

# NV GOLD CORPORATION

## FORM 51-102F1 MANAGEMENT DISCUSSION AND ANALYSIS NINE MONTH PERIOD ENDED MAY 31, 2015

The following management discussion and analysis for *NV Gold Corporation* (“the Company”) is prepared as of **June 24, 2015** and should be read together with the unaudited condensed consolidated interim financial statements for the nine month period ended May 31, 2015 and related notes attached thereto (financial statements), which were prepared in accordance with the International Financial Reporting Standards (“IFRS”). The reader should also refer to the Company’s audited consolidated financial statements and accompanying notes for the year ended August 31, 2014.

All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information related to the Company is available for view on SEDAR under the Company’s profile at [www.sedar.com](http://www.sedar.com) and on the Company’s website at [www.nvgoldcorp.com](http://www.nvgoldcorp.com).

### Description of Business

NV Gold Corporation (the “Company”) was incorporated under the laws of the province of British Columbia on May 23, 2007. The Company’s principal business activity is the identification, acquisition and exploration of mineral properties in the United States and Switzerland. The Company trades on the TSX Venture Exchange (“TSX-V”) under the symbol NVX.

The consolidated financial statements contained herein include the accounts of the Company and its two wholly owned subsidiaries, NV Gold Corporation (USA) Inc. (“NV Gold USA”) and SwissGold Exploration AG (“SwissGold”). All inter-company balances and transactions have been eliminated upon consolidation.

The Company is in the process of exploring and developing its mineral properties in the United States and Switzerland and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the mineral properties and upon future profitable production.

### Technical Disclosure in the Management Discussion and Analysis

Dr. Odin Christensen, a Qualified Person pursuant to National Instrument (“NI 43-101”), is responsible for, and has reviewed and approved, the technical information contained in the Company’s new releases, which have been referred to in this MD&A. Dr. Christensen is a director of the Company and is also acting as a technical adviser to the Company.

### Mineral Properties

#### Swiss Permits, Switzerland

The Company, through its Swiss subsidiary, SwissGold, has been issued a five year exploration permit (“Permit”) for gold and precious metals that covers an area of approximately 224km<sup>2</sup> within the Communes of Medel/Lucmagn, Disentis/Muster and Sumvitg in Canton Graubunden, southeastern Switzerland. The Permit is governed by the terms of an amended mining law that has been approved by the residents of the Communes. The Permit is renewable for two additional 5-year terms. A technical report is available for view under the Company’s profile on SEDAR.

#### Afgan-Kobeh Property, Nevada, USA

The Company has an agreement with Gold Standard Royalty (Nevada) Inc., (“Gold Standard”) to acquire a 100% interest in the Afgan-Kobeh project located in Eureka County, Nevada. The Afgan-Kobeh project covers approximately 2,180 acres and consists of 109 unpatented claims. In 2004, Castleshorth Ventures Inc. reported a NI 43-101 compliant resource estimate in respect of the property comprising an indicated gold resource of 50,000 ounces (1.85 million tons at an average grade of 0.027 oz Au/ton (0.926 g Au/t)) and an inferred gold resource of 34,000 ounces (1.29 million tons at an average grade of 0.026 oz Au /ton (0.891 g Au/t)) using a cut-off of 0.010 oz Au/ton (0.343 g Au/t), based on 145 drill holes completed prior to 1998. The historic report also recommends exploration of several targets established from the accumulation of earlier

work. This project is located in northeastern Nevada, approximately 28 miles northwest of the town of Eureka along the Battle Mountain-Eureka Trend (also referred to as the Cortez Trend).

An updated NI 43-101 compliant resource estimate on the Afgan-Kobeh Property was released on June 13, 2011. The resource estimate was prepared by Michael M. Gustin, P. Geo. of Mine Development Associates, of Reno, Nevada, an independent consultant for the Company. Estimated resources using a cutoff value of 0.006 oz Au/ton were as follows: Indicated gold resource of 66,000 ounces (3.20 million tons at an average grade of 0.021 oz Au/ton) and an inferred gold resource of 55,000 ounces (3.97 million tons at an average grade of 0.014 oz Au /ton). The complete technical report is available for view under the Company's profile on SEDAR.

