



First Mining Finance Corp.

FIRST MINING FINANCE CORP. MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015

GENERAL

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim consolidated financial statements of First Mining Finance Corp. (formerly Albion Petroleum Ltd. ("Albion")) (the "Company" or "First Mining") for the three and nine months ended September 30, 2015, and the audited consolidated financial statements for the year ended December 31, 2014, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts included in this MD&A are expressed in Canadian dollars unless otherwise noted. All information contained in this MD&A is current as of November 27, 2015.

These documents and other information relevant to the Company's activities are available for viewing on SEDAR at www.sedar.com or on the Company's website at www.firstminingfinance.com.

COMPANY OVERVIEW AND STRATEGY

The Company was incorporated as Albion Petroleum Ltd. pursuant to the provisions of the Business Corporations Act (Alberta) on April 4, 2005 and completed its initial public offering as a Capital Pool Company ("CPC") on September 30, 2005. As a CPC, the Company's only business had been to identify and evaluate businesses or assets with a view of completing a Qualifying Transaction under the policies of the TSX Venture Exchange ("TSXV").

On July 1, 2014, Albion and Sundance Minerals Ltd. ("Sundance") entered into an Arrangement Agreement, whereby the Company would acquire all of the issued and outstanding shares of Sundance, in exchange for shares of the resulting entity. On March 11, 2015, Sundance was renamed as KCP Minerals Inc. ("KCP") and on March 30, 2015, Albion completed the acquisition of all of the issued and outstanding shares of KCP on a one-for-one basis, constituting its Qualifying Transaction. On the same day, Albion was renamed as First Mining. Prior to completion of the transaction, Albion consolidated all of its issued and outstanding shares on a four-for-one basis.

Subsequent to completing the Qualifying Transaction, the Company's principal business activity is to acquire and hold high-quality mineral assets with a focus in the Americas. As at the date of this MD&A, the Company holds a high-quality portfolio of 21 mineral assets in Canada, Mexico and the United States. Following the successful acquisition of Coastal Gold Corp. ("Coastal Gold") on July 7, 2015, the Company now holds the Hope Brook gold deposit in Newfoundland, and upon completion of the Gold Canyon Resources Inc. ("Gold Canyon") and PC Gold Inc. ("PC Gold") acquisitions, completed on November 13, 2015 and November 16, 2015, respectively, also hold the Springpole and Pickle Crow gold deposits in Ontario, respectively.

SIGNIFICANT COMPANY EVENTS

2015 year-to-date highlights (together with September 30, 2015 subsequent events up to November 27, 2015) include:

Arrangement Agreement with Goldrush Resources Ltd.

On November 24, 2015, the Company entered into a definitive arrangement agreement (the "Arrangement Agreement") with Goldrush Resources Ltd. ("Goldrush") under which the Company would acquire all of the outstanding common shares of Goldrush on the basis of 0.0714 common share of First Mining for each Goldrush share by way of a plan of arrangement under

the Business Corporations Act (British Columbia) (the "Transaction"). The Transaction will be conducted by way of a court-approved plan of arrangement, resulting in Goldrush becoming a wholly owned subsidiary of First Mining.

Transaction costs associated with the Arrangement Agreement will be included in the consideration paid to acquire the net assets of Goldrush.

Option Agreement with Major Mexican Mining Company, Peñoles

On November 20, 2015, the Company announced that it had signed an option agreement with Exploraciones Mineras Peñoles, S.A. de C.V., an indirect Mexican subsidiary of Industrias Peñoles S.A.B. de C.V. (Peñoles, BMV: PE) under which Peñoles may acquire First Mining's Puertecitos and Los Tamales copper properties (the "Properties") located in northern Sonora, Mexico within the prolific Sonora-Arizona, Copper Belt. The region hosts large copper-molybdenum porphyry deposits, such as at the world-class Cananea and La Caridad copper mines.

Under the option agreement, Peñoles may earn-in up to a 100% interest in the Properties by paying to First Mining a total of \$1.5 million over five years. If Peñoles completes the acquisition of the Properties, First Mining will retain a 2% net smelter return (NSR) royalty, of which Peñoles has the right to purchase for \$1.0 million and the remaining 50% may be purchased for an additional \$2.0 million. All mining concession taxes and assessment work for these properties as required by law, will be paid by Peñoles.

Completion of Gold Canyon Resources Inc. and PC Gold Inc. Acquisitions

The Company completed the acquisition of all the common shares of Gold Canyon Resources Inc. ("Gold Canyon") on November 13, 2015 and PC Gold Inc. ("PC Gold") on November 16, 2015, by way of separate court approved plans of arrangements.

Gold Canyon

Under the terms of the Gold Canyon Arrangement, each Gold Canyon shareholder is entitled to receive one First Mining common share for each common share of Gold Canyon. As part of the Gold Canyon Arrangement, Gold Canyon has also transferred its early stage non-gold exploration properties together with \$500,000 in cash and certain other assets to Irving Resources Inc. ("Irving Resources", formerly 1047431 B.C. Ltd.). Under the terms of the Gold Canyon Arrangement, in addition to the First Mining securities referred to above, each Gold Canyon shareholder is entitled to receive 0.03333 Irving Resources common shares (rounded down to the nearest whole share) for each common share of Gold Canyon.

The Gold Canyon Arrangement implied a value of \$0.35 per Gold Canyon common share and an overall equity value of approximately \$56.4 million upon issuance of 161,200,447 common shares of the Company. In the most recent publicly filed financial statements as at August 31, 2015, the net assets of Gold Canyon were \$69,781,572 and working capital was \$790,729. At the time of filing these condensed interim consolidated financial statements, sufficient information to determine the Purchase Price Allocation ("PPA") of the Gold Canyon Arrangement is not yet available.

