

NSS Resources Inc.  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the period ended March 31, 2015**

*This Management Discussion and Analysis (“MD&A”) of NSS Resources Inc., (“NSS” or the “Company” or the “Issuer”) provides an analysis of the Company’s performance and financial condition for the three months and nine months period ended March 31, 2015. It is prepared as at May 19, 2015, and was approved by the Board of Directors on that date.*

*This MD&A should be read in conjunction with the Company’s unaudited condensed interim consolidated financial statements for the period ended March 31, 2015 including the related note disclosures. The Company’s unaudited condensed interim financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”). All dollar figures included therein and in the following discussion and analysis are quoted in the functional currency of Canadian dollars unless otherwise specified. Additional information relevant to the Company’s activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com) or the Company’s website at [www.nssresources.net](http://www.nssresources.net).*

*This MD&A may contain forward-looking statements that are based on the Company’s expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance, and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of the Company are set out below. Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.*

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following information should be read in conjunction with the Company's unaudited condensed interim financial statements for the period ended March 31, 2015 and related notes thereto. The unaudited condensed interim financial statements were prepared in accordance with International Financial Reporting Standards. All currency amounts are expressed in Canadian dollars unless otherwise stated.

### Principal Business and Corporate History

NSS Resources Inc. is a mineral exploration company primarily involved in the acquisition and assessment of mineral properties in Canada. The Company's objective is to undertake mineral exploration on properties assessed to be of merit and to define mineral resources. Precious metals are targeted with a focus on gold.

From April 2014 to June 2014, the Company staked 9 mineral claims called the Seneca Property near Harrison Lake area, British Columbia, Canada. The Seneca Property is located about one hour drive from Vancouver. It has easy road access and power. The Property consists of 205 units covering an area of 4,378 hectares (internal to the Property are six mineral claims totaling 150 hectares, which cover the historical Seneca Deposit and Vent showing, and which are not a part of the Seneca Property).

The Seneca Property is subject to a NSR. The NSR grants a 2% net smelter returns royalty interest from the sale of mineral products from the Seneca Property following the commencement of commercial production to be paid to Asante Gold Corporation.

### Capital stock and financing

On April 29, 2014, the Company closed a private placement of 2,500,000 common shares at \$0.01 for gross proceeds of \$25,000. On June 27, 2014, the Company closed a private placement of 6,500,000 common shares at \$0.02 for gross proceeds of \$130,000. On October 17, 2014, the Company closed a Special Warrant financing of 500,000 special warrants at \$0.02 per special warrant for gross proceeds of \$10,000. Each special warrant is exercisable into one common share of the company. On December 18, 2014 these special warrants were converted into common shares of the Company. On December 1, 2014, the Company raised a total of \$72,500 and issued 725,000 units of the company at ten cents per unit, with each unit consisting of one common share and one non-transferrable warrant. Each whole warrant will be exercisable at 15 cents into one additional common share of the Company expiring November 24, 2016.

A finder's fee of \$1,125 in cash was paid and 11,250 finders warrants were issued to Global Securities Corporation. Each whole warrant will be exercisable at 15 cents into one additional common share of the Company expiring November 24, 2015.

All of the securities issued pursuant to the private placement will be subject to a restricted period of four months and one day from the date of closing.

Pursuit to CSE requirements, shares held by insiders became subject to escrow. A total of 6,800,001 shares have been placed into escrow. On December 18, 2014 the Companies shares were listed on the CSE and therefore the escrow shares will be released as follows:

Date of Automatic Timed Release	Amount of Escrowed Securities Released
On the Listing Date	1/10 of the escrowed securities
6 months after the Listing Date	1/6 of the remaining escrowed securities
12 months after the Listing Date	1/5 of the remaining escrowed securities
18 months after the Listing Date	1/4 of the remaining escrowed securities
24 months after the Listing Date	1/3 of the remaining escrowed securities
30 months after the Listing Date	1/2 of the remaining escrowed securities
36 months after the Listing Date	The remaining escrowed securities

### Overall performance

The Company has no operational revenue, and exploration activity is subject to the availability of funds raised through financings. Global financial and commodity markets have been volatile, and the Company is thus impacted by these generic industry factors which are beyond its control. The Company anticipates obtaining additional financing in the future primarily through further equity financing.

The Company's sole intended business objective and milestone for the next 12 month period is to complete the Phase 1 exploration program on the Seneca Property. Based upon the recommendations of the Author in the Technical Report, the Company intends to carry out the Phase 1 exploration program with respect to the Seneca Property. The Company continues to look at other resource opportunities that may add value.

### Selected Quarterly Information

The following table summarizes quarterly results for the current and 8 preceding quarters. The information contained in this table should be read in conjunction with the Company's financial statements.

Period Ending	Revenue \$	Comprehensive Gain/(Loss) \$	Net Loss per share \$
March 31, 2015	-	(29,978)	0.001
December 31, 2014	-	(29,547)	0.01
September 30, 2014	-	(10,861)	0.001

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June 30, 2014	-	(6,118)	0.01
March 31, 2014	-	-	-
December 31, 2013	-	-	-
September 30, 2013	-	-	-
June 30, 2013	-	-	-
March 31, 2013	-	-	-
December 31, 2012	-	-	-
September 30, 2012	-	-	-

**Results of Operations**

The Company's comprehensive loss for the three months ended March 31, 2015 was \$29,978 (2013: Nil) or \$0.001 per Common Share. The table below presents the key expenditure items for the quarter.