### **Rattlesnake Hills Property, Wyoming, USA**

The Company entered into an option agreement (the "Agreement") with Evolving Gold Corp. ("EVG") under which the Company has been granted an option to acquire a 100% interest in the Rattlesnake Hills Project ("Rattlesnake Hills" or the "Property"). Rattlesnake Hills is located in Natrona County, Wyoming, USA. The project land package is comprised of 644 lode mining claims covering approximately 5,235 hectares and Wyoming State leases covering an additional 533 hectares.

In order to exercise its option and acquire a 100% interest in Rattlesnake Hills, the Company must pay to EVG's subsidiary, Rattlesnake Mining (Wyoming) Company ("EVG US") US\$3,500,000 and issue 3,000,000 common share purchase warrants of the Company ("Warrants") and 1,000,000 common shares of the Company ("Shares") over a two year period. A technical report is available for view under the Company's profile on SEDAR. On March 6, 2015 the Company provided EVG with a notice of termination of its option to purchase the Rattlesnake Hills Project. As a result, the Company wrote-off \$2,224,620 in costs associated with the project and charged them to operations.

## **Overall Performance**

As at May 31, 2015, the Company had \$85,991 (August 31, 2014 - \$470,016) in cash and working capital (deficiency) was (\$555,826) (August 31, 2014 - \$11,884). The Company incurred a net loss of \$2,639,271 (2014 - \$286,621) during the nine month period ended May 31, 2015.

## **Other Events and Transactions**

- 1) Issued 1,200,000 common shares for proceeds of \$120,000 pursuant to the exercise of warrants.
- 2) 800,000 stock options exercisable at \$0.25 per share expired unexercised.
- 3) 125,000 warrants exercisable at \$1.00 per warrant expired unexercised.
- 4) 262,500 warrants exercisable at \$0.10 per warrant expired unexercised.
- 5) The Annual General Meeting was held on January 28, 2015 in Vancouver, BC. All proposed resolutions were passed.
- 6) Granted 1,900,000 to stock options to directors and officers of the Company exercisable to \$0.12 per share expiring January 28, 2020.
- 7) Issued 700,000 common shares valued at \$101,500 as consideration for various amendments made to the Rattlesnake Hills Property Agreement.

## **Mineral Property Update**

### ***Rattlesnake Hills Property***

On March 14, 2014, the Company entered into an option agreement (the "Agreement") with Evolving Gold Corp. ("EVG") under which the Company was granted an option to acquire a 100% interest in the Rattlesnake Hills Project ("Rattlesnake Hills" or the "Property"). Rattlesnake Hills is located in Natrona County, Wyoming, USA. The project land package is comprised of 644 lode mining claims covering approximately 5,235 hectares and Wyoming State leases covering an additional 533 hectares.

In order to exercise its option and acquire a 100% interest in Rattlesnake Hills, the Company must pay to EVG's subsidiary, Rattlesnake Mining (Wyoming) Company ("EVG US"), US\$3,500,000 and issue 3,000,000 common share purchase warrants of the Company ("Warrants") and 1,000,000 common shares of the Company ("Shares") in aggregate as follows:

- (i) on execution of the Agreement, the Company paid US\$100,000 as a non-refundable deposit (the "Deposit") and US\$300,000 (the "Down Payment") to EVG US' counsel for forwarding to EVG US;
- (ii) upon TSX-V acceptance, which was received on April 22, 2014, paid US\$100,000 and issued 1,000,000 Warrants, each such Warrant exercisable to acquire one Share at CDN\$0.10 per Share expiring April 22, 2017 with a fair value of \$118,136 using the Black-Scholes option pricing method with a volatility of 151%, risk-free interest rate of 1.21%, an estimated useful life of 3 years and 0% annual dividend rate;
- (iii) paid US\$200,000 by August 1, 2014; and
- (iv) issued 1,000,000 Warrants on September 12, 2014, where each Warrant is exercisable into one Share at CDN\$0.10 per Share until September 15, 2016.

Effective September 24, 2014, the Company amended the final three option payments in the original agreement dated March 14, 2014 as follows:

- a) amended the payment date of US\$800,000 from November 1, 2014 to February 1, 2015;
- b) amended the date of the first anniversary of TSX acceptance from April 22, 2015 to July 22, 2015; and
- c) amended the payment date of US\$1,000,000 and issuance of 1,000,000 common shares from March 14, 2016 to June 14, 2016.