The Gold Canyon Arrangement will also provide for the issuance by the Company of an aggregate of 11,310,000 replacement warrants to holders of unexercised Gold Canyon warrants and 6,012,500 replacement stock options to holders of unexercised Gold Canyon options (the "Replacement Options"). Replacement Options will expire on the earlier of the expiry date of the Gold Canyon options for which they were exchanged and the date 12 months after closing.

Holders of unexercised Gold Canyon warrants are also entitled to one warrant of Irving Resources entitling the holder to purchase 0.03333 Irving Resources common share at an exercise price of \$0.30. This being the fair market portion, as adjusted by the applicable Irving Resources exchange ratio and rounded to the nearest whole cent, of the exercise price per share of such Gold Canyon share purchase warrant assigned to a Irving Resources share purchase warrant rounded up to the nearest whole cent.

PC Gold

Under the terms of the PC Gold Arrangement, each PC Gold shareholder is entitled to receive 0.2571 First Mining common shares for each common share of PC Gold. In connection with the PC Gold Arrangement, the Company has also issued First Mining common shares to certain creditors of PC Gold to settle approximately \$277,600 of outstanding debt.

The PC Gold Arrangement implied a value of \$0.09 per PC Gold Canyon common share and an overall equity value of approximately \$10.0 million upon issuance of 28,575,806 common shares of the Company. In the most recent publicly filed financial statements as at June 30, 2015, the net assets of PC Gold were \$9,733,200 and working capital was negative \$918,872. At the time of filing these condensed interim consolidated financial statements, sufficient information to determine the Purchase Price Allocation ("PPA") of the PC Gold Arrangement is not yet available.

The PC Gold Arrangement will also provide for the issuance by the Company of an aggregate of 4,958,430 replacement warrants (the "Replacement Warrants") to holders of unexercised PC Gold warrants and 1,786,844 replacement stock options to holders of unexercised PC Gold options (the "Replacement Options. Replacement Options will expire on the earlier of the expiry date of the PC Gold options for which they were exchanged and the date 12 months after closing.

Completion of Coastal Gold Corp. Acquisition

On July 7, 2015, the Company completed by court-approval under the Business Corporations Act (Ontario) the previously announced plan of arrangement (the "Arrangement") with Coastal Gold Corp. Under the Arrangement, the Company acquired all of the issued and outstanding common shares of Coastal Gold on the basis of 0.1625 Company shares for each common share of Coastal Gold previously held. The Arrangement implied a value of \$0.083 per Coastal Gold common share and an overall equity value of approximately \$14.3 million.

All options of Coastal Gold outstanding immediately prior to closing of the Arrangement were exercisable for a period of 90 days from closing for that number of common shares of the Company using the same exchange ratio applicable to the Coastal Gold common shares under the Arrangement, with the corresponding exercise price adjustment on the basis of such exchange ratio.

As at November 27, 2015, 861,250 replacement options were exercised for gross proceeds of \$264,471.

Reverse Takeover Transaction

On March 30, 2015, the Company completed the acquisition of all of the issued and outstanding shares of KCP through a reverse takeover arrangement (the "RTO"), constituting its Qualifying Transaction under the applicable policies of the TSXV. Upon completion of the RTO, the shareholders of KCP obtained control of the consolidated entity.

Equity and Debt Financings

Concurrent with the completion of the RTO, KCP also closed a brokered and non-brokered private placement by issuing an aggregate 12,562,412 common shares at a price of \$0.40 per share for gross aggregate proceeds of \$5,024,965. A total of 623,925 warrants were issued to the agents and certain other finders for their services in connection with the private placements.

In addition, gross proceeds of \$2,723,750 from the previous sale of subscription receipts of KCP were released from escrow to the Company.

The Company also received an additional USD \$500,000 loan (CAD \$635,550) from First Majestic Silver Corp. ("First Majestic"), bringing the total amount of promissory notes issued to First Majestic to USD \$1,000,000 plus accrued interest at 9% per annum.

REVIEW OF EXPLORATION PROPERTIES

First Mining's portfolio has property's located in Canada, Mexico, and the United States, with on-going exploration programs for gold, silver, lead, zinc, and copper, funded mostly through the sale of equity and joint venture partnerships.

Hope Brook, Newfoundland, Canada

Acquired from the acquisition of Coastal Gold, the Hope Brook gold property covers 25,125 hectares with a deposit hosted by pyritic silicified zones occurring within a deformed, strike-extensive advanced argillic alteration zone. The NI 43-101 Resource covers 1.5 km of an 8 km mineralized structure. Indicated Resources of 5.5 Mt grading 4.77 g/t Au, containing 844,000 oz Au, and Inferred Resources of 836,000 t grading 4.11 g/t Au, containing 110,000 oz Au. Hope Brook was a former operating gold mine that produced 752,163 oz Au from 1987 to 1997. The Company paid an estimated \$11 per Resource oz Au following the acquisition of Coastal Gold Corp. for consideration of approximately \$16.6 million.

Miranda, Sonora, Mexico

The Miranda gold property covers 16,035 hectares in the Sonoran Desert within a structural corridor called the Mojave-Sonora megashear ("MSM trend").

The MSM trend hosts several operating gold mines and deposits, some of which exceed 10 million ounces of gold such as Herradura-Dipolos in western Sonora, Mexico, and other smaller deposits; Mesquite (7 M oz Au) and Picacho in Arizona, and Chanate, San Francisco, and La Choya in Sonora, Mexico. The Miranda property lies in the south-central part of the MSM trend, adjacent to the San Felix and El Antimonio mining districts on the south and east respectively. Miranda covers multiple prospects and gold occurrences including the inactive mines La Fortuna and El Gigio (internal claims which do not belong to the Company). Additionally, the property exhibits structures and lithologies favorable for the development of large orogenic (mesothermal) ore deposits similar to those occurring along the MSM trend. During this quarter, 151 rock chip samples were taken and analyzed with values ranging between nil and 7.29 gpt Au. Additionally, 3,486 soil samples were taken on the property and are being analyzed.

