

CASSIUS VENTURES LTD.

Management Discussion and Analysis For the Year Ended October 31, 2015

The MD&A of Cassius Ventures Ltd. (the “Company”) has been prepared by management in respect of the year ended October 31, 2015, and should be read in conjunction with the consolidated financial statements as of October 31, 2015 and related notes thereto of the Company. The Company reports its financial statements in accordance with International Financial Reporting Standards (“IFRS”). All figures are reported in Canadian dollars unless otherwise indicated.

Certain information included in this discussion may constitute forward looking statements. Forward looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied. The effective date of this report is February 25, 2016.

Description of Business

The Company was incorporated on February 23, 2007 by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act of British Columbia under the name “Cassius Ventures Ltd.”. The Company currently trades on the NEX Board of the TSX Venture exchange under the symbol “CZ.H”.

The Company was previously focused on mineral exploration of its two main project areas in Nicaragua: Nueva Segovia and León, held by Fortress de Nicaragua S.A. (“Fortress”), a private Nicaraguan company, which is the legal and beneficial owner of sixteen exploration concessions with a total area of approximately 137,000 hectares. In June 2013, the Company provided an application to the Nicaraguan Ministry of Mines (“MEM” or “Ministry”) to reduce its landholdings by 66,093 hectares. In April 2015, the Company completed the sale of Fortress to an arm’s length Nicaraguan party, as detailed below.

The Company continues its pursuit of a viable property of merit in conjunction with a financing to support the exploration or development of such a property.

Update on Listing Status

In November 2015, the TSXV provided notice to the Company that given the Company has not maintained the requirements for a TSX Venture Exchange (“TSXV”) Tier 2 company, that effective at the opening on Thursday November 26, 2015, the Company’s listing will transfer to the NEX Board of the TSXV (the “NEX”). The NEX trading platform is a separate board of the TSX-V. The Company’s existing share certificates will continue to represent the shares of the Company.

Disposition of Nicaraguan Gold Properties held by Fortress

The Company had been engaged in discussions with the MEM since August 2012 in respect of negotiating concession rents owing in respect of both the relinquished landholdings and the Company’s retained landholdings in Nicaragua in light of increasing claim rental rates in a period where the Company was unable to meaningfully advance the properties given the current industry and capital market environment.

So long as the concessions remained outstanding or a revised arrangement was not agreed, the Ministry may have chosen, at its discretion, to forfeit the concessions held by the Company or pursue other remedies including legal steps against Fortress, for the amounts outstanding. The risk of legal proceedings commencing against the Company posed a significant risk as to the future operability of the Company.

After repeated attempts to reach a reasonable outcome for the Company and after much deliberation, the Company was not successful in restructuring the terms of the concessions. It was determined that the best path forward for the interests of the Company and its shareholders was to sell Fortress.

As a result, in February 2015, the Company executed a share sale agreement in respect of the sale of Fortress to an arms-length Nicaraguan party (the "Purchaser") for a nominal amount of consideration. Under the terms of the share sale agreement, the Purchaser will assume all assets and liabilities of Fortress. The Company recorded an impairment charge to all capitalized costs in respect of the Nicaraguan gold properties borne by Fortress as at October 31, 2014.

On April 7, 2015, the company received shareholder approval of the sale of Fortress and on April 8, 2015, the Company received final regulatory approval, which completed the sale of Fortress. Upon closing the sale of Fortress, the Company wrote off all remaining assets and liabilities of Fortress, the majority of which comprised payables due to the Ministry, which the obligation now belongs to the Purchaser. As the majority of Fortress' assets were written off during the year ended October 31, 2014, the Company recognized a gain on the sale of Fortress of \$1,506,445 during the year ended October 31, 2015.

The disposition of Fortress, and consequently the related payables associated with Fortress, have vastly improved the working capital deficit balance and therefore, enabled management to carry on seeking a new property of merit, while incurring minimal costs to maintain operations.

Disposition of Nueva Segovia Mining S.A.

In June 2014, Fortress entered into a share sale agreement to dispose of the issued and outstanding shares of Nueva Segovia Mining S.A. ("Nueva Segovia"), a subsidiary of Fortress, to Avaluce S.A. ("Avaluce"), a private Nicaraguan company for a nominal amount of consideration. Under the terms of the share sale agreement, Avaluce have assumed all liabilities of Nueva Segovia totaling \$71,267, resulting in a gain of \$71,267 in the consolidated statement of loss and comprehensive loss for the year ended October 31, 2014.

