NORTHERN VERTEX

MINING CORP

Management's Discussion and Analysis
for the Year Ended June 30, 2017

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The Management's Discussion and Analysis ("MD&A") of Northern Vertex Mining Corp. ("Northern Vertex" or the "Company"), has been prepared by management as of October 23, 2017 and provides information that management believes is relevant to assessing and understanding the financial condition of the Company and the results of its operations and cash flows for the fiscal year ended June 30, 2017. This MD&A provides information on the operations of the Company for the year ended June 30, 2017 and should be read in conjunction with the audited annual consolidated financial statements for the years ended June 30, 2017 and 2016 and related notes thereto (the "Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). All currency amounts are expressed in Canadian dollars, unless otherwise noted.

Unless otherwise indicated, the technical disclosure contained within this MD&A has been reviewed and approved by Mr. L.J. Bardswich, P.Eng., General Manager of Golden Vertex Corp. ("Golden Vertex") and a Qualified Person for the purpose of National Instrument 43-101 ("NI 43-101"), Standards of Disclosure for Mineral Projects.

1. Business Overview

Northern Vertex's material mineral project is the 100% owned Moss Mine gold-silver deposit (the "Moss Mine Project") in Mohave County, Arizona. The Company is a development stage mining company focused on advancing the Moss Mine to near term production with construction activities currently under way. The Company's core management and technical team are proven professionals, with extensive international experience in all aspects of mineral exploration, mine development, operations, equity and debt financing and venture capital markets. The Company is a listed issuer on the TSX Venture Exchange ("TSXV") and its common shares trade under the symbol NEE.

2. Fourth Fiscal Quarter 2017 Operating and Financial Highlights

- The Moss Mine became fully permitted for construction and operations after receiving the final Aquifer Protection Permit.

- An updated mine water study was completed which confirmed wells drilled on the Company's patented land will meet the peak water demand for mine operations. The ability to meet peak water demand during mining operations will allow for an accelerated production ramp up at the Moss Mine when commissioning commences during the fourth calendar quarter of 2017.

- The site civil works for the crusher pad, run of mine pad, laydown yard, Merrill Crowe facility and ancillary roads were completed. This work was performed by N.A. Degerstrom ("NAD").

- The heap leach earthworks commenced in early June, and subsequent to year end, NAD completed the final grading for the initial leach pad cell just north of the solution ponds in anticipation of the first ore stacking in early November. NAD has now also completed the liner bedding in the West pad, Central pad and East pad.

- The fabrication of the crushing plant continued and was nearing completion. The Company began receiving plant components during August with installation beginning in September.

- Two Right of Way (ROW) permit applications were submitted to the Bureau of Land Management ("BLM") for construction of a power-line partially on Federal Lands, and for eliminating vertical and horizontal curves and blind spots on the Moss Mine Access Road by widening onto adjacent Federal lands. Both permit applications deemed complete by the Kingman office of the BLM, were reviewed and items of environmental concern were identified and assessed for potential impacts. Simple engineering design changes addressed the concerns and amended applications have been submitted. The major factors driving the applications are the elimination of diesel emissions to the atmosphere from on-site generators, and the increase in traffic safety for persons using the public County Access Road.

- The Company completed the initial tranche of a US$20,000,000 non-brokered private placement with Greenstone Resources L.P. ("Greenstone") for gross proceeds of US$10,786,330 through the issuance and sale of 27,920,000 units at a purchase price of $0.52 per unit. Subsequent to June 30, 2017, the final tranche was completed, raising gross proceeds of US$9,213,670 through the issuance and sale of 23,849,230 units at a purchase price of $0.52 per unit. Further details of the financing are disclosed in the *Liquidity and Capital Resources* section of this MD&A.

- The Company drew a second tranche, in the amount of US$5,000,000, under its senior secured credit facility ("the Facility") with Sprott Private Resource Lending (Collector), LP ("Sprott"). Under the Facility, the Company may draw up to US$20,000,000 to fund development and construction of the Moss Mine Project under certain conditions. The Facility is available to be drawn in up to four tranches, and as at June 30, 2017, a total of US$10,000,000 has been advanced to the Company. Subsequent to June 30, 2017, the Company drew an additional US$5,000,000 from the Facility, for a total of US$15,000,000. Further details regarding the Facility are disclosed in the *Liquidity and Capital Resources* section of this MD&A.

- The Company also announced a separate non-brokered private placement on the same terms as the financing with Greenstone. The non-brokered private placement was completed in two tranches subsequent to June 30, 2017, raising total gross proceeds of $3,031,860 and issuing an aggregate of 5,830,500 units at a purchase price of $0.52 per unit. Further details of this private placement are disclosed in the *Liquidity and Capital Resources* section of this MD&A.

- The Company executed a commitment letter and term sheet with Caterpillar Financial Services Corporation ("Cat Financial"), pursuant to which Cat Financial has agreed in principle to fund the Company's purchase of certain key equipment including power generators, mobile equipment and the crushing plant for use at the Moss Mine.

3. Operations

Moss Mine Project

The Company owns 100% of the Moss Mine Project which is located approximately 15 km by road to the east of Bullhead City, in the historically significant Oatman Mining District of Mohave County Arizona. It comprises a total area of 4,030.8 hectares of mining claims and leases centered on the approximate location of the historical Moss Vein. The proven and probable ore reserves of 8,035,000 tonnes with an AuEq grade of 0.933 g/t containing 240,920 AuEq ounces (213,100 Au ounces and 2,396,590 Ag ounces) are within a central area of 15 patented lode claims totaling 102.8 hectares.

The key strategic priorities for the Company are to complete construction and enter commercial production.

Project Permitting

Key federal and state permits for the Moss Mine construction were submitted and received during the year including the Air Quality Permit and amended Aquifer Protection Permit from the Arizona Department of Environmental Quality ("ADEQ") and an amended Mined Land Reclamation Plan with the Arizona Office of the State Mine Inspector. Reclamation bonds were submitted to, and approved by, the Office of the State Mine Inspector and ADEQ, Water Quality Division.

The Company is now fully permitted to construct and operate a 5,000 tonne per day open pit, heap leach operation with Merrill Crowe recovery of gold and silver.