The Company paid US\$75,000 and issued 200,000 common shares to EVG as consideration for acceptance of the above amendments to the original agreement.

Effective February 2, 2015, the September 24, 2014 amendments were further amended as follows:

- a) amended the payment date of US\$800,000 from February 1, 2015 to pay US\$100,000 by February 2, 2015 (paid), pay US\$400,000 by February 16, 2015, and pay US\$300,000 by September 15, 2015;
- b) pay US\$500,000 by February 1, 2016 and issue 1,000,000 common share purchase warrants;
- c) pay US\$500,000 by February 1, 2017; and
- d) pay US\$1,000,000 by February 1, 2018 and issue 1,000,000 common shares.

In consideration of EVG accepting the terms of the above amendments, the Company issued 500,000 common shares to EVG and extended the expiry date of previously issued 800,000 warrants from April 22, 2017 to April 22, 2018. The expiry date on another issue of 1,000,000 warrants was also extended from September 15, 2016 to September 15, 2017.

Pursuant to the February 2, 2015 amendments, the Company was unable to make the February 16, 2015 payment of US\$400,000. The Company paid US\$35,000 to EVG to extend the notice of default period to March 5, 2015.

A formal notice of termination of the option to purchase the Rattlesnake Hills Project was provided to EVG on March 6, 2015. As at May 31, 2015, the company wrote-off \$2,224,620 in costs associated with the project and charged them to operations.

### ***Swiss Permits***

On October 8, 2014, the Company's Swiss subsidiary, SwissGold, was issued a five year exploration permit ("Permit") for gold and precious metals that covers an area of approximately 224km<sup>2</sup> within the Communes of Medel/Lucmagn, Disentis/Muster and Sumvitg in Canton Graubunden, southeastern Switzerland. The Permit is governed by the terms of an amended mining law that has been approved by the residents of the Communes. The Permit is renewable for two additional 5-year terms. Under the terms of the Permit, the Company must:

- i) pay an initial fee of Swiss Francs 4,500 (paid);
- ii) pay an annual fee of Swiss Francs 4,500 (paid);
- iii) incur exploration expenditures of Swiss Francs 120,000 before the end on 2015; and

- iv) incur exploration expenditures of Swiss Francs 100,000 annually thereafter during the first term of the Permit to maintain the Permit in good standing.

Excess expenditures may be carried forward to meet expenditure requirements in future years. Also, the Communes can issue a mining concession to the Company subject to: (i) completion of a satisfactory feasibility study; (ii) completion of an environmental impact study; and (iii) consent from each of the three municipal bodies in the Communes.

The Company filed a NI 43-101 compliant technical report, dated November 14, 2014, on the project. The technical report was prepared by Mine Development Associates of Reno, Nevada. The full report is available for view under the Company's profile on Sedar at [www.sedar.com](http://www.sedar.com).

### *Afgan-Kobeh Property*

The Company did not incur expenditures on the Afgan-Kobeh Property during the period. All maintenance payments are up to date and title to the mineral claims remains in good standing.

## Summary of Quarterly Results

	Three month period ended May 31, 2015	Three month period ended February 28, 2015	Three month period ended November 30, 2014	Three month period ended August 31, 2014
Total assets	\$ 1,365,051	\$ 1,340,232	\$ 3,244,115	\$ 3,193,801
Working capital (deficiency)	(555,826)	(470,666)	(283,148)	11,884
Shareholders' equity	720,431	799,363	2,860,295	2,705,510
Interest income	13	33	-	34
Net comprehensive loss	(80,280)	(2,439,422)	(119,569)	(124,022)
Loss per share	(0.01)	(0.01)	(0.01)	(0.01)

  

	Three month period ended May 31, 2014	Three month period ended February 28, 2014	Three month period ended November 30, 2013	Three month period ended August 31, 2013
Total assets	\$ 2,558,797	\$ 1,242,314	\$ 1,257,956	\$ 1,278,886
Working capital (deficiency)	328,244	(227,817)	(161,037)	(88,160)
Shareholders' equity	2,298,797	979,859	1,045,180	1,117,768
Interest income	49	43	-	17
Net comprehensive loss	(132,681)	(81,352)	(72,588)	(310,243)
Loss per share	(0.01)	(0.01)	(0.01)	(0.01)

Fluctuations in key financial data can be attributed to various items such as financings, exploration programs, non-cash items such as share-based compensation and year-end audit adjustments.