Socorro, Sonora, Mexico

The Socorro property, located in Sonora, Mexico, consists of two claims; El Socorro and Tizoc covering 58,038 hectares and staked by the Company in 2011. Socorro covers 50 km along the strike of the northwest extension of AuRico's Chanate district.

The Socorro property was acquired during a regional gold exploration program based on the many placer deposits and small mine workings in the claim block.

Work to date on the property includes interpretation of ASTER images mapping and initial surface reconnaissance. During this quarter the Company took 53 rock chip samples on the property with values up to 41.0 gpt Au. Additionally, 3,100 soil samples were taken and are being analyzed.

San Ricardo, Sonora, Mexico

The San Ricardo property consists of nine claims, 100% owned by the Company, two of which; San Ricardo and San Ricardo 2, cover an existing small mine that was acquired by the Company through an option agreement in 2013. The remaining seven claims: Teocuitla, Teocuitla 2, Teocuitla 4, Angel, Tlaloc, Tlaloc 2 and Aztlan cover 37,350 hectares, and were staked by the Company between 2009 and 2011.

All underground workings on the San Ricardo vein system were opened up and saw sampled, and several hundred metres of trenches were excavated and sampled. Subsequently, 14 diamond drill-holes were drilled on the property to test two veins, the Santa Cruz and Mina Antigua, at shallow levels. Drill results in the Santa Cruz vein varied from minor precious metal mineralization to 2.3 m at 23.1 gpt Au, whereas the Mina Antigua vein contained 4.5 m at 100.4 gpt Ag.

Mineralization on the property is epithermal in nature and has not been constrained along strike or depth by drilling.

During this quarter, the Company took 59 reconnaissance rock samples with values up to 33.7 gpt Au.

Peñasco Quemado, Sonora, Mexico

The Peñasco Quemado property consists of 22,998 hectares in eight contiguous mining claims located in north-central Sonora, Mexico, 60 km south of the town of Sasabe on the USA-Mexican border. Penasco Quemado is a volcano-sedimentary, silver-manganese deposit in Tertiary rhyolite and conglomerates. A NI 43-101 compliant resource estimate states Peñasco Quemado contains 9.6 million ounces Ag measured and indicated at a grade of 116 gpt. Additional similarly mineralized areas are known at surface to the west of the established resource and will require evaluation.

La Frazada, Nayarit, Mexico

La Frazada consists of a 299 hectare concession along the west margin of the Sierra Madre Occidental and is located within the historic mining district of 'Real del Zopilote' of Nayarit, Mexico. The project is located near power and transportation infrastructure at low elevations and lies approximately 300 km northwest of Guadalajara. The primary mineralized zone consists of the La Frazada vein, which is epithermal in nature and has not been constrained at depth by drilling. A NI 43-101 compliant resource estimate states that La Frazada contains 4.69 million ounces Ag, measured and indicated, at a grade of 250 gpt Ag, and a further 3.85 million ounces inferred at a grade of 224 gpt Ag.

Geranio, Oaxaca, Mexico

The Geranio property is located in Oaxaca, Mexico and consists of six claims: La Ramita, Geranio, Violeta, Azucena, El Jilguero and La Orquidea, which combined, cover 540 hectares.

The Geranio project lies adjacent and directly north of the historic Natividad Mining District, 70 km north of the city of Oaxaca in southern Mexico. Natividad is a series of five bonanza grade gold and silver veins in a black shale host rock which over the last 70 years has produced 1.5 million ounces of gold equivalent. The property covers approximately 1,200 metres of strike length of the northern extension of the Natividad vein system.

Two ASARCO exploration diamond drill holes were drilled on the Geranio property in 1992; hole N-20 intersected 0.6 m at 36 gpt Au and 315 gpt Ag, whereas hole N-24 intersected 0.7 m at 45 gpt Au and 120 gpt Ag.

The Company's objective is to delineate another Natividad mineralized system with comparable precious metal contents.

El Roble, Oaxaca, Mexico

The El Roble property, located in the Natividad mining district, Oaxaca, Mexico, consists of two claims; El Roble and El Roble 2, which cover 21,072 hectares, and were staked by the Company. The property covers the northern extension of the Geranio veins.

Lachatao, Oaxaca, Mexico

The Lachatao property, located in Oaxaca Mexico, consists of three claims known as Lizi 1, Lizi 1 Fraccion 2, and Lizi 1 Fraccion 3 covering 5,126 hectares and staked by the Company.

Turquoise Canyon, Nevada, USA

Turquoise Canyon (formerly Bald Mountain) consists of 188 unpatented claims totalling 3,872 acres and is accessible by road from the town of Crescent Valley, Nevada. The property is located in a geographic and geologic area that is well known for currently hosting the most productive gold mines in the United States. The most significant gold deposits in the Turquoise

Canyon area include Barrick's Cortez Mine Complex, 15 km to the north and northeast. The Toiyabe mine, a Carlin type deposit 1500 metres to the west of Turquoise Canyon, contained 89,000 ounces gold and was mined in the early 1990's.

Results of an airborne ZTEM survey commissioned by the Company show an antiformal structure in the underlying Roberts Mountain Thrust which will be the focus of future exploration. The Company is processing and interpreting project data and looking for joint venture partners whereby the partners can earn an interest by jointly funding exploration targets generated by the Company.

El Apache, Sonora, Mexico

The El Apache property, located in Sonora, Mexico, contains 11,417 hectares in two claims; El Apache and Tlahuac, both staked by the Company in 2011.