Work continues on the permitting processes for the Moss Mine Optimization Plan which includes the transmission of utility power via a powerline which will replace on-site diesel generators, eliminating the burning of 2.05 million gallons of diesel fuel per year. The Company has also applied for a ROW permit for re-construction of the Moss Mine access road. Biological reports and cultural inventory reports have been submitted by Westland Resources Inc. in support of the permit applications. The permit applications enjoy broad public support as these projects will reduce diesel emissions and improve safety for the Company's personnel, contractors, suppliers and the general public.

Project Engineering and Procurement

With the appointment of M3 Engineering and Technology ("M3") of Tucson, AZ as the EPCM contractor, detailed engineering began during the year and was close to completion by the end of June 30, 2017. The engineering for the site civils, heap leach pads, facilities layout, concrete and structural steel were all completed while electrical engineering has continued.

Golder Associates Inc. ("Golder") completed on-site geotechnical, geophysical and groundwater field studies which included drilling additional wells, sampling, down-hole geophysics and pump tests. An updated mine water study by Golder confirmed that groundwater wells drilled on the Moss Mine meets the peak water demand for mine operations. The hydrology study estimates the groundwater resources from existing production wells to be in the order of 180 to 240 galllons per minute ("gpm"). Golder estimates an additional 120 to 160 gpm will be generated from "Pit Dewatering" during mine operations. The Pit Dewatering is expected to be accessible from Year 2 onwards at increasing flow rates as the pit gets deeper. The Golder models confirm that the pit dewatering will not have any impact on the productivity of the groundwater wells since these wells target water resources well below the pit floor.

Procurement started earlier in the year with the ordering of longer lead items which included equipment for the Merrill Crowe and crushing circuit and continued with the majority of the equipment having been ordered just subsequent to year end. Deliveries of equipment to site began during the fourth fiscal quarter and have continued subsequent to year end and included the crushing plant, equipment for the Merrill Crowe circuit and heap leach liners. The agglomerating drum, conveyors, stacking conveyors and overland conveyor components are also on site.

Construction and Civil Earthworks

NAD was awarded the site and heap leach civil earthworks contracts during the year and construction of the Moss Mine started in January 2017 with the site civil earthworks. The site civil works for the crusher pad, ROM pad, laydown yard, Merrill Crowe facility, and ancillary roads were completed.

The decommissioning of the Phase I Pilot Plant, which successfully produced 4,000 oz gold, 20,000 oz silver and established recoveries of 82%, has also been completed. Crews have removed the two ponds, equipment, liners and 125,000 tons of neutralized heap material. The entire Pilot Plant area has been regraded in preparation for Phase II Production.

NAD has completed the liner bedding in the west pad, central pad and east pad and the construction of the initial leach pad cell. Over-liner material (drain rock) is being crushed by Superstition Crushing and placed by NAD in advance of ore stacking which is anticipated to start in early November.

American Environmental Group ("AEG") has completed the secondary liner in the west pad and is awaiting the installation of the leak detection piping. The pregnant leach solution pond is complete with a primary liner, leak detection geonet, and secondary liner. AEG is completing the geosynthetic clay liners for the upper sections of the west pad and central pad. The central pad area will be completed shortly and is ready for over-liner placement.

Great Basin Industrial ("GBI") was awarded the contracts for the concrete works, the mechanical installation of the crushing plant and the construction of the Merrill Crowe plant. GBI has completed 80% of installation work for the crushing plant which includes the primary jaw, secondary cone and two tertiary cones. In the Merrill Crowe area, GBI has completed all of the tank pedestals, containments/sumps and has poured the floor slab for the equipment area. The cinder block walls in the Motor Control Center are nearing completion.

Project Finance

During the fiscal year ended June 30, 2017, the Company closed two tranches of unsecured convertible debenture financings for gross proceeds of $7,352,000 and a senior secured credit facility with Sprott for up to US$20,000,000 to fund development and construction of the Moss Mine Project. The Facility is available to be drawn in up to four tranches and the first two tranches totalling US$10,000,000 were advanced to the Company during the year. Subsequent to June 30, 2017, the third tranche of US$5,000,000 was advanced to the Company but there is no guarantee the remaining fourth tranche of the Sprott facility will be advanced.

The senior credit facility with Sprott provides for a security carve-out of up to US$8,500,000 in equipment financing, and the Company executed a commitment letter and term sheet with Cat Financial to fund the purchase of certain key equipment including power generators, mobile equipment and the crushing plant for use at the Moss Mine. Subsequent to June 30, 2017, the Company executed a definitive Master Lease Agreement ("MLA") with Cat Financial and received funding for the crushing plant and ancillary mobile equipment in the amount of US$4,699,424.

The Equipment Facility will fund between 70% to 80% of the equipment purchase price to maximum amount of US$9,000,000 of equipment purchases and be secured with the acquired assets. Principal and interest will be paid quarterly and the Company will have the right to buy the equipment at the end of the lease period for nominal consideration.

In May 2017, the Company entered into a subscription agreement for a non-brokered private placement with Greenstone to raise gross proceeds of US$20,000,000 through the issuance and sale of an aggregate of 51,769,230 units. The private placement with Greenstone was completed in two tranches, with the final tranche closing in July 2017.

Material terms and conditions regarding the convertible debenture financing, the Facility and the non-brokered private placements are included in the *Liquidity and Capital Resources* section of this MD&A.

Exploration

The Company identified four high priority targets during the year on its properties in the area of the Moss Mine, which were the focus of a multi-phase drill program. These include the West Oatman stockwork vein target, the high-grade Old Timer East and West targets and the Western Extension of the Moss. The exploration program was carried out concurrently with the Company's ongoing Moss Mine construction and development program.

The Company completed three drill holes on the Western Extension of the Moss deposit, where extensive silicification and quartz veining has been mapped along the western projection of the Moss vein system. The first-phase drilling program at West Oatman was completed with 13 holes drilled along 500 meters of the stockwork/vein strike length. Four core holes have been completed at the Old Timer East target.