During the nine month period ended May 31, 2015, the Company incurred capitalized costs on its exploration and evaluation assets as follows: \$845,438 in expenditures incurred on the Rattlesnake Hills Project, \$30,126 in expenditures incurred on the Swiss Permits and \$6,427 in expenditures incurred on the Afgan-Kobeh Property. The Company wrote-off the Rattlesnake Hills Project by charging \$2,224,620 in costs to operations. The Company also raised \$120,000 from the exercise of 1,200,000 warrants.

The Company earns interest revenue from cash held in banks and financial institutions and varies depending on cash balances remaining in the accounts.

The Company has not paid any dividends and it has no present intention of paying dividends on its common shares as it anticipates all available funds will be invested to finance the growth of its business.

## Results of Operations

### *The nine months ended May 31, 2015*

During the nine month period ended May 31, 2015, the Company had a net comprehensive loss of \$2,639,271 (2014 - \$286,621). The net comprehensive loss is comprised of the following items:

- Advertising and promotion costs of \$29,428 (2014 - \$6,754) were incurred to increase investor awareness of the Company's mineral properties. The current period costs are significantly higher than because of a marketing campaign that the Company initiated.
- Bank charges and interest of \$1,661 (2014 - \$1,136) have increased due to an increase in wire transfer fees.
- Consulting fees of \$104,692 (2014 - \$69,177) were charged by the Company's CEO and an independent consultant providing business development services.
- Office and general costs of \$13,754 (2014 - \$21,429) have decreased over the comparative period due to the Company's continued efforts to reduce overhead costs.
- Professional fees of \$78,721 (2014 - \$78,312) are comprised of \$47,936 (2014 - \$33,682) for legal and \$30,785 (2014 - \$44,630) for audit and accounting fees. Professional fees were higher than the comparative period due to additional work required in administering the accounting for the drill program on the Rattlesnake Hills Property as well as the legal expertise required on the amended agreements.
- Property investigation costs of \$Nil (2014 - \$15,757) relate to costs incurred on mineral properties to which the Company does not have a formal permit or agreement to explore.
- Registration and filing fees of \$10,755 (2014 - \$13,005) consist of ongoing regulatory fees associated with maintaining public company profile and status.
- Shareholder costs of \$6,981 (2014 - \$5,088) are related to the dissemination of Annual General Meeting materials and press releases. The current period fees are higher than the prior period due to the additional materials sent to shareholders and an increase in costs charged by the service provider.
- Share-based compensation of \$212,585 (2014 - \$36,189) on stock options that vested during the period. The current period expense is higher than the comparative due to the fair value recognized on 1,900,000 stock options granted during the period.
- Transfer agent fees of \$4,688 (2014 - \$3,317) have increased over the comparative period due to additional share issuance services provided by the transfer agent.
- Travel and related costs of \$28,455 (2014 - \$22,725) relate to directors and officers travelling to attend investment conferences and to evaluate potential investment opportunities for the Company.
- Recovered \$1,312 (2014 - \$3,493) in costs incurred in SwissGold from prior years.
- The Company had a foreign exchange gain of \$76,147 (2014(loss) - \$17,326) related to the conversion of various transactions of US Dollars and Swiss Francs to Canadian Dollars. There is significant increase over the comparative period is due to the depreciation of the Canadian Dollar in relation to the US Dollar and Swiss Franc.
- Earned interest income of \$46 (2014 - \$101) was earned on funds held in bank accounts.
- Write-off of \$2,224,620 (2014 - \$Nil) in exploration and evaluation assets upon the termination of option to purchase the Rattlesnake Hills Project.

### *The three months ended May 31, 2015*

During the three month period ended May 31, 2015, the Company had a net comprehensive loss of \$80,280 (2014 - \$132,681). Expenses in most areas decreased when compared to the comparative period except for: consulting, \$47,770 during the current quarter compared to \$24,494 in the comparative quarter and travel and related of \$6,509 during the current

quarter compared to \$1,837 in the comparative quarter. The increases can be attributed to an independent consultant providing business development services and charging travel expenses.