El Apache is largely covered by wind-blown sand of the western Sonoran Desert and lies in a highly prospective area within the prolific Mojave-Sonora megashear gold belt. The property lies 13 km east of the largest gold-only mine in Mexico, Fresnillo's Herradura complex.

Work to date includes partial surface reconnaissance, interpretation of the government's magnetic data and limited surface sampling in two small outcropping hills. Future work will entail ZTEM, detailed magnetometry, bleg sampling, and enzyme leach-type geochemical surveys to identify drill targets under sand cover.

Los Tamales, Sonora, Mexico

The Los Tamales property, located in Sonora, Mexico, consists of two claims; Teocuitla 5 and Teocuitla 8, which cover 3,851 hectares staked by the Company in 2010. Los Tamales is a porphyry copper-molybdenum system located 125 km southwest of Tucson, Arizona and 28 km south of the US-Mexican border. The property was discovered by a water well sampling program during a joint United States Geological Survey and Servicio Geologico Mexicano reconnaissance effort in the 1970's, and was the subject of two USGS open-file reports 94-685 and 84-289. Five diamond drill holes tested copper and molybdenum soil geochemical anomalies in 2013 along a five kilometre strike length with all holes showing low grade chalcopyrite and molybdenite mineralization. The deposit as currently interpreted suggests it is the deep level of a large system dissected by low angle faulting.

Puertecitos, Sonora, Mexico

The Puertecitos property, located in Sonora, Mexico, consists of two claims; Puertecitos, and Puertecitos 2 covering 9,060 hectares staked by the Company in 2009. Located 32 km southwest of the Sasabe border crossing between the US and Mexico, Puertecitos is 40 km west of First Mining's Los Tamales property and 32 km northeast of the Peñoles Los Humos deposit, a 625 Mt porphyry copper system grading 0.32% Cu. Widespread copper oxides outcrop at Puertecitos and the presence of sericite and secondary biotite in breccia fragments from dikes and pipes suggest that a porphyry system may exist under the extensive rhyolite flows on the property.

Batacosa, Sonora, Mexico

The Batacosa property, located in the state of Sonora, Mexico, consists of one claim covering 3,600 hectares staked by the Company in 2011. Batacosa is a porphyry copper-molybdenum system located 55 km northeast of Ciudad Obregon and 220 km southeast of Hermosillo, capital of the state. Batacosa was discovered by Cominco in the 1970's and subsequently drilled by them and other companies between 1970 and 2000. A total of 8,000 metres was drilled in 47 drill holes. The Company has delineated two untested targets within the property and is currently seeking potential joint-venture partners to further advance the project.

Pluton, Durango, Mexico

The Pluton property is a 17,123 hectare property consisting of three claims known as Pluton, El Real and Las Dos Amigos. Pluton is 100% controlled by the Company and has the potential to host a large silver-rich, high-grade polymetallic (Pb, Zn, Au), carbonate replacement/skarn deposit. The property is located immediately north of the historic "Ojuela-Mapimí Mining District". The Company acquired its initial interest in the Pluton property in 2009 through an agreement with a related party, which was amended in 2012 to include the Las Dos Amigos claim. In 2010, the Company staked the El Real claim extending the property holdings to the south.

Work completed on the property to date includes extensive soil geochemistry, gravity and NSAMT ground surveys, a magnetometry and ZTEM airborne survey, and a 3,925 metre diamond drill program managed by the Company.

Margaritas Project, Durango, Mexico

Margaritas is a 100%-owned 500 hectare property consisting of two mining concessions in the state of Durango, approximately 150 kilometres from Durango City. The property was acquired through an Assignments of Rights Agreement signed July 6, 2011 and is subject to a 1% net smelter return payable to the vendor which may be purchased at any time for USD \$500,000. The project is located in the Barrancas subprovince of the Sierra Madre Occidental. Some limited gold mining by artisanal prospectors is known to have taken place on the project in the early 20th century and the project contains a known vein with quartz, argillic alteration striking for at least 1.8 kilometres (as per the Mexican Geological Service).

Los Lobos Silver Project, Sonora, Mexico

The Los Lobos Silver Project consists of 11,558 hectares in Sonora State, Mexico along the Sea of Cortez and is approximately 90 km from Puerto Peñasco, the largest major centre in the region. The Los Lobos epithermal vein was investigated by the Servicios Geologicos Mexicanos and additional work will be required to fully evaluate the property.

Tierritas, Sonora, Mexico

The Tierritas property, located in Sonora, Mexico, consists of one claim, Teocuitla 3, covering 4,743 hectares, and staked by the Company in 2009. The Tierritas property is of a grassroots nature and was picked up based on nearby favorable geological features. Currently additional field work is required to evaluate the property.

Montana Negra, Sonora, Mexico

The Montana Negra property, located in Sonora, Mexico, consists of one claim; Montana Negra, covering 852 hectares. The property covers Proterozoic rocks that the Company believe may be favorable for gold mineralization, however additional field work is required to fully evaluate the project.

SUMMARY OF QUARTERLY RESULTS

Fiscal Quarter Ended	2015-Q3	2015-Q2 ⁽¹⁾	2015-Q1 ⁽¹⁾	2014-Q4 ⁽¹⁾	2014-Q3 ⁽¹⁾	2014-Q2 ⁽¹⁾	2014-Q1 ⁽¹⁾	2013-Q4 ⁽¹⁾
Statements of Financial Position								
Capitalized exploration and evaluation expenditures	\$ (713,076)	\$ (120,061)	\$ (496,250)	\$ (22,629)	\$ (413,012)	\$ (17,642)	\$ (153,731)	\$ (221,339)
Non-cash assets acquired	(17,659,163)	-	-	-	(3,900,000)	-	-	-
Option payments and expenditures recovered	-	-	8,830	-	-	-	43,516	84,522
Statements of Comprehensive Loss								
Fair value gain on derivative liability	-	-	-	19,213	18,820	36,060	30,728	29,766
Share-based payments	(301,090)	(698,128)	-	-	-	-	-	-
Charge related to public company listing	-	(655,130)	-	-	-	-	-	-
Net loss for the period	(1,101,148)	(659,040)	(1,443,212)	(99,488)	(399,525)	(141,644)	(82,483)	(66,318)
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.00)	\$ (0.01)

(1) Amounts reported in prior periods have been restated due to the change in the Company's presentation currency from US dollars to Canadian dollars. Refer to Changes in Accounting Policies on page 11.