Separate from the exploration drilling program, mineralized intersections in drill holes WW-16 and WW-17, which comprised nine inch diameter holes drilled as water wells, but using a reverse circulation drill, intercepted gold and silver mineralization 130 feet below the established Moss Mine gold-silver open-pit resource. The intercept in WW-16 calculates as 1.178 g/t gold plus 24.152 g/t silver (1.58 g/t gold equivalent) over 115 ft. (645-760 ft.), which converts to a true width of 39.3 ft. (12.0 meters) at 70 degree dip of the Moss vein. The mineralization was in the hanging wall slightly above the main Moss vein. For further details see the Company's news release dated January 30, 2017.

The reverse circulation water well hole 16 that intercepted the Moss gold-silver structure at depth is a significant development that demonstrates the Moss gold-silver mineralization extends below depths previously drilled. The multi-phase core drilling program is intended to demonstrate the potential for discovery of new zones of gold and silver, which would assist the Company in meeting its goal of increasing its gold-silver resources and potential future production.

4. Selected Annual Information

The following selected annual financial information is derived from the audited Financial Statements of the Company for the three most recently completed financial years:

	Year Ended June 30, 2017	**Year Ended June 30, 2016**	**Year Ended June 30, 2015**
Revenue[1]	$ -	$ -	$ -
Net (loss) income	(4,491,242)	(3,749,192)	3,815,454
Basic and diluted (loss) income per share	(0.04)	(0.04)	0.05
Total assets	71,858,597	28,634,351	26,798,148
Total non-current financial liabilities	18,209,361	1,055,130	1,063,089

[1] As the Company is in the development phase and not in commercial production there is no revenue.

Factors that have caused period to period variations in total assets include significant financings and the purchase of assets relating to the construction of the Moss Mine. Non-current liabilities increased significantly as the Company funded development and construction of the Moss Mine with convertible debentures and the Facility. The net loss for the year ended June 30, 2017 included share-based payments of $795,373; salaries, wages and severance of $1,015,377; professional fees of $764,900; marketing of $664,834; finance costs of $668,294; and a foreign exchange loss of $504,223. Net loss primarily increased in fiscal 2017 compared to 2016 due to increased interest expense relating to the convertible debentures and the Facility.

The net loss for the year ended June 30, 2016 included depreciation of $255,900; salaries and wages of $1,097,788; and professional fees of $1,465,551 as a result of costs incurred for the arbitration with Patriot Gold and as the Company transitions from an exploration to a development company.

The net income for the year ended June 30, 2015 included a foreign exchange gain of $5,545,653 due to the strengthening of the US dollar in fiscal 2015; salaries, wages, benefits and subcontractor expenses of $696,673; share-based payment expense of $223,999; and professional fees of $218,077 as a result of cost reduction efforts. The net loss for the year ended June 30, 2014 included salaries, wages, benefits and subcontractor expenses of $1,270,602; share-based payment expense of $1,391,262; and professional fees of $506,265 as a result of Company's expansion in fiscal 2014.

5. Summary of Quarterly Results

	Three Months Ended June 30, 2017	Three Months Ended March 31, 2017	Three Months Ended December 31, 2016	Three Months Ended September 30, 2016	Three Months Ended June 30, 2016	Three Months Ended March 31, 2016	Three Months Ended December 31, 2015	Three Months Ended September 30, 2015
Revenue[1]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net income (loss)	(1,146,725)[2]	(1,530,550)[3]	(887,779)[4]	(926,188)[5]	(2,593,404)[6]	(3,770,409)[7]	461,594[8]	2,153,027[9]
Basic and diluted income (loss) per share	(0.01)	(0.02)	(0.01)	(0.01)	(0.03)	(0.04)	0.01	0.03

[1] As the Company is in the development phase and not in commercial production there are no sales.

[2] Included an unrealized foreign exchange loss of $506,920 relating to US cash held that was attributable to the weakening of the US dollar in comparison to the Canadian dollar during the quarter and was offset by an interest expense decrease resulting from the capitalization of borrowing costs. The net impact was a decrease in net loss for the quarter.

[3] Included a fair value loss on gold call options issued in connection with the Facility and increased interest expense which resulted in an increased net loss for the quarter.

[4] Included a fair value gain on gold call options issued in connection with the Facility and a reduced deferred tax recovery which resulted in a decreased net loss for the quarter.

[5] Included was a deferred tax recovery of $514,429 related to the first tranche of convertible debentures issuance which reduced the net loss for the quarter.

[6] Included was a non-cash unrealized foreign exchange loss of $1,411,756 that was attributed to the weakening of the US dollar in comparison to the Canadian dollar from the previous quarter end.

[7] Included was a non-cash unrealized foreign exchange loss of $3,144,066 that was attributed to the weakening of the US dollar in comparison to the Canadian dollar.

[8] Included was a non-cash unrealized foreign exchange gain of $1,746,381 that was attributed to the strengthening of the US dollar in comparison to the Canadian dollar.

[9] Included was a non-cash unrealized foreign exchange gain of $2,813,147 that was attributed to the strengthening of the US dollar in comparison to the Canadian dollar.

The decrease in net loss for the three months ending June 30, 2017 compared to the three months ended March 31, 2017 was partially due to a decrease in interest expense relating to the capitalization of borrowing costs in the fourth fiscal quarter of 2017. The decrease in interest expense was partially offset by an unrealized foreign exchange loss relating to US cash held that was attributable to the weakening of the US dollar in comparison to the Canadian dollar during the quarter. A fair value gain on the gold options during the current quarter compared with a fair value loss in the previous quarter also contributed to the decrease in net loss.

The increase in net loss for the three months ended March 31, 2017 compared to the three months ended December 31, 2016 was largely due to an increase in finance costs related to the Facility. Long term debt interest expense and related financing costs increased as the average amount of debt outstanding during the current quarter was higher compared to the quarter ended December 31, 2016. Finance costs also increased as the Company recorded a fair value loss on the gold call options during the current quarter as the spot price of gold increased compared to December 31,

2016. Comparatively, the loss in the quarter ended December 31, 2016 was offset due a fair value gain related to the gold call options.

The decrease in net loss for the three months ended December 31, 2016 compared to the three months ended September 30, 2016 was due to an increase in finance income and lower severance expenses which were offset by a reduced deferred tax recovery. Finance income increased due to a fair value gain on gold call options and was offset by an increase in long term debt interest expense. A one time deferred tax recovery of $514,429 was recorded during the quarter ended September 30, 2016 which related to a convertible debenture issuance of $7,225,000 which did not occur in the quarter ended December 31, 2016. There were no severance expenses recorded during the quarter ended December 31, 2016.