## Related Party Transactions

The Company entered into the following transactions with related parties during the nine month period ended May 31, 2015:

- i) Paid or accrued \$74,781 (2014 - \$67,777) in consulting fees and \$4,530 (2014 - \$6,923) in office and general costs to John Watson, the President and CEO.
- ii) Received \$215,684 (2014 - \$33,052) in loans and advances from John Watson, the President and CEO.
- iii) Paid or accrued \$60,855 (2014 - \$60,763) in professional fees to ASI Accounting Services Inc., a company controlled by Ron Schmitz, an officer of the Company, and CBCS Law Corporation, a company controlled by Bruce Scott, an officer of the Company.
- iii) Paid or accrued \$Nil (2014 - \$11,439) in property investigation costs to Hardrock Minerals Exploration, a company controlled by director, Odin Christensen.

Included in due to related parties as of May 31, 2015 is \$636,157 (August 31, 2014 - \$315,667) due to a directors and companies controlled by officers.

## Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

Other than disclosed above, there was no other compensation paid to key management during the nine month period ended May 31, 2015 and 2014.

## Liquidity and Capital Resources

The financial statements have been prepared on a going concern basis which assumes that the Company will be able realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

	May 31, 2015	August 31, 2014
Working capital (deficiency)	\$ (555,826)	\$ 11,884
Deficit	(6,416,550)	(3,777,279)

Net cash used in operating activities for the period was \$179,518 (2014 - \$193,422). This amount consists of a net operating loss of \$2,639,271 (2014 - \$286,621) and items not affecting cash of \$13,224 (2014 - \$1,002) as foreign exchange on the reclamation bond, share-based compensation of \$212,585 (2014 - \$36,189) and a write-off of exploration and evaluation assets of \$2,224,620 (2014 - \$Nil). Changes in non-cash working capital items consisted of a decrease in accounts receivable of \$591 (2014 - \$4,555), a decrease in prepaid expenses of \$26,765 (2014 (increase) - \$49,830) and an increase in accounts payable and accrued liabilities and due to related parties of \$8,416 (2014 - \$112,397).

The current period used net cash of \$325,869 (2014 - \$658,910) for investing activities. This comprised of \$261,177 (2014 - \$542,100) for mineral property acquisition, \$138,304 (2014 - \$116,810) in expenditures incurred on exploration and evaluation assets and \$73,612 (2014 - \$Nil) received from refunded reclamation bonds.

Financing activities provided net cash of \$121,362 (2014 - \$1,313,279) from the issuance of 1,200,000 (2014 - 20,100,000) common shares pursuant to the exercise of warrants and \$1,362 received as a refund of (2014 (paid) - \$26,721) issue costs.

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 required to delay, scale back or eliminate various programs and may be unable to continue in operation. 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's revenues, if any, are expected to be in large part derived from the mining and sale of precious minerals or base metals or interests related thereto. The economics of developing and producing mineral properties are affected by many factors including the cost of operations, variations in the grade of ore mined and the prices of minerals and metals. Depending on the foregoing, the Company may determine that it is impractical to continue commercial production. Prices, which have fluctuated significantly, are affected by many factors beyond the Company's control including anticipated changes in international investment patterns and monetary systems, economic growth rates and political developments. The supply of precious minerals or base metals is related to the economics of new mine production and operating costs for existing producers, as well as the demand from financial institutions and consumers. If the market price falls below the Company's full production costs and remains at such levels for any sustained period of time, the Company will experience losses and may decide to discontinue operations or other development of a project or mining at one or more of its properties.

## **Financial Instruments and Risk Management**

### **Fair value**

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 – quoted prices (unadjusted) 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); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at May 31, 2015, the Company's financial instruments are comprised of cash, accounts receivable, accounts payable and accrued liabilities and due to related parties. Cash is carried at fair value using a level 1 fair value measurement. The carrying value of accounts receivable and accounts payable and accrued liabilities and due to related parties approximate their fair values due to the relatively short periods to maturity of these financial instruments.

### **Financial risk factors**

The Company has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk. Management, the Board of Directors and the Audit Committee monitor risk management activities and review the adequacy of such activities.