Eddy Canova, P.Geol., OGQ(403), the Director of Exploration for the Company and a Qualified Person as defined by NI 43-101, has reviewed and is responsible for the technical information contained in the MD&A.

Management Changes

In November 2014, Irfan Shariff, the Company's CFO and Corporate Secretary, resigned to take on another role outside the industry. Chris Batalha was appointed CFO and Corporate Secretary, replacing Mr. Shariff. In May 2015, Mr. Steven Dean resigned as a director of the Company and was replaced by Mr. Batalha. Mr. Batalha joined the Company in 2011 and prior to his appointment as director, CFO and Corporate Secretary served as the Company's Corporate Controller.

Liquidity & Capital Resources

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has yet to generate any revenues from operations and as at October 31, 2015, had an accumulated deficit of \$6,386,595 and a working capital deficit of \$149,034.

The Company's working capital balance currently limits the Company's ability to fund significant capital expenditures and operations. These conditions, along with other factors indicate the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

The continuation of the Company as a going concern is dependent on securing additional funding through equity or debt financing to (a) settle existing liabilities, (b) locate a property of merit to explore and develop and (c) support corporate overhead. Although management is of the opinion that sufficient working capital

will be obtained to meet the Company's liabilities and commitments as they become due, either through the issuance of promissory notes or an equity financing, there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company as market conditions have limited the availability of funds. In the event the Company is unable to arrange necessary financing, the Company may be forced to cease operations.

In the meantime, management have undertaken measures, beyond the sale of Fortress, to mitigate ongoing expenditures, including waiving compensation accrued to management over the last 23 months and reducing other overhead costs as required. Ongoing costs are currently expected to be funded through the issuance of either promissory notes or securities of the Company.

Capital Restructuring

Effective April 23, 2014, the Company completed a consolidation of its common shares on the basis of ten (10) pre-Consolidation common shares for one (1) post-Consolidation common share. As at the effective date of April 23, 2014, the Company had 4,114,848 common shares issued and outstanding.

Subsequent to the consolidation, on September 19, 2014, the Company completed a non-brokered private placement raising gross proceeds of \$305,120 by the issuance of 6,102,400 common shares at \$0.05 per common share. Proceeds of \$162,120 were used to settle certain related party liabilities in a shares for debt transaction with the balance being used for ongoing working capital and development purposes.

Promissory Notes

In February 2015, the Company issued promissory notes totalling \$57,000 (October 31, 2014 – \$Nil) bearing interest at 7% per annum. The promissory notes are unsecured and payable on demand. Interest incurred on the promissory notes for the year ended October 31, 2015 totalled \$2,751 (2014 - \$Nil).

Overall Performance

The following discussion of the Company's financial performance is based on the consolidated financial statements for the year ended October 31, 2015.

At October 31, 2015, the Company had total assets of \$1,765 (October 31, 2014 - \$68,410), including prepaid expenses of \$867 (October 31, 2014 - \$5,685) and cash of \$869 (October 31, 2014 - \$60,995).

The decrease in cash of \$60,126 represents the net operating cash outflow for the year ended October 31, 2015, which includes approximately \$36,000 in legal and finder's fees in conjunction with the impending sale of Fortress, as well as approximately \$81,000 in settlement of corporate and operating payables from current and prior periods, partially offset by a total of \$57,000 received as financing through the issuance of promissory notes.

The decrease in prepaid expenses of \$4,818 primarily reflects the amortization of prepaid expenses such as premiums paid for directors and officers insurance covering the year ending October 2015 as well as prepaid listing fees to the TSX Venture Exchange.

Shareholders' deficit comprises share capital of \$5,968,027 (October 31, 2014 - \$5,968,027), contributed surplus of \$269,534 (October 31, 2014 - \$267,136) and a deficit of \$6,386,595 (October 31, 2014 – \$7,352,963). The decrease in shareholders' deficit of \$968,766 results from the net income for the year ended October 31, 2015 of \$966,368, plus share based payments of \$2,398, mostly representing the fair value recognized from the vesting of stock options to a director and officer of the Company during the year.

The Company has a working capital deficit of \$149,034 at October 31, 2015 compared to a working capital deficit of \$1,117,800 at October 31, 2014. The decrease in working capital deficit primarily results from the elimination of accrued payables belonging to Fortress that were written off in the year as a result of the sale of Fortress in April 2015.

