair values of these financial instruments approximate their carrying values because of their current nature.
The following table summarizes the carrying values of the Company's financial instruments:

	October 31, 2015	October 31, 2014
Fair value through profit or loss (i)	$ 14,555	$ 155,065
Loans and receivables (ii)	974	21,576
Other financial liabilities (iii)	398,073	83,282

(i) Cash
(ii) Amounts receivable
(iii) Accounts payable and accrued liabilities and amounts due to related parties
The Company classifies its fair value measurements in accordance with the three level fair value hierarchy as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices), and
Level 3 – Inputs that are not based on observable market date

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as follows:

Assets	Level 1	Level 2	Level 3	Total
Cash	$ 14,555	-	-	$ 14,555

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above.

The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuances when required. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits.

Foreign Exchange Risk

The Company does not have significant foreign exchange risk as all of its transactions are in Canadian dollars.

Interest Rate Risk

The Company is not exposed to significant interest rate risk.

Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely

monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company

Adopted and Future Accounting Standards

New accounting policies adopted

The following accounting policies were adopted and effective November 1, 2014

IAS 32, Financial Instruments: Presentation

IAS 32 is amended to clarify requirements for offsetting of financial assets and financial liabilities.

IAS 36, Impairment of Assets
Amended to address the disclosures required regarding the recoverable amount of impaired assets or cash generating units (CGUs) for periods in which an impairment loss has been recognized or reversed.

The adoption of the above standards did not have an impact on the financial statements.

New Standards, interpretations and amendments not yet effective

Effective for annual periods beginning on or after January 1, 2015:

IFRS 7, Financial Instruments – Disclosure
Amended to require additional disclosures on transition from IAS 39 to IFRS 9.

Effective for annual periods beginning on or after January 1, 2016:

IFRS 11, Joint arrangements
This standard was amended to provide specific guidance on accounting for the acquisition of an interesting in a joint operation that is a business.

IAS 16, Property, plant and equipment and IAS 38, Intangible assets
These standards were amended to prohibit the use of revenue-based depreciation methods for property, plant and equipment and limit the use of revenue-based amortization for intangible assets.

IAS 27, Separate financial statements and IFRS 1, First-time adoption of IFRS
IAS 27 was amended to restore the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements

IFRS 1 was amended to permit the use of the business combinations exemption for investments in subsidiaries accounted for using the equity method in the separate financial statements of the first-time adopter.

Effective for annual periods beginning on or after January 1, 2018:

IFRS 9, Financial Instruments – Classification and Measurement
IFRS 9 is a new standard on financial instruments that will replace IAS 39*, Financial Instruments: Recognition and Measurement.*
IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

IFRS 15, Revenue from Contracts with Customers
IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised

goods or services to customers. IFRS 15 supersedes IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programs*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and SIC-31, *Revenue – Barter Transactions involving Advertising Service*.

The Company has initially assessed that there will be no material reporting changes as a result of adopting the above new standards; however, enhanced disclosure requirements are expected.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as at October 31, 2015.

Additional Disclosure for Venture Issuers without Significant Revenue

Please refer to Note 4 in the financial statements for the year ended October 31, 2015 for a description of the capitalized exploration and development costs on the Buttercup, Hearth, Lac Bouchette, Baie Commeau and Forestville properties. For a description of the general and administrative expenses, please refer to the condensed interim statements of comprehensive loss contained in the financial statements for the year ended October 31, 2015.

Outstanding Share Data

The following table summarizes the outstanding share capital as of the date of the MD&A:

	Number of shares issued or issuable
Common shares	22,692,147
Stock options	1,275,000
Warrants (including agent warrants)	nil

Business Risks

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

- Operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, changing governmental law and regulation, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Insurance may be maintained at levels consistent with prudent industry practices to minimize risks, but the Company is not fully insured against all risks, nor are all such risks insurable.

- Financial risks include commodity prices, interest rates and the Canada / United States exchange rate, all of which are beyond the Company's control.

- Regulatory risks include the possible delays in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings, the introduction of ever more complex reporting requirements the cost of which the Company must meet in order to maintain its exchange listing.

The Company currently does not have adequate cash for planned exploration expenditures and general and administrative expenses in the next fiscal year and will require financing in the future to continue in business. There can be no assurance that such financing will be available or, if available, that it will be on reasonable terms. If financing is obtained by issuing common shares from treasury, control of the Company may change and investors may suffer additional dilution. To the extent financing is not available, lease payments, work commitments, rental payments and option payments, if any, may not be satisfied and could result in a loss of property ownership or earning opportunities for the Company.

Internal Controls over Financial Reporting

Management has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Lack of optimal segregation of duties has been observed due to the relatively small size of the Company, but management believes that these weaknesses have been adequately mitigated through management and director oversight.

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

Further Information

Additional information relating to the Company can be found on SEDAR at www.sedar.com.