The variation in net loss for the three months ended September 30, 2016 compared to the three months ended June 30, 2016 reflected a non-cash unrealized foreign exchange loss that was included in the net loss for the three months ended June 30, 2016 but not for the three months ended September 30, 2016. In addition, a deferred tax recovery of $514,429, relating to the issuance of convertible debentures, was realized during the quarter ended September 30, 2016 which did not occur in the quarter ended June 30, 2016.

The decrease in net loss for the three months ended June 30, 2016 compared to the three months ended March 31, 2016 reflected an increase in general and administration during the three months ended June 30, 2016 which was offset by a larger foreign exchange loss during the three months ended March 31, 2016. Increased general and administrative costs during the quarter ended June 30, 2016 related to the expensing of supporting site costs for the Moss Mine while larger foreign exchange losses during the quarter ended March 31, 2016 were the result of the weakening of the US dollar against the Canadian dollar to a larger extent than when compared to the quarter ended June 30, 2016.

The variation in net loss for the three months ended March 31, 2016 compared to the net income for the three months ended December 31, 2015 reflected a decrease in general and administration due to an increase in professional fees during the second quarter relating to the arbitration with Golden Patriot. The Company also recorded an unrealized foreign exchange loss of $3,144,066 in the three months ended March 31, 2016 due to the weakening of the US dollar against the Canadian dollar compared with a gain during the comparative period.

The variation in net income for the three months ended December 31, 2015 compared to the three months ended September 30, 2015 reflected the increased professional, consulting and travel costs incurred as the Company prepared for and participated in the arbitration. The Company also recorded an unrealized foreign exchange gain of $1,746,381 in the three months ended December 31, 2015 due to the strengthening of the US dollar against the Canadian dollar relating to intercompany loans.

Further information relating to factors which have caused period to period variations is included in the *Results of Operations* section of this MD&A.

6. Results of Operations

For the year ended June 30, 2017, the Company incurred a net loss of $4,491,242, compared to a net loss of $3,749,192 for the year ended June 30, 2016. The factors contributing to the loss as compared to the comparable fiscal year's net income are discussed below.

Administrative expenses

For the year ended June 30, 2017, the Company incurred total administrative expenses of $3,838,702 (2016: $3,759,628), which included a non-cash share-based payment expense of $795,373 (2016: $115,381); salaries, wages and severance of $1,015,377 (2016: $1,097,788); professional fees of $764,900 (2016: $1,465,551); marketing expenses of $664,834 (2016: $220,193); and travel of $147,491 (2016: $89,105).

The following significant variances are noted between the years ended June 30, 2017 and June 30, 2016. Share-based payment expense increased as 2,895,000 stock options were issued during the year ended June 30, 2017 compared with no stock options issued during the year ended June 30, 2016. Professional fees decreased as legal and consulting services required for the arbitration with Patriot Gold were incurred during the year ended June 30, 2016 for which the Company received the arbitrator's decision in January 2016. Marketing increased due to an increased presence at industry conferences and increased marketing related to the development of the Moss Mine. As construction and development continues at the Moss Mine, site visits increased compared to the previous year resulting in higher travel expenses.

Other Expenses (Income) and Deferred Tax Recovery

For the year ended June 30, 2017, the Company recorded foreign exchange loss of $504,223 (2016: gain of $3,706), finance costs of $668,294 (2016: income of $12,930) and a deferred tax recovery of $519,977 (2016: $nil).

During the current fiscal year, the Company closed the first tranche of a US$20,000,000 non-brokered private placement for US$9,213,670. After the private placement closed, the US dollar weakened against the Canadian dollar resulting in an unrealized foreign exchange loss due to US dollars held by the Company. Finance costs increased due an increase in interest expense as the Company did not have any debt outstanding in the previous fiscal year. A fair value gain on gold call options, issued in connection with the Facility, partially offset interest expense. The Company recorded a one time deferred tax recovery in fiscal 2017 which related to a convertible debenture issuance of $7,352,000 that did not occur in the previous year.

7. Fourth Fiscal Quarter

For the three months ended June 30, 2017, the Company incurred a net loss of $1,146,725, compared to net loss of $2,593,404 for the three months ended June 30, 2016. The factors contributing to the loss as compared to the previous comparable quarter's net loss are discussed below.

Administrative Expenses

For the three months ended June 30, 2017, the Company incurred total administrative expenses of $723,184 (2016: $1,181,004), which included a non-cash share-based payment expense of $82,682 (2016: $8,246); salaries and wages of $135,343 (2016: $516,931); marketing expenses of $253,139 (2016: $112,008); and a non-cash depreciation of $3,442 (2016: 212,967), and Moss Mine site security costs of $nil (2016: $66,779).

The following significant variances are noted between current and prior period quarters. Marketing expenses increased due to an increased presence at industry conferences and increased marketing related to the development of the Moss Mine. The increase in share-based payment expenses reflected that the Company issued stock options in fiscal 2017 but not in fiscal 2016. During the three months ended June 30, 2016, the Company expensed depreciation, salaries, and site security costs related to the Moss Mine for the period which the site was on care and maintenance. As the Company is currently developing and constructing the Moss Mine, similar expenditures for fiscal 2017 were capitalized.

Other Expenses (Income)

For the three months ended June 30, 2017, the Company recorded foreign exchange loss of $506,920 (2016: $1,411,756) and finance income of $83,379 (2016: loss of $644).

The decrease in foreign exchange loss is primarily due to a one-time adjustment at June 30, 2016 that resulted from a change in the Company's assessment of repayment of loans receivable from its subsidiaries and, as the loans will not be repaid in the foreseeable future, all foreign exchange gains and losses relating to loans receivable from subsidiaries were included in other comprehensive loss for the period. Finance income for the quarter ended June 30, 2017 resulted from a fair value gain on gold call options as interest expense from the Facility and convertible debentures was capitalized.

Cash flows

Cash provided by financing activities during the three months ended June 30, 2017 was $23,914,165 (2016: $294,857) and primarily consisted of cash received from the initial tranche of a US$20,000,000 non-brokered private placement with Greenstone and from drawing the second tranche of US$5,000,000 from the Facility.