RESULTS OF OPERATIONS

For the Three Months Ended September 30, 2015 and 2014

For the three months ended September 30, 2015, the Company reported a net loss of \$1,101,148 or \$0.01 per common share as compared to a net loss of \$399,525 or \$0.01 per common share for the comparative quarter ended September 30, 2014. Significant reasons for this increase in net loss are discussed below.

For the three months ended September 30 2015, general and administrative expenses increased by \$864,891, compared to \$180,905 in the comparative quarter of 2014. This was primarily due to professional fee increases in connection with the RTO and resulting investor relations and marketing, share-based payments, and salaries and consultants.

- Professional fees decreased 33% from \$81,288 in the third quarter of 2014 to \$54,298 during the three months ended September 30, 2015. This decrease is because the majority of legal fees incurred during the quarter are for the Gold Canyon and PC Gold transactions, and have therefore been deferred on the statement of financial position until completion of the acquisition.
- Investor relations and marketing expense was \$210,403 during the third quarter ended September 30, 2015 compared to \$nil in the third quarter of the prior year. This followed the RTO and increased marketing and investor relations activities.
- For the three months ended September 30 2015, salaries and consulting fees increased to \$294,356 from \$28,209 in the same period of the prior year. This was primarily due to hiring the Company's President in January 2015 and an increase in both employees and consultants activity following the RTO.
- Travel and accommodation expense for the third quarter ended September 30, 2015 increased \$46,667, to \$48,080 from \$1,413 in the third quarter of 2014. This increase was due to investor relations associated travel and acquisition reconnaissance.
- A non-cash share-based payment expense of \$301,090 was recognized on 1,080,000 options issued to directors, officers, employees, and consultants of the Company for the third quarter ended September 30, 2015 compared to \$nil in the third quarter of 2014.
- For the three months ended September 30, 2015, a currency translation adjustment of \$420,322 was recorded. This adjustment is mostly due to the significant balance of mineral properties that are held by foreign subsidiaries using a USD functional currency. The closing USD/CAD foreign exchange rate increased 7% from 1.2490 at the end of the

second quarter to 1.3345 at the end of the third quarter, which resulted in a gain recorded in other comprehensive income when the mineral property amounts were translated to Canadian dollars.

For the Nine Months Ended September 30, 2015 and 2014

For the nine months ended September 30, 2015, the Company reported a net loss of \$3,203,400 or \$0.04 per common share as compared to a net loss of \$623,652 or \$0.02 per common share for the comparative period ended September 30, 2014. Significant reasons for this increase in net loss are discussed below.

For the nine months ended September 30, 2015, total general and administrative expenses increased by \$2,004,650, or 444%, to \$2,455,950 compared to \$451,300 in the nine month period ended September 30, 2014. The increase was primarily due to a non-cash share-based payment expense of \$999,218 (2014 - \$nil), recognized in respect of the 3,630,000 options issued to directors, officers, employees, and consultants of the Company, as well as professional fee increases in connection with the RTO and resulting investor relations and marketing, transfer agent and filing fee expenses.

- Professional fees increased \$70,802, or 41%, to \$242,182 during the nine months ended September 30, 2015 when compared to the same period of 2014. This was primarily due to increased legal fees in connection with the RTO and corporate matters associated with the Company's increased activity.
- Administrative and office expense increased by \$80,656, to \$113,285 during the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014. This increase is due to the increased corporate activity of the Company.
- For the nine months ended September 30, 2015, salaries and consulting fees increased by \$341,352, or 280%, to \$463,129 from \$121,777 in the same period of the prior year. This was primarily due to hiring the Company's President in January 2015 as well as an increase in employees and consultants.
- Investor relations and marketing expense increased from \$nil to \$327,463 during the nine months ended September 30, 2015, which followed the RTO and subsequent increased marketing and promotional activities.
- Travel and accommodation expense increased \$130,385, or 1,141%, to \$141,810 in the nine months ended September 30, 2015 from \$11,425 in the nine months ended September 30, 2014. This increase was in connection with investor relations and promotional road shows, and acquisition reconnaissance.
- For the nine months ended September 30, 2015, a foreign exchange loss of \$92,661 was recorded. Foreign exchange gains or losses result from balances which are held in currencies other than the functional currency of the entity. For the third quarter, the foreign exchange loss is predominantly the result of Canadian entities' accounts payable and loan payable balances that are denominated in US dollars.
- For the nine months ended September 30, 2015, a currency translation adjustment of \$969,510 was recorded. This adjustment is mostly due to the significant balance of mineral properties that are held by foreign subsidiaries using a USD functional currency. The closing USD/CAD foreign exchange rate increased 15% from 1.1601 at the end of the prior year to 1.3345 at the end of the third quarter, resulting in a \$1,033,150 gain recorded to other comprehensive income from the revaluation of mineral property amounts to Canadian dollars.

During the nine months ended September 30, 2015, the Company recognized a charge related to public company listing of \$655,130 (2014 - \$nil). This was related to the RTO and represented the fair value of consideration paid in excess of net assets acquired, less associated transaction costs.