Segmented Information

The Company operates in one business segment, being the acquisition, exploration and development of mineral properties. After the disposition of Fortress in April 2015, all of the Company's assets are located in Canada. For further information regarding financial position and results based on geographical location, please refer to Note 13 of the consolidated financial statements for the year ended October 31, 2015.

Selected Annual Information

Financial results for the years ended October 31, 2015, 2014 and 2013 were as follows:

	2015	2014	2013
Total Assets, October 31	\$ 1,765	\$ 68,410	\$ 4,621,647
Total long-term financial liabilities	-	-	-
Cash dividends declared per-share	-	-	-
Interest and other income (expense)	(2,751)	131	57,896
Net income (loss) for the year	966,368	(4,954,380)	(846,987)
Basic and diluted income (loss) per share	\$ 0.09	\$ (0.80)	\$ (0.21)
Weighted average number of common shares outstanding	10,217,248	6,180,707	4,114,848

Financial Results for the Fiscal Year Ended October 31, 2014

Total assets as at October 31, 2014, when compared to total assets as at October 31, 2013 decreased primarily due to an impairment charge of \$4,871,196 resulting from the pending sale of Fortress as announced in February 2015 for nominal consideration. This was partially offset by the accrual of concession rents related to the second semester of 2013, and the first and second semesters of 2014 as well as ongoing overhead expenses with respect to the Company's office in Nicaragua prior to the impairment charge made at October 31, 2014. The net loss for the year ended October 31, 2014 when compared to the same period in the prior year increased primarily due to the write-down charge of \$4,871,196 representing costs previously capitalized in respect of the Company's Nicaraguan Gold properties held under Fortress given the impending sale of Fortress as announced in February 2015, \$299,283 of exploration expenditures with respect to concession rents attributable to landholdings that were written off on the consolidated statement of financial position in the prior year, partially offset by a gain from the sale of Nueva Segovia of \$71,267 as well as a deferred income tax recovery of \$261,033 as a result of the write-off of the Company's Nicaraguan gold properties. Factors that have caused changes in operations and financial position from the year ended October 31, 2014 to the year ended October 31, 2015 have been disclosed under the sections entitled "Results of Operations" and "Overall Performance".

Results of Operations

The following discussion and analysis of the Company's financial results of its operations should be read in conjunction with the Company's consolidated financial statements for the year ended October 31, 2015 and 2014:

During the year ended October 31, 2015, the Company reported net income of \$966,368 (2014: net loss of \$4,954,380). The net income was mainly due to the gain on sale of Fortress of \$1,506,445 (2014: \$nil) representing the remaining assets and liabilities that were written off from the consolidated statement of Financial Position upon the completion of the sale of Fortress in April 2015. Note that all capitalized acquisition and exploration costs in respect of tenements held by Fortress were written off during the year

ended October 31, 2014. This gain was partially offset by \$359,248 (2014: \$299,283) of exploration expenditures with respect to concession rents attributable to landholdings that were written off on the consolidated statement of financial position in prior years, as well as a foreign exchange loss of \$125,042 (2014: \$36,052), representing a depreciation in the Canadian Dollar versus the Nicaraguan Cordoba, specifically in conjunction with the translation of foreign denominated payables before the sale of Fortress. Professional fees of \$15,205 (2014: \$25,332) comprising audit, tax and legal fees, transfer agent and regulatory fees of \$20,896 (2014: \$20,307), as well as office and general expenses of \$14,537 (2014: \$23,061) consisting of insurance, website maintenance, bank fees, rent, and other office expenditures further contributed to the loss.

Since incorporation, the Company has no operating revenues as it is still in the acquisition and exploration stage.

Summary of Quarterly Results

The following table sets forth selected unaudited quarterly financial information for the last eight completed quarters. The data in the table has been presented in conformity with IFRS and is presented in Canadian dollars:

	Q4 2015		Q3 2015		Q2 2015		Q1 2015	
Total Revenue (Note 1)	\$	-	\$	-	\$	-	\$	-
Net income (loss) for the period	\$	(15,591)	\$	(8,729)	\$	1,399,231	\$	(408,543)
Basic and diluted earnings (loss) per share	\$	(0.00)	\$	(0.00)	\$	0.14	\$	(0.04)
	Q4 2014		Q3 2014		Q2 2014		Q1 2014	
Total Revenue (Note 1)	\$	-	\$	-	\$	-	\$	-
Net income (loss) for the period	\$	(4,797,533)	\$	16,388	\$	(95,584)	\$	(77,651)
Basic and diluted earnings (loss) per share	\$	(0.78)	\$	0.00	\$	(0.02)	\$	(0.00)

Note 1 – As the Company has yet to secure a mineral related asset, the Company has no revenue to report during the financial reporting periods noted above.