Cash used in investing activities during the three months ended June 30, 2017 totalled $5,969,949 (2016: $1,151,900) and consisted of cash used for mining interests expenditures and expenditures for property, plant and equipment related to equipment purchases, detailed engineering, permitting and the development of the Moss Mine.

8. Liquidity and Capital Resources

During the year ended June 30, 2017, the Company completed the following financings.

Unsecured Convertible Debentures

On July 14, 2016 and November 2, 2016 the Company completed tranches of a private placement of $7,225,000 and $127,000, respectively, of unsecured convertible debentures for total proceeds of $7,352,000. The proceeds from the debenture issuance was used for the advancement of the Company's Moss Mine Project and general working capital purposes.

Each debenture has an issue price of $100, matures on May 31, 2021, bears interest at 5% per annum, payable on May 31 and November 30 of each year while outstanding, which interest, subject to regulatory approval, may at the option of the Company be settled in common shares. The debentures are convertible into common shares of the Company at the price of $0.50 per share. Aggregate finders' fees of $430,500 were paid in cash and 516,600 finders' warrants were issued to parties at arm's length. Each finders' warrant will entitle the holder to acquire one common share of the Company at an exercise price of $0.50 until July 14, 2019.

Each Debenture is convertible into common shares at the option of the holder at any time prior to the date fixed for redemption or maturity (as the case may be), at the conversion price, which is equivalent to 2,000 common shares for each $1,000 principal amount of Debentures, subject to adjustment in certain circumstances. Debentures must be converted in minimum amounts of $1,000.

The Company may redeem the debentures in cash on or after July 14, 2018, in whole or in part from time to time, upon required prior notice at a redemption price equal to their principal amount plus accrued and unpaid interest, if any, provided that the trading price of the common shares for the 20 consecutive trading days ending five trading days prior to the date of the redemption notice must be less than the conversion price.

Additionally, the Company has the option, to repay the principal amount of the debentures in common shares, provided certain circumstances are met including but not limited to: no default has occurred and is continuing at such time, and the trading price of the common shares for the 20 consecutive trading days ending five trading days prior to the date of the redemption notice or maturity date (as the case may be) is at least 150% of the Conversion Price.

Senior Secured Credit Facility

On November 7, 2016 the Company announced it had signed a senior secured credit facility with Sprott, pursuant to which Sprott may advance up to US$20,000,000 to fund development and construction of the Company's Moss Mine Project. The Facility is available to be drawn in up to four tranches, and two tranches totaling US$10,000,000 were advanced to the Company. Subsequent to the year ended June 30, 2017, a third tranche of US$5,000,000 was advanced to the Company for a total of US$15,000,000. There is no guarantee the Company will satisfy any or all of the conditions for the last drawdown under the Facility.

The senior secured credit facility contains various terms and conditions, including:

- Maturity date: November 4, 2019.
- Prepayment: at any time without penalty, subject to a minimum of six months interest having been paid on prepaid amounts.
- Annual interest Rate: 12-month USD LIBOR plus 8%, to be paid monthly.
- Costs and fees: structuring fee of US$300,000, which was deducted from the initial draw; the Company has issued 1,498,202 common shares to Sprott for value of US$375,000.
- Gold options: the Company has issued to Sprott gold call options to purchase up to 6,000 ounces of gold at a strike price of US$1,350, for a period of five years, which may be settled by a cash payment based on the difference between the strike price and the prevailing market price of gold at the time of settlement.

- Anniversary fee: on each anniversary date of the facility, the Company will pay Sprott an amount equal to 3% of the principal amount of the facility outstanding, which, at the option of Sprott, may be paid in cash or the Company's shares.

- Covenants: the facility contains covenants for the Company, including restrictions on incurring further debt and the requirement to meet certain working capital requirements.

- Security: includes a first charge over assets held by the Company.

- Security carve-out for equipment finance facility: the security package for the facility provides for a carve-out of up to US$8,500,000 in equipment financing.

Non-Brokered Private Placements

In December 2016, the Company completed a non-brokered private placement for total gross proceeds of $1,354,500 by issuing an aggregate of 3,386,250 units at a purchase price of $0.40 per unit. Each unit consists of one common share of the Company and one half transferable share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at an exercise price of $0.65 expiring on December 3, 2018. Cash finders' fees to arm's length parties of 6%, totaling $61,600 was paid on a portion of the private placement.

In June 2017, the Company completed the initial tranche of a US$20,000,000 non-brokered private placement with Greenstone for gross proceeds of US$10,786,330 by issuing a total of 27,920,000 units at a price of $0.52 per unit. Each unit consists of one common share of the Company and one half non-transferable share purchase warrant. Each warrant has a term of five years and entitles Greenstone to acquire one common share of the Company at an exercise price of $0.91 until July 18, 2019 and at a price of $1.04 from July 19, 2019 to June 9, 2022. No finders' fees or commissions are payable in connection with the Greenstone Financing. Subsequent to June 30, 2017, the Company closed the final tranche of the Greenstone Financing, issuing an additional 23,849,230 units at $0.52 per unit for gross proceeds of US$9,213,670. Upon the closing of the final tranche, Greenstone holds an aggregate of 51,769,230 common shares and 25,884,615 common share purchase warrants. All securities issued in connection with the Greenstone Financing will be subject to a hold period expiring four months and one day from the date of issuance of the respective securities.

As part of the Greenstone Financing, Greenstone will have the right to nominate two directors to the Company's board of directors, one of whom will be selected by Greenstone, and the second will be an independent person at arm's length to Greenstone and the Company with appropriate industry experience.

In June 2017, the Company announced a non-brokered private placement on the same terms as the Greenstone Financing. Subsequent to June 30, 2017, the Company closed the private placement, raising total gross proceeds of $3,031,860 and issuing an aggregate of 5,830,500 units at a purchase price of $0.52 per unit. Each unit consists of one common share of the Company and one half of one non-transferable share purchase warrant. Each warrant has a term of five years and entitles the holder to acquire one common share of the Company at an exercise price of $0.91 for a period of two years from the date of issuance of the warrant and at a price of $1.04 for the remainder of the term of the warrant. Cash finders' fees of $147,513 is paid to certain finders at arm's length to the Company.