Interest expense increased \$63,973, or 188%, to \$98,071 in the nine months ended September 30, 2015 from \$34,098 in the nine months ended September 30, 2014, due to the increase in the loan payable balance from USD\$500,000 to USD\$1,000,000, as well as a devaluation in the Canadian dollar currency.

A gain on debt settlement amounting to \$96,114 (2014 - \$nil) was recognized in the nine months ended September 30, 2015, representing an increase over the fair value of common shares issued to settle previous debt agreements.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Net Working Capital including Cash and Cash Equivalents

As at September 30, 2015, the Company had \$2,288,325 in cash and cash equivalents and a working capital deficiency of \$673,110, compared to cash and cash equivalents of \$39,914 and a working capital of \$906,107 at December 31, 2014. The decrease in working capital of \$1,579,217 was primarily due to increase in the loan payable balance and the inclusion of accounts payable in the amount of \$1,346,840 following the Coastal Gold acquisition.

Operating Activities

Cash used in operating activities for the nine months ended September 30, 2015 was \$1,928,838 compared to cash used of \$173,595 in the nine months ended September 30, 2014. These cash flows were primarily used for legal fees and transaction costs related to the Coastal Gold acquisition and settlement of accounts payable and accrued liabilities.

Investing Activities

Cash used in investing activities for the nine months ended September 30, 2015 was \$3,808,983 compared to cash used of \$686,448 in the nine months ended September 30, 2014. The cash used in investing activities included \$1,329,386 for mineral concessions and option payments, geological consulting fees and related exploration and evaluation capitalized items. Additionally, net transaction costs in the Coastal Gold acquisition were \$2,249,608.

Financing Activities

Cash provided by financing activities during the nine months ended September 30, 2015 was \$8,021,913 compared to \$911,675 in the nine month period ended September 30, 2014. The cash provided by financing activities during the 2015 period was mainly due to the completion of private placements, which raised net cash proceeds of \$4,478,580. Additionally, the outstanding KCP subscription receipts were converted into shares and proceeds of \$2,723,750 were released from escrow. During the nine months ending September 30, 2015 the Company also received a further loan from First Majestic amounting to USD \$500,000 (CAD \$635,550) (2014 – USD \$350,000 (CAD \$386,925)).

Trends in Liquidity and Capital Resources

The Company currently has a working capital deficit of \$673,110, and may not necessarily have sufficient capital resources to continue with its corporate activities, the planned exploration and evaluation activities on its mineral properties, and to meet its other working capital requirements for the next twelve months. However, the Company is currently looking at various acquisitions of companies with cash funds, or raise further funds through a financing may be required.

The Company is not in commercial production on any of its mineral properties and, accordingly, it does not generate cash from operations. The Company is dependent on raising additional financing to fund further exploration and development requirements on existing properties, to fund property and corporate acquisitions and for general corporate costs. The only sources of future funds presently available to the Company are the sale of additional equity capital, selling or leasing the Company's interest in a property or entering into joint venture arrangements or other strategic alliances in which the funding sources could become entitled to an interest in the properties or the projects. The Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's properties or projects in relation to these markets, and its ability to compete for investor support of its corporate strategy.

RELATED PARTY TRANSACTIONS

The Company's related parties consist of the Company's Directors and Officers, and any companies associated with them. The Company incurred the following expenditures during the three and nine months ended September 30, 2015 and 2014:

Service or Item	Three months ended September 30,		Nine months ended September 30,	
	2015	2014 RESTATED ⁽¹⁾	2015	2014 RESTATED ⁽¹⁾
Administration and office	\$ 29,217	\$ -	\$ 72,450	\$ 52,724
Consulting fees	-	28,209	-	107,232
Legal fees	-	1,490	-	49,287
Total	\$ 29,217	\$ 29,699	\$ 72,450	\$ 209,243

(1) Refer to Changes in Accounting Policies on page 11

Administration and office include amounts paid to First Majestic Silver Corp. ("First Majestic"), a company with three Directors in common, which provides management services, a Chief Financial Officer ("CFO"), Corporate Secretary and office space to the Company.

Prior to July 1, 2014, Seabord Services Corp. ("Seabord") was a management services company which provided a CFO, a Corporate Secretary, accounting and administration staff and office space to the Company. Under this arrangement, the CFO and Corporate Secretary were employees of Seabord and were not paid directly by the Company. Seabord ceased to be a related party on July 1, 2014 after termination of their agreement.

Consulting fees include amounts paid to the Chief Executive Officer and the VP Exploration prior to signing employment agreements with the Company.

Legal fees include amounts paid to a firm in which a former Director was a partner. The law firm ceased to be a related party on July 1, 2014 after resignation of the related Director.

As at September 30, 2015, included in accounts payable is an amount of \$31,020 (December 31, 2014 - \$423,250) due to the Chief Executive Officer and the VP Exploration who were consultants prior to the RTO, and included in current liabilities is an amount of \$1,475,643 (December 31, 2014 - \$626,090) due to First Majestic.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CHANGES IN ACCOUNTING POLICIES

The condensed interim consolidated financial statements for the quarter ended September 30, 2015 were prepared using accounting policies consistent with those used in the annual consolidated financial statements of KCP for the year ended December 31, 2014, except as described below.

Change in presentation and functional currency

These condensed interim consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company's parent as well as the Company's Canadian subsidiaries. The functional currency of the Company's foreign subsidiaries is US dollars.

The Company changed the functional currency of both the parent company and the Canadian subsidiaries from US to Canadian dollars effective July 1, 2015. This change reflects the Company's financing, and development activities which are now primarily

in Canadian dollars after the acquisition of Coastal Gold on July 7, 2015, along with the acquisitions of both Gold Canyon and PC Gold, which completed subsequent to the period end. On July 1, 2015, all assets and liabilities of the foreign subsidiaries were translated into Canadian dollars at the July 1, 2015 rate of 1.2490 CAD per 1.00 USD. All share capital and other components of equity were translated at the historical rates. This change has been accounted for prospectively.