In Q1 and Q2 2014, the Company was in a net loss position whereas in Q4 2013, the Company recorded net income from providing services totaling approximately \$57,000 to an affiliated company with directors in common. The net income figure in Q3 2014 is primarily due to a gain from the sale of Nueva Segovia of \$71,267 (2013: \$Nil). In Q4 2014, the Company realized a significant net loss mainly due to the write-down charge of \$4,871,196 representing costs previously capitalized in respect of the Company's Nicaraguan Gold properties held under Fortress given the impending sale of Fortress as announced in February 2015. The net loss in Q1 2015 is reflective of the continued accrual of concession rents for concessions written off for accounting purposes but not yet sold, as well as foreign exchange losses based on translation of foreign denominated payables due to the Ministry. The net income of \$1,399,231 in Q2 2015 is primarily due to the gain on sale of Fortress in April 2015, as majority of balances written off from Fortress comprised payables owing to the MEM. The net loss in Q3 and Q4 2015 is reflective of minimal overhead expenditures being incurred by the Company since the sale of Fortress, while continuing its search for a property of merit alongside a prospective financing.

Fourth Quarter Results

During the three months ended October 31, 2015, the Company reported net loss of \$15,591 (2014: \$4,797,533). The net loss was mainly due to professional fees of \$6,600 (2014: \$18,805) comprising fees

for the annual financials statement audit and related tax work, office and general expenses of \$3,032 (2014: \$3,833) consisting of insurance, website maintenance, bank fees, rent, and other office expenditures, \$3,887 (2014: \$5,243) of transfer agent and regulatory fees, and \$1,067 (2014: \$nil) of share based payments, representing the calculated fair value of options vested during the period. The significant decrease in net loss in Q4 2015 compared to the same period in the prior year was due to the fact that in Q4 2014, the Company recorded an impairment charge of \$4,871,196 resulting from the pending sale of Fortress as announced in February 2015 for nominal consideration.

Critical Accounting Policies

A detailed summary of all the Company's significant accounting policies is included in Note 3 to the consolidated financial statements for the year ended October 31, 2015.

Mineral Properties

Mineral properties consist of exploration and mining concessions, options and contracts. Acquisition costs are capitalized and deferred until such time as the property is put into production or the property is disposed of, either through sale or abandonment, or becomes impaired. If a property is put into production, the cost of acquisition will be written off over the life of the property based on estimated economic reserves. Proceeds received from the sale of any interest in a property will be credited against the carrying value of the property. If a property is abandoned, the acquisition costs will be written off to operations. Recorded costs of mineral properties are not intended to reflect present or future values of the properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that changes in future conditions could require a material change in the recognized amounts.

Although the Company has taken steps that it considers adequate to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Title to mineral properties in foreign jurisdictions is subject to uncertainty and consequently, such properties may be subject to prior undetected agreements or transfers and title may be affected by such defects.

Mineral Property Expenditures

Once a license to explore an area has been secured, expenditures on exploration and evaluation activities are capitalized to exploration and evaluation and classified as a component of mineral properties. Exploration expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential.

Impairment of Mineral Properties

The Company regularly reviews the recoverability of the carrying value of each mineral property. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Translation of Foreign Currencies

Functional and presentation currency - Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company, along with its previously wholly owned subsidiaries, Fortress and Nueva Segovia.

Transactions and balances - Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Generally, foreign exchange gains and losses

resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than an entity's functional currency are recorded in the consolidated statements of loss and comprehensive loss.

Share-based Payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to contributed surplus.

Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from contributed surplus.

Current and Deferred Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized either in other comprehensive income or directly in equity, in which case it is recognized in other comprehensive income or in equity respectively.

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

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference 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.

Accounting Standards Issued but Not Yet Applied

IFRS 9 – Financial instruments

In November 2009, the IASB issued IFRS 9 Financial Instruments as the first step in its project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flows of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument. IFRS 9 amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including added disclosures about investments in equity instruments measured at fair value in OCI, and guidance on the measurement of financial liabilities and derecognition of financial instruments. The required adoption date for IFRS 9 has been deferred from the original adoption date of January 1, 2015 to all annual periods beginning on or after January 1, 2018. The Company has yet to commence assessing the impact of this new standard.