The Company intends to use the net proceeds of the private placements for the continued development and construction of its Moss Mine and for general working capital and general corporate purposes.

Warrant Exercises

The Company completed a warrant exercise incentive program designed to encourage the early exercise of outstanding warrants. A total of 10,713,608 warrants were exercised, raising gross proceeds of $5,000,054, and 5,356,804 common Incentive Warrants were issued to the warrant holders who exercised their warrants under the program. Each Incentive Warrant entitles the holder to purchase one additional common share at a price of $1.00 per common share until March 24, 2021. Net proceeds from the program are used to fund development and construction at the Moss Mine and for general working capital purposes.

In addition to the warrants exercised under the warrant exercise incentive program, an aggregate of 1,577,000 warrants which were due to expire on July 8, 2017 were exercised during the three months ended June 30, 2017 for total gross proceeds of $709,650.

Liquidity and Capital Resources

As at June 30, 2017, the Company had cash of $24,985,035 (June 30, 2016: $1,297,416). The increase in cash compared to the year ended June 30, 2016 was primarily due to the receipt of cash proceeds from various financings, a warrant exercise incentive program that closed during the third quarter and the exercise of warrants.

Cash provided by financing activities during the year ended June 30, 2017 was $42,674,260 (2016: $4,123,111) and primarily consisted of cash received from the issuance of convertible debentures, the Facility, the Greenstone Financing, the warrant exercise incentive program, a non-brokered private placement completed in December 2016, and cash received for subscriptions received in advance for a private placement that closed subsequent to the year ended June 30, 2017.

Cash used in investing activities during the year ended June 30, 2017 totalled $14,769,678 (2016: $2,600,233) and consisted primarily of cash collateral used to post surety bonds for the Reclamation and Aquifer Protection Permits, and cash used for expenditures for property, plant and equipment related to equipment purchases, detailed engineering, permitting and the development of the Moss Mine.

During the year ended June 30, 2017, working capital increased by $20,160,605 to $20,821,772 from $661,167. The working capital increase was attributable primarily to cash advances received from the Greenstone Financing, the Facility, the exercise of warrants, a non-brokered private placement completed in December 2016, and subscriptions received in advance for a private placement that closed subsequent to June 30, 2017.

The Company's ongoing liquidity needs will be funded from current cash and further financings as required to meet its short-term growth objectives, including the completion of construction of the Moss Mine. The Company's ability to secure additional financing is in part dependent on overall market conditions, the price of gold and other factors outside the Company's control and there is no guarantee the Company will be able to secure any or all required financing in the future.

9. Subsequent Events

Subsequent to June 30, 2017:

- The Company released a preliminary economic assessment ("PEA"). The PEA highlights are as follows:

	Years 1-4	**Years 5-10**	**Life of Mine**
Annual Production	1.9 million tonnes	1.9 million tonnes	
Mineralized Material to Leach	7.1 million tonnes	10.0 million tonnes	17.1 million tonnes
Strip Ratio	1.77	1.92	1.85
Average Gold grade - gpt	0.95	0.52	0.70
Average Silver grade - gpt	10.5	6.78	8.33
Average "AuEq" grade* - gpt	1.12	0.62	0.83
Recoveries to Doré	Au - 82%, Ag – 65%	Au - 82%, Ag – 65%	Au - 82%, Ag – 65%
Contained Gold – troz oz	216,750	165,150	381,900
Contained AuEq – troy oz	255,209	199,916	455,125
Gold Production – troy oz	167,170	145,980	313,150
AuEq Metal – troy oz	190,740	170,010	360,750
Capital Costs (incl indirects)**			US$61.6 million
Operating Costs	US$76.6 million	US$113.5 million	US$190.021 million
AuEq Cash Cost per troy oz.	US$401	US$667	US$527
Cash Cost net of Ag credits	US$283	US$573	US$418
AISC per troy oz AuEq.	US$472	US$753	US$603
Life of Mine			10 years
IRR (before/after tax)			73.1% / 52.5%
NPV 5% (before/after tax)			US$133M / US$93M
Payback Period (before/after tax)			20 mo. / 27 mo.

* Gold equivalent ounces of silver calculated by multiplying by 20 and dividing by 1250

** Includes US$37.5 million of previously funded Phase II committed costs.

- The Company closed a non-brokered private placement raising gross proceeds of $3,031,860. Pursuant to the private placement, the Company issued an aggregate of 5,830,500 units at a purchase price of $0.52 per unit. Each unit consists of one common share of the Company and one half non-transferable common share purchase warrant. Each warrant has a term of five years and entitles the holder to acquire one common share of the Company at an exercise price of $0.91 for a period of two years from the date of issuance of the warrant and at a price of $1.04 for the remainder of the term of the warrant. Cash finders' fees of 6% on a portion of the gross proceeds raised under the private placement, totaling $147,513 were paid to certain finders at arm's length to the Company.

- The Company completed the final tranche of a US$20,000,000 non-brokered private placement, issuing 23,849,230 units at a price of $0.52 per unit for gross proceeds of US$9,213,670. Each unit consists of one common share of the Company and one half non-transferable common share purchase warrant. Each warrant has a term of five years and entitles the holder to acquire one common share of the Company at an exercise price of $0.91 for a period of two years from the date of issuance of the warrant and at a price of $1.04 for the remainder of the term of the warrant.

- The Company drew an additional US$5,000,000 from its Facility (Section 8).

- The Company executed a definitive Master Lease Agreement (the "MLA") for up to US$9,000,000 of equipment purchases.

- The significant terms and conditions of the MLA include:

  - Financing between 70% - 80% of the equipment purchase price to maximum amount of US$9,000,000 of equipment purchases;
  - Quarterly payments over a four year lease period;
  - The right to buy the equipment at the end of the lease period for nominal consideration;
  - Security over the acquired assets in favour of the lender and a guarantee from the Company; and
  - Payment of interest and arrangement and commitment fees to the lender.

  The Company has drawn US$4,699,424 under the MLA.

- 8,272,441 warrants expired and 443,000 warrants were exercised for proceeds of $199,350.

- 750,000 options were issued at a price of $0.68 per share for a period of five years, 1,800,000 options expired, 150,000 options were forfeited, and 750,000 options were exercised for proceeds of $287,000.