Concurrent with the change in functional currency, on July 1, 2015, the Company changed its presentation currency from US dollars to Canadian dollars. The change in presentation currency is to better reflect the Company's business activities. In making this change to the Canadian dollar presentation currency, the Company followed the guidance in IAS 21 The Effects of Changes in Foreign Exchange Rates and has applied the change retrospectively as if the new presentation currency had always been the Company's presentation currency.

In accordance with IAS 21, the financial statements for all periods presented have been translated to the new Canadian dollar presentation currency. For the 2014 comparative balances, assets and liabilities have been translated into the presentation currency at the rate of exchange prevailing at the reporting date. The statements of comprehensive loss were translated at the average exchange rates for the reporting period. Exchange differences arising on translation have been recognized in other comprehensive income and accumulated as a separate component of equity. The Company has presented a statement of financial position as at January 1, 2014 without the related notes except for the disclosure requirements outlined in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors'.

Accounting standards issued but not yet applied

The Company has not adopted any new accounting standards for the year ending December 31, 2015, however, the accounting policies applied by the Company in the unaudited condensed interim consolidated financial statements are consistent with those applied in the annual consolidated financial statements of KCP for the year ended December 31, 2014. The following are accounting standards anticipated to be effective January 1, 2016 or later:

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. The Company is currently evaluating the impact this standard is expected to have on its consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers

In May 2014 the IASB issued a new IFRS 15 Revenue from Contracts with Customers. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on January 1, 2018. Currently, no impact on the Company's consolidated financial statements is expected.

IFRS 7 Financial Instruments: Disclosure

Amended to require additional disclosures on transition from IAS 39 to IFRS 9. Effective on adoption of IFRS 9, which is effective for annual periods commencing on or after January 1, 2018. The Company is currently evaluating the impact this standard is expected to have on its consolidated financial statements.

IFRS 10 Consolidated Financial Statements

The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is held in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if the assets are housed in a subsidiary. Upon adoption, the amendments may impact the Company in respect of future sale or contribution of assets with its associates or joint ventures. The amendments are effective for transactions occurring in annual periods beginning on or after January 1, 2016.

IAS 34 Interim Financial Reporting: Disclosure

Amended to require interim disclosures to be either in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report such as Management Discussion and Analysis. Other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. The Company is currently evaluating the impact this standard is expected to have on its consolidated financial statements.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The accounting estimates considered to be significant to the Company include the carrying values of mineral properties, the valuation of share-based payments and warrants, and the determination of functional currency. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The Company did not identify any areas, other than functional currency discussed below, where revisions to estimates and assumptions have resulted in material changes to the results or financial position of the Company.

Management reviews the carrying values of its mineral properties on at least an annual basis, or when an impairment indicator exists, to determine whether an impairment should be recognized. In addition, capitalized costs related to relinquished property rights are written off in the period of relinquishment. Capitalized costs in respect of the Company's mineral properties amounted to \$26,576,330 as at September 30, 2015. These costs may not be recoverable and there is a risk that these costs may be written down in future periods. During the year ended December 31, 2014, the Company wrote off in full its capitalized costs of \$242,060 related to the La Sorpresa property.

The Company uses the fair-value method of accounting for share-based payments related to incentive share options and compensation warrants modified or settled. Under this method, compensation cost attributable to options and warrants granted is measured at fair value at the grant date and expensed over the vesting period. In determining the fair value, the Company makes estimates of the expected volatility of the stock as well as an estimated risk-free interest rate and the expected life using the Black-Scholes model. Changes to these estimates could result in the fair value of the share-based payments expense being less than or greater than the amount recorded. During the nine months ended September 30, 2015, the Company granted stock options to directors, officers, employees and consultants, the estimated fair values of which amounted to \$999,218 recognized as share-based payments expense (2014 - \$nil). In addition, \$105,946 was recorded as a share issuance cost equity item, relating to broker warrants as part of the private placement.

The Company applied judgment in determining its functional currency and the functional currency of its subsidiaries. Functional currency was determined based on commercial factors, and the currency of the entities' expenditures and exploration activities. The functional currency of the Company's Canadian entities is the Canadian dollar, and the functional currency of the Company's foreign subsidiaries is the US dollar.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, receivables and prepaid expenses, marketable securities, accounts payable and accrued liabilities, and loans payable. Cash equivalents include deposits with financial institutions and other short-term, highly liquid investments with original maturities of three months or less. As at September 30, 2015, all cash and cash equivalents were deposits at banks with major balances held in Canadian chartered banks and a Mexican bank. The types of risk exposures and the Company's management of such exposures are provided in note 17 of the annual audited consolidated financial statements for the year ended December 31, 2014.

The Company is not exposed to any externally imposed capital requirements, nor were there changes in the Company's approach to capital management during the period.

RISKS AND UNCERTAINTIES

Financing Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of one or more of the Company's projects may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration and development of its projects which could result in the loss of one or more of its properties.

Exploration and Development

Resource exploration is a speculative business and involves a high degree of risk. There is no known body of commercial ore on the Company's mineral properties and there is no certainty that the expenditures made by the Company in the exploration of its mineral properties or otherwise will result in discoveries of commercially recoverable quantities of minerals. The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Although the discovery of an ore body may result in substantial rewards, few properties explored are ultimately developed into producing mines. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation.

There is no assurance that the Company's mineral properties possess commercially mineable bodies of ore. The Company's mineral properties are in the exploration stage as opposed to the development stage and has no known body of economic mineralization. The known mineralization of the properties has not been determined to be economic ore and there can be no assurance that a commercially mineable ore body exists on the properties. Such assurance will require completion of final comprehensive feasibility studies and, possibly, further associated exploration and other work that concludes a potential mine is likely to be economic. In order to carry out exploration and development programs of any economic ore body and place it into commercial production, the Company may be required to raise substantial additional funding.