#### *Credit risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Management believes that the credit risk concentration with respect to financial instruments included in cash is remote. The Company's receivables consist of GST recoverable from the Canadian Government.

#### *Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at May 31, 2015, the Company had a cash balance of \$85,991 to settle current liabilities of \$644,620. All of the Company's financial liabilities are subject to normal trade terms.

#### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, and commodity and equity prices. These fluctuations may be significant and the Company, as all other companies in its industry, has exposure to these risks.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to maintain cash in its banking institutions and does not believe interest rate risk to be significant.

(b) Price risk

The Company is not a producing entity so is not directly exposed to fluctuations in commodity prices. The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

(c) Foreign currency risk

The Company has two foreign subsidiaries whose operations are in the United States and Switzerland respectively, which exposes the Company to foreign exchange risk. The Company is subject to currency risk due to the fluctuations of exchange rates between the Canadian dollar, United States dollar and the Swiss Franc. The Company does not enter into derivative financial instruments to mitigate foreign exchange risk.

## Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital.

The Company is in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new sources of financing available and to manage its expenditures to reflect current financial resources in the interest of sustaining long term viability.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's capital management objectives, policies and processes have not been changed over the period presented. The Company is not subject to any externally imposed capital requirements.

## Off-Balance Sheet Arrangements

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

## Additional Disclosure for Venture Issuers without Significant Revenue

Please refer to Note 6 in the unaudited condensed consolidated interim financial statements for the nine month period ended May 31, 2015 for description of the capitalized exploration and evaluation assets presented on a property-by-property basis.

## Outstanding Share Data

The following table summarizes the Company's outstanding share data as of the date of this Management Discussion and Analysis:

	Number of shares issued or issuable
Common shares	50,706,296
Stock options	3,770,000
Warrants	13,630,666



As at the date of this Management Discussion and Analysis, there are no common shares held in escrow.

## **Critical Judgments and Estimates**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates on the resulting effects of the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

All of the Company's significant accounting policies and estimates are included in Note 3 of the unaudited condensed consolidated interim financial statements for the nine month period ended May 31, 2015.

## **New Standards Not Yet Adopted**

The Company anticipates that the application of these standards, amendments and interpretations will not have a material impact on the results and financial position of the company.

*IFRS 7, "Financial Instruments – Disclosure"*, has been amended to require additional disclosures on transition from IAS 39 to IFRS, effective for the Company on or after January 1, 2015.

*IFRS 9, "Financial Instruments"*, is part of the IASB's wider project to replace IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 retains but simplifies the mixed measurement model and established two primary measurement categories for financial assets; amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for the Company on or after January 1, 2018. The Company will continue to evaluate and monitor the developments of this new standard.

## **Risks and Uncertainties**

Exploration of mineral properties involves a high degree of risk and the successful achievement of a profitable operation cannot be assured. Costs of finding and evaluating an ore body are substantial, and may take several years to complete. The Company must overcome many risks associated with an early stage exploration property. Outstanding items to be completed include, but are not limited to, identification and quantification of a commercially viable ore body, confirmation of the Company's interest in the underlying claims and leases, completion of a feasibility study, funding of all costs related to a commercial operating venture, completion of the permitting process, detailed engineering and the procurement of a processing plant, and constructing a facility to support the property. Construction and operational risks including, but not limited to, equipment and plant performance, metallurgical, environmental, cost estimation accuracy, workforce performance and dependability will all affect the profitability of an operating property.

External financing, primarily through the issuance of common shares will be required to fund future activities. There can be no assurance that such financings will be successful in the future.

## **Outlook**

The Company's objectives are to maintain, develop and advance its current interests in its gold projects in Nevada and Switzerland.

## **Corporate Governance**

The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Audit Committee of the Company fulfills its role of ensuring the integrity of the reported information through its review of the interim and audited annual financial statements prior to their submission to the Board of Directors for approval. The Audit Committee, comprised of three directors, all of whom are independent, meets with management of the Company on a quarterly basis to review the financial statements, including the MD&A, and to discuss other financial, operating and internal control matters as required.

## 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 gold, 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 into 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 gold as well as petroleum products;
- the availability of financing for the Company's development of a project on reasonable terms;
- the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- 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, gold 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.**