10. Contractual Obligations

Office space lease agreements

The Company has entered into lease agreements for office space with terms that expire at various dates through to March 2022, as disclosed in Note 18 in the Consolidated Financial Statements for the year ended June 30, 2017.

Other commitments

The Company has contractual commitments to acquire property, plant, and equipment as disclosed in Note 6 in the Consolidated Financial Statements for the year ended June 30, 2017.

The Company is committed to making finder's fee payments regarding royalty payments on future commercial production as disclosed in Note 7 in the Consolidated Financial Statements for the year ended June 30, 2017

11. Off-Balance Sheet Arrangements

At the date of this MD&A, there were no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company.

12. Related Party Transactions

Related party transactions were incurred in the normal course of business and measured at their fair value as determined by management. Amounts due to or from related parties are non-interest bearing, unsecured and due on demand.

Balances due to related parties are as follows:

		June 30, 2017		June 30, 2016
Consulting fees payable	**$**	**17,863**	$	5,000
Shared office expenses (receivable) payable	**$**	**(1,373)**	$	15,307

Related party transactions are as follows:

	Note		June 30, 2017		June 30, 2016
Consulting fees	(i)	**$**	**315,000**	$	405,602
Shared office expenses	(ii)	**$**	**1,304**	$	29,660

(i) Consulting fees charged by companies controlled by certain directors of the Company are included in professional fees, salaries and wages, mining interests expenditures, and deferred financing costs.

(ii) Shared office expenses recovered from and charged to a company with directors in common are included in marketing, rent, travel, and office expenses.

Commitments with related parties

The Company has a corporate services agreement with a related company for clerical, accounting, regulatory filing and geological services. The minimum monthly fee under the agreement is $5,000 and renews annually.

13. Key Management Personnel Compensation

The remuneration of the Company's directors and other key management personnel for the years ended June 30, 2017 and 2016 is as follows:

		June 30, 2017		June 30, 2016
Salaries, fees and short-term benefits	**$**	**946,186**	$	478,879
Termination benefits	**$**	**400,000**	$	-
Share-based payments	**$**	**488,595**	$	70,185

Termination benefits are due to a one-time event and are not expected to occur annually.

14. Conflicts of Interest

The Company's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the Business Corporations Act (BC) ("Corporations Act") dealing with any conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith and in the best interests of the Company.

15. Proposed Transactions

As of the date of this MD&A, there were no proposed asset or business acquisitions or dispositions.

16. Adoption of New Accounting Standards

There have been no changes to IFRS and IFRIC effective July 1, 2017 that impact the Company's financial statements.

17. Future Accounting Policy Changes Issued but not yet in Effect

Pronouncements that may have a significant impact to the Company have been included in the Company's Consolidated Financial Statements for the years ended June 30, 2017 and 2016.

18. Corporate Governance

The Company's Board of Directors and its committees adhere to recommended corporate governance guidelines for public companies listed on the TSXV to ensure transparency and accountability to shareholders. The current Board of Directors is comprised of six individuals, three of whom are independent of management as they are neither executive officers nor employees of the Company. The Audit Committee is currently comprised of three directors, who are independent of management.

The Audit Committee's role is to ensure the integrity of the Company's reported financial results through its review of the interim and audited annual consolidated Financial Statements prior to their submission to the Board of Directors for approval. The Audit Committee meets with management quarterly to review the consolidated Financial Statements, as well as the MD&A, and to discuss financial, operating and other matters.

19. Outstanding Share Data

The total number of outstanding common shares, share options, and warrants at October 23, 2017 are 172,651,945, 6,555,000 and 44,371,269 respectively.

20. Financial Instruments and Financial Risk Management

The carrying values of cash, trade and other receivables, and trade and other payables approximate their fair values due to the short-term nature of these instruments.

In evaluating fair value information, considerable judgment is required to interpret the market data used to develop the estimates. The use of different market assumptions and different valuation techniques may have a material effect on the estimated fair value amounts. Accordingly, the estimates of fair value presented herein may not be indicative of the amounts that could be realized in a current market exchange.

The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value in the fair value hierarchy.

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. The Company has classified gold call options as Level 2.

Level 3 – Inputs that are not based on observable market data. The Company has no financial instruments classified in Level 3.

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at June 30, 2017:

	Level 1	Level 2	Level 3	Total
Financial Assets				
Cash	$ 24,985,035	$ -	$ -	$ 24,985,035
Trade and other receivables	82,553	-	-	82,553
	25,067,588	-	-	25,067,588
Financial Liabilities				
Trade and other payables	(3,708,108)	-	-	(3,708,108)
Current portion of long term debt	(720,944)	-	-	(720,944)
Gold call options	-	(543,560)	-	(543,560)
	$ 20,638,536	$ (543,560)	$ -	$ 20,094,976

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to market conditions and the Company's activities. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments.

This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout the consolidated financial statements. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a client or counterparty to a financial instrument fails to meet its contractual obligations. The Company has credit risk in respect of its cash, trade and other receivables, and reclamation deposits. The Company considers the risk of loss relating to cash and reclamation deposits to be low because these instruments are held only with a Canadian Schedule I financial institution, a US-chartered commercial bank and a US government agency. Accounts receivable at June 30, 2017 related primarily to amounts for a refund and value-added taxes are expected to be collectible in full due to the nature of the counterparties and previous history of collectability.

(b) Liquidity risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation.

The Company manages its liquidity risk through the preparation of annual expenditure budgets, which are regularly monitored and updated as management considers necessary, and through the Company's capital management activities.

(c) Market risk

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits while maximizing returns.

(i) Currency risk

Foreign currency exchange rate risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate as a result of changes in foreign exchange rates. The Company is considered to be in the exploration and development stage and has not yet developed commercial mineral interests; the underlying market prices realized by the Company for mineral sales are impacted by changes in the exchange rate between the Canadian and the US dollar. The Company has not entered into any formal arrangements to hedge currency risk but does maintain cash balances within each currency. Canadian dollars are exchanged when needed to meet foreign denominated liabilities.

At June 30, 2017, $19,748,312 (US$15,217,933) of the Company's cash were denominated in US dollars. A 10% variation in the US dollar exchange rate would result in an impact of approximately $1,974,831 on the consolidated statement of loss.