Off Balance Sheet Transactions

There are currently no off balance sheet arrangements which could have a material effect on current or future results of operations, or the financial condition of the Company.

Subsequent Event

On January 7, 2016, the Company issued additional promissory notes to an officer and director of the Company totaling \$12,000, under the same terms and conditions as disclosed in the section entitled "Promissory Notes".

Outstanding Share Data

As at the date of this report, the Company has 10,217,248 common shares issued and outstanding.

As at the date of this report, there were 346,000 stock options outstanding.

Related Party Transactions

a) Key Management Compensation

Key management includes the Company's directors, Chief Executive Officer, and Chief Financial Officer. Compensation awarded to key management for the year ended October 31, 2015 comprised share based payments of \$243 (2014 - \$Nil) relating to the incremental fair value attributed to the re-pricing of stock options held by directors and officers as well as share based payments of \$2,155 (2014 - \$Nil) relating to the continued vesting of options granted to a director and an officer of the Company in May, 2015.

b) Payments for services by related parties

Up until December 31, 2014, the Company was charged shared lease and overhead, and service costs by Atlantic Gold Corporation ("Atlantic"), a Company with a now former director and officer in common, being Steven Dean and Chris Batalha, respectively. For the year ended October 31, 2015, the Company incurred \$1,528 (2014: \$10,660) in shared lease and overhead, and service costs. As at October 31, 2015, the Company owed \$28,215 to Atlantic (October 31, 2014: \$31,363).

As at October 31, 2015, the Company owed \$25,812 (October 31, 2014: \$25,812) to Oceanic Iron Ore Corp., a company with an officer in common, being Chris Batalha.

For the year ended October 31, 2015, the Company incurred accounting fees of \$nil (2014: \$4,000) to Chris Batalha ("Batalha"), the Chief Financial Officer of the Company. As at October 31, 2015, the Company owed \$4,000 to Batalha (October 31, 2014: \$4,000).

The amounts due to and from related parties other than those described in (c) below are non-interest bearing, unsecured and due on demand.

c) Promissory notes with related parties

In February 2015, the Company issued promissory notes totalling \$37,000, \$18,500 to a current director of the Company, being John Thomas; and \$18,500 to a former director of the Company, being Steven Dean, bearing interest at 7% per annum. Mr. Dean resigned as a director of the Company in May 2015. The promissory notes are unsecured and payable on demand. Interest incurred on the promissory notes for the year ended October 31, 2015 totalled \$1,904 (2014 - \$Nil).

Financial Instruments and Risks

Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities, amounts due to related parties and promissory notes payable.

Cash is designated as held-for-trading and carried at fair value. Amounts receivables are designated as loans and receivables and are measured at amortized cost. Accounts payable, accrued liabilities, amounts due to related parties, and promissory notes are classified as other financial liabilities, which are measured at amortized cost.

Fair Value Measurement

A three-level hierarchy exists for fair value measurements based upon the significance of inputs used in making fair value measurements as follows:

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

At October 31, 2015, cash was categorized as level 1. The fair values of other financial instruments, which include amounts receivable, deposits, accounts payable and accrued liabilities, amounts due to related parties and promissory notes, approximate their carrying values due to the relatively short-term maturity of these instruments.

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit Risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company's exposure to credit risk is on its cash and amounts receivable. The Company's cash is being held with large financial institutions. Amounts receivable are comprised of GST receivables from the Government of Canada. The Company's credit risk is mitigated by maintaining its financial liquid assets with highly reputable counterparties. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets noted above.

Foreign Exchange Rate Risk

Up until the sale of Fortress, the Company incurred exploration expenditures in US dollars and Nicaraguan Cordobas. The financial risk was the risk to the Company's operations that arose from fluctuations in foreign exchange rates and the degree of volatility of these rates. As the Company disposed of its foreign operations during the year, the Company is no longer exposed to foreign exchange rate risk.

Interest Rate Risk

As the Company's promissory notes bear a fixed interest rate, the Company is not significantly impacted by interest rate risk.

Liquidity Risk

The Company's cash are invested in business accounts which are available on demand. The Company manages liquidity risk by preparing and maintaining cash forecasts, which illustrate cash spent to date and cash needs over the short term. As at October 31, 2015, the Company had total current assets of \$1,765 (2014: \$68,410). Contractual undiscounted cash flow requirements for financial liabilities as at October 31, 2015 and 2014 are presented below.