<b>EXPENSES</b>	
Advertising and promotion	\$ 0
Consulting fees	15,750
Fees and filings	800
Interest and bank charges	126
Meals and entertainment	706
Office	0
Professional fees	11,280
Supplies	269
Travel	1710
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<b>NET LOSS AND COMPREHENSIVE LOSS</b>	<b>\$ 30,641</b>
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The Company capitalizes all mineral property acquisition and exploration costs until the properties to which the costs are related are placed into production, sold or abandoned. The decision to abandon a property is largely determined by exploration results and the amount and timing of the Company's write-offs of capitalized mineral property costs will vary in a fiscal period from one year to the next and typically cannot be predicted in advance.

During the three months ended March 31, 2015, mineral property acquisition and exploration costs totalling \$12,178. Expenditures are detailed in the exploration expenditure table below.

**Dividends**

There are no restrictions that could prevent the Issuer from paying dividends on its Common Shares. The Issuer has not paid any dividends on its Common Shares and it is not contemplated that the Issuer will pay any dividends in the immediate or foreseeable future. All available cash

will be used to finance operations and explore mineral properties, until a revenue stream is generated. The Company envisages that some of the revenue derived from royalties could in the future be paid out as a dividend.

### **Liquidity and Capital Resources**

At March 31, 2015, the Company had working capital of \$127,250.

At present, the Company's operations do not generate cash flow and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's exploration programs and to cover general and administrative expenses, the Company raises money through equity issues. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control.

The Company did not raise any funds during the three month period ended March 31, 2015..

### **Off-Balance Sheet Arrangements**

The Company does not have any off-balance sheet arrangements.

### **Additional Disclosure for Venture Companies without Significant Revenue**

Exploration expenditures from June 30, 2013 to March 31, 2015:

	<u>Property: Seneca</u>
Balance at June 30, 2013	\$ -
Assaying, testing and analysis	-
Geology and geophysics	-
Field expenses	2,258
General and administrative	-
Staking costs	7,220
Balance at June 30, 2014	<b><u>\$9,478</u></b>

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Assaying, testing and analysis	483
Geology and geophysics	-
Field expenses	13,626
General and administrative	-
<b>Balance at December 31, 2014</b>	<b><u>\$23,329</u></b>
General and administration	4,290
Field expenses	7,888
<b>Balance at March 31, 2015</b>	<b><u>\$35,507</u></b>

### **Outstanding Securities Data**

As at May 20, 2015, there are 10,225,001 shares outstanding and 736,250 warrants outstanding. There are 800,000 stock options issued to directors and officer at an exercise price of 10 cents. There are 100,000 stock options issued to an advisor of the Company.

### **Transactions with Related Parties**

Related Party transactions include transactions with key management personnel and their related parties who hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

As at March 31, 2015, included in due to a related party was \$1,198 (June 30, 2014: \$73 and 2013: Nil) in expense reimbursements owing to a director and officer of the Company.

During the period, \$15,000 in consulting fees were paid to JNS Capital Corp (A Corporation owned by a director and officer of the company).

During the period \$2,500 in consulting fees were paid to MIA Investment Ltd (A Corporation owned by a Director of the company)

During the period from incorporation to March 31, 2014, there were no short-term, post-employment, other long-term, or termination benefits incurred with key management personnel.

### **Significant Accounting Policies**

Significant accounting policies are detailed in the notes to the consolidated financial statements for the year ended June 30, 2014, which are available on [www.sedar.com](http://www.sedar.com).

## **Risks and Uncertainties**

The Company is exposed to a variety of risk factors, of which the most significant are outlined in the section 'Financial Risk Management' below.

### **Financial Risk Management**

The Issuer is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

#### *Credit Risk*

Credit risk is the risk of potential loss to the Issuer if a counterparty to a financial instrument fails to meet its contractual obligations. The Issuer's credit risk is primarily attributable to its liquid financial assets, including cash, amounts receivable and balances receivable from related parties. The Issuer limits the exposure to credit risk by only investing its cash and cash equivalents with high-credit quality financial institutions in business and saving accounts, guaranteed investment certificates, and in government treasury bills which are available on demand by the Issuer.

#### *Liquidity Risk*

Liquidity risk is the risk that the Issuer will not be able to meet its financial obligations when they become due. The Issuer ensures, as far as reasonably possible, it will have sufficient capital in order to meet short to medium term business requirements, after taking into account cash flows from operations and the Issuer's holdings of cash and cash equivalents. The liquidity risk at this time is high due to the current investment climate related to the weak gold price and junior mining companies.

#### *Foreign Exchange Risk*

The Issuer is not exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates.

#### *Interest rate risk*

The Issuer is subject to interest rate risk with respect to its investments in cash. The Issuer's policy is to invest cash at fixed rates of interest and cash reserves are to be maintained in cash and cash equivalents in order to maintain liquidity, while achieving a satisfactory return for

shareholders. Fluctuations in interest rates when the cash and cash equivalents mature impact interest income earned. The Issuer is not exposed to significant interest rate risk.

#### *Commodity Price Risk*

While the value of the Issuer's only mineral resource property, Seneca Concession, is related to the price of gold, the Issuer currently does not have any operating mines and hence does not have any hedging or other commodity based risks in respect of its operational activities.

Gold prices have historically fluctuated widely and are affected by numerous factors outside of the Issuer's control, including, but not limited to, industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities, and certain other factors related specifically to gold.

#### *Capital Management*

The Issuer's intended policy is to maintain a strong capital base and deal flow so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Issuer consists of cash and equity, comprising of issued common shares, share based payment reserve, accumulated other comprehensive income (loss) and deficit, and contributed surplus. There were no changes in the Issuer's approach to capital management during the quarter. The Issuer is not subject to any externally imposed capital requirements.

#### *Fair Value*

The fair value of the Issuer's financial assets and liabilities approximates their carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values.

The three levels of the fair value hierarchy are:

- 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 or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

#### **Events Subsequent to the period ended March 31, 2015:**

None