(ii) Commodity price risk

Commodity price risk is the risk that the current and future cash flows from the Company's financial instruments will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and US dollar, as outlined above. Management closely monitors trends in commodity prices of gold and other precious and base metals as part of its routine activities, as these trends could significantly impact future cash flows. Fluctuations in gold prices affect the fair market value of the gold call options as the fair value is based on the market price of gold at the end of each period. A 10% fluctuation in the price of gold would result in an impact of approximately US$382,176 on the consolidated statement of loss.

(iii) Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate as a result of changes in market interest rates. Interest rate risk arises from the interest rate impact on cash, which are held at variable market rates, and is exposed to interest rate risk on its outstanding borrowings. The Company pays interest monthly for its senior secured credit facility, at an annual interest rate of 12-month USD LIBOR plus 8%. With other variables unchanged, a 1% increase on the Company's floating rate debt would increase annual interest expense by US$100,000. The Company closely monitors its exposure to interest rate risk and has not entered into any derivative contracts to manage this risk.

21. Risks and Uncertainties

The Company is in the business of acquiring and exploring mineral properties. It is exposed to a number of risks and uncertainties that are common to other mineral exploration companies in the same business. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, exchange rates for currency, inflation and other risks. Apart from financings, the Company currently has no additional sources of cash. The Company continues to evaluate financing alternatives to advance the Moss Mine.

The risks and uncertainties described in this section are not inclusive of all the risks and uncertainties to which the Company may be subject.

Need for Additional Funds

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to other companies in the same business, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources. There is no assurance that the Company will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of its early stage of operations.

The Company will require additional financings to further the development of the Moss Mine. There can be no assurance that such financing will be available or, if available, will be on reasonable terms. If financing is obtained by issuing common shares from treasury, control of the Company may change and investors may suffer additional dilution. Furthermore, if financing is not available, lease expiry dates, work commitments, rental payments and option payments, if any, may not be satisfied and could result in a loss of the shareholders' entire investment.

Exploration and Development

Exploration for and development of gold properties involves significant financial risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish mineral reserves by drilling, constructing mining and processing facilities at a site, developing metallurgical processes and extracting gold from ore. We cannot ensure that our current exploration and development programs will result in profitable commercial mining operations.

The economic feasibility of development projects is based upon many factors, including the accuracy of mineral resource and mineral reserve estimates; metallurgical recoveries; capital and operating costs; government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting and environmental management and protection; and gold prices, which are highly volatile. Development projects are also subject to the successful completion of feasibility studies, issuance of necessary governmental permits and availability of adequate financing.

Metal Prices

The mining industry, in general, is intensely competitive and there is no assurance that a profitable market will exist for the sale of metals produced even if commercial quantities of precious and/or base metals are discovered. Factors beyond the control of the Company may affect the marketability of metals discovered. Pricing is affected by numerous factors beyond the Company's control, such as international economic and political trends, global or regional consumption and demand patterns, increased production and smelter availability. There is no assurance that the price of metals recovered from any mineral deposit will be such that they can be mined at a profit.

Title Risks

The Company has taken steps to verify title to mining interests in which it has or is in the process of earning an interest in, including review of condition of title reports, vesting deeds, mining claim location notices and filings, and property tax and other public records and is not presently aware of any title defects. The procedures the Company has undertaken and may undertake in the future to verify title provide no assurance that the underlying properties are not subject to prior agreements or transfers of which the Company is unaware.

Environmental Regulations, Permits and Licenses

The current operations of the Company require permits from various federal and state authorities and such operations are subject to laws and regulations governing prospecting, exploration, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental, mine safety and other matters. Environmental legislation in the State of Arizona provides restrictions and prohibition on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from process ponds, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact statements. Environmental legislation is evolving in a direction of stricter standards and enforcement and higher fines and penalties for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies, directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

The Company believes that it is in substantial compliance with all material laws and regulation which currently apply to its activities. There can be no assurance that all permits which the Company may require for its exploration activities and operations will be obtainable on reasonable terms or on a timely basis or that such laws and regulations would not have an adverse effect on any mining project which the Company might undertake.

Competition and Agreements with Other Parties

The mining industry is intensely competitive in all its phases and the Company competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

The Company may, in the future, be unable to meet its share of costs incurred under such agreements to which it is party and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Company may not be able to finance the expenditures required to complete recommended programs.

Economic Conditions

Unfavourable economic conditions may negatively impact the Company's financial viability. Unfavourable economic conditions could also increase the Company's financing costs, decrease net income or increase net loss, limit access to capital markets and negatively impact the availability of credit facilities to the Company.

Dependence on Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result and other persons would be required to manage and operate the Company.

22. Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

Management is responsible for the preparation and integrity of the Financial Statements and maintains appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete and reliable.

Management is also responsible for the design of the Company's internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with IFRS.

Readers are cautioned that the Company is not required to certify the design and evaluation of its disclosure controls and procedures and internal controls over financial reporting and has not completed such an evaluation. The inherent limitations on the ability of the Company's certifying officers to design and implement on a cost-effective basis disclosure controls and procedures and internal controls over financial reporting for the Company may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

23. Cautionary Note Regarding Forward-Looking Information

The Company's consolidated financial statements and this accompanying MD&A contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators. Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking statements in this MD&A include but are not limited to statements regarding the Company's future exploration and development plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a party, the ability of the Company to hire and retain employees and consultants and estimated administrative and other expenditures. The forward-looking statements that are contained in this MD&A involve a number of risks and uncertainties. As a consequence, actual results might differ materially from results forecast or suggested in these forward-looking statements. Some of these risks and uncertainties are identified under the heading "RISKS AND UNCERTAINTIES" in this MD&A. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of particular forward-looking statements. The forward-looking statements are qualified in their entirety by reference to the important factors discussed under the heading "RISKS AND UNCERTAINTIES" and to those that may be discussed as part of particular forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause the actual results to differ include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions. These statements are based on a number of assumptions, including assumptions regarding general market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

24. Approval

The Board of Directors of the Company has approved the disclosure contained in this MD&A.

25. Additional Information

Additional information related to the Company can be found on SEDAR at www.sedar.com and on the Company's website at www.northernvertex.com.