	October 31, 2015			
	Less than 1 year	1 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	\$ 33,868	\$ -	\$ -	\$ 33,868
Due to related parties	59,931	-	-	59,931
Promissory notes	57,000	-	-	57,000

	October 31, 2014			
	Less than 1 year	1 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	\$ 1,125,034	\$ -	\$ -	\$ 1,125,034
Due to related parties	61,176	-	-	61,176

The Company's ability to continue operations in the normal course of business is dependent on several factors, including the ability to secure additional financing, all of which are uncertain. Further information relating to liquidity risk is disclosed in the section entitled "Liquidity and Capital Resources".

Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

Legal Proceedings

The Company is not involved in any legal proceedings.

Risks and Uncertainties

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties. Due to the nature of the Company's proposed business, the following risk factors, among others, will apply

Going Concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has yet to generate any revenues from operations and as at October 31, 2015, had an accumulated deficit of \$6,386,595 and a working capital deficit of \$149,034, including \$57,000 owing through the issuance of promissory notes, which can be called on demand.

As discussed above, in April, 2015, the Company completed the sale of Fortress and no longer has a property of merit. Despite the fact that the completion of the sale of Fortress has eliminated a substantial amount of liabilities of the Company, the Company's working capital balance and asset profile currently limits the Company's ability to cover its current liabilities or fund future significant capital expenditures and operations. These conditions, along with other factors indicate the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

Although management is of the opinion that sufficient working capital will be obtained to meet the Company's liabilities and commitments as they become due, either through the issuance of promissory notes or an equity financing, there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company as market conditions have limited the availability of funds. In the event the Company is unable to arrange necessary financing, the Company may be forced to cease operations.

Key Personnel

The Company is dependent upon the services of key executives, including the directors of the Company and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of these persons or the inability of the Company to attract and retain additional highly-skilled employees may adversely affect its business and future operations.

Share Price Volatility and Liquidity

Publicly quoted securities are subject to a relatively high degree of price volatility. It may be anticipated that the quoted market for our shares will be subject to market trends generally, notwithstanding any potential success of us in creating sales and revenues. In addition, our shareholders may be unable to sell significant quantities of shares into the public trading markets without a significant reduction in the price of their shares, if at all.

Forward-Looking Statements

This MD&A contains forward-looking information (within the meaning of Canadian securities laws) about the Company and its future plans. Forward-looking information reflects management's expectations or beliefs regarding future events rather than historical facts, and in this MD&A include, without limitation, statements regarding future plans and objectives of the Company. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "scheduled", "believes", or variations of such words and phrases or statements that certain actions, events or results "potentially", "may", "could", "would", "might" or "will" be taken, occur or be achieved. There can be no assurance that forward-looking statements will prove to be accurate, and actual results could differ materially from those expressed or implied by the forward-looking statements. Forward-looking statements are based on certain assumptions that management believes are reasonable at the time they are made. In making the forward-looking statements in this MD&A, the Company has applied several material assumptions, including, but not limited to, the assumption that: (1) the Company's ability to discover minerals in commercially feasible quantities, (2) the Company's ability to raise the necessary financing for ongoing operations and to complete any acquisitions or pursue any planned exploration programs, (3) there being no significant disruptions affecting operations, whether due to labour/supply disruptions, damage to equipment or otherwise; (4) permitting, development, expansion and power supply proceeding on a basis consistent with the Company's current expectations; (5) certain price assumptions for gold; (6) prices for availability of natural gas, fuel oil, electricity, parts and equipment and other key supplies remaining consistent with current levels; (7) the accuracy of current mineral resource work and studies on the Company's property; and (8) labour and material costs increasing on a basis consistent with the Company's current expectations. Important factors that could cause actual results to differ materially from the Company's expectations include, among others, risks related to the ability of the Company to obtain necessary financing and adequate insurance; the economy generally; fluctuations in the currency markets; fluctuations in the spot and forward price of gold or certain other commodities (e.g., diesel fuel and electricity); changes in interest rates; disruption to the credit markets and delays in obtaining financing; the possibility of cost overruns or unanticipated expenses; employee relations. Accordingly, readers are advised not to place undue reliance on forward-looking statements. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise. Reference to the section entitled "Risks and Uncertainties" immediately preceding this section.

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