Significant capital investment is required to discover commercial ore and to commercialize production from successful exploration efforts and maintain mineral concessions through payment of applicable taxes. The commercial viability of a mineral deposit is dependent upon a number of factors. These include: (i) deposit attributes such as size, grade and proximity to infrastructure, (ii) current and future metal prices (which can be cyclical), and (iii) government regulations, including those relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and necessary supplies and environmental protection. The complete effect of these factors, either alone or in combination, cannot be entirely predicted, and their impact may result in the Company not receiving an adequate return on invested capital.

Market fluctuations and the prices of metals may render resources uneconomic. Moreover, short-term operating factors relating to the mineral deposits, such as the need for orderly development of the deposits or the processing of new or different grades of ore, may cause a mining operation to be unprofitable in any particular accounting period.

Title

There is no assurance that the Company's title to its properties will not be challenged. The acquisition of title to mineral exploration properties is a very detailed and time-consuming process. Title to and the area of mineral properties may be disputed. While the Company has diligently investigated title to its properties, it may be subject to prior unregistered agreements or transfers or indigenous land claims and title may be affected by undetected defects. Consequently the boundaries may be disputed.

Surface Rights

The Company does not own the surface land associated with its mineral claims in Mexico and therefore does not own the surface rights to its mineral claims. Mexican law allows equal right of property access to the owner of the surface rights and the owner of the mining rights. However, when the explorer/miner is not the owner of the surface rights, the owner of the

surface rights and the owner of the mineral rights must agree on the terms by which the concession holder may access the property. If an agreement cannot be reached, then the concession holder is required to gain access to the surface through other means including expropriation, temporal occupation or right of way on necessary land. Written surface access agreements are required for and at the time of application for environmental permits and for exploration with drilling or trenching. As such the Company has agreements and permits for surface access for the Pluton and Los Tamales properties, but not for its other properties.

Permits and Licenses

There is no assurance that the Company will obtain required permits and licenses. The Company's operations may sometimes require licenses and permits from various governmental authorities. The Company believes that it will be able to obtain in the future all necessary licenses and permits to carry on the activities which it intends to conduct, and intends to comply in all material respects with the terms of such licenses and permits. There can be no guarantee, however, that the Company will be able to obtain and maintain, at all times, all necessary licenses and permits required to undertake the proposed exploration and development or to place its properties into commercial production and to operate mining facilities thereon. In the event of commercial production, the cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or preclude the economic development of a particular property.

Competitive Nature of the Mining Industry

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will be competing with other mining companies, many of which have greater financial resources than the Company does, for the acquisition of mineral claims, leases and other mineral interests, as well as for the recruitment and retention of qualified employees and other personnel. There can be no assurance that the necessary funds can be raised or that any projected work will be completed.

Joint Venture Funding Risk

The Company's strategy is to seek partners through joint ventures to fund exploration and project development. The main risk of this strategy is that funding partners may not be able to raise sufficient capital in order to satisfy exploration and other expenditure terms in a particular joint venture agreement. As a result, exploration and development of one or more of the Company's property interests may be delayed depending on whether the Company can find another partner or has enough capital resources to fund the exploration and development on its own.

Environmental, Health and Safety Regulation of Resource Industry

The operations of the Company require permits from various levels of government. Such operations are subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. The Company believes it is in substantial compliance with all material laws and regulations that currently apply to its activities. There can be no assurance, however, that all permits which the Company may require for construction of mining facilities and conduct of mining operations, particularly environmental permits, will be obtainable on reasonable terms or that compliance with such laws and regulations would not have an adverse effect on the profitability of any mining project that the Company might undertake.

All phases of the Company's operations are subject to environmental regulations in various jurisdictions. If the Company's properties are proven to host economic reserves of metals, mining operations will be subject to federal, state and local laws relating to the protection of the environment, including laws regulating removal of natural resources from the ground and the discharge of materials into the environment. Mining operations will be subject to federal, state and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of mining methods and equipment. Various permits from government bodies are required for mining operations to be conducted; no assurance can be given that such permits will be received. No assurance can be given that environmental standards imposed by federal, state or local authorities will not be changed or that any such changes would not have material adverse effects on the Company's activities. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing

an adverse effect on the Company. Additionally, the Company may be subject to liability for pollution or other environmental damage, which it may not be able to insure against.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Availability of Drilling Equipment and Access Restrictions

Mining exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Company and may delay exploration and development activities.

Stress in the Global Economy

Reduction in credit, combined with reduced economic activity and the fluctuations in the United States dollar, may adversely affect businesses and industries that purchase commodities, affecting commodity prices in more significant and unpredictable ways than the normal risks associated with commodity prices. The availability of services such as drilling contractors and geological service companies and/or the terms on which these services are provided may be adversely affected by the economic impact on the service providers. The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the Company's business, operating results, and financial condition.

Current Global Financial Condition

Current global financial conditions have been subject to increased volatility. As such, the Company is subject to counterparty risk and liquidity risk. The Company is exposed to various counterparty risks including, but not limited to financial institutions that hold the Company's cash, and through companies that have payables to the Company. The Company is also exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Company to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the shares could be adversely affected.

Unknown Environmental Risks for Past Activities

Exploration and mining operations involve a potential risk of releases to soil, surface water and groundwater of metals, chemicals, fuels, liquids having acidic properties and other contaminants. In recent years, regulatory requirements and improved technology have significantly reduced those risks. However, those risks have not been eliminated and the risk of environmental contamination from present and past exploration or mining activities exists for mining companies. Companies may be liable for environmental contamination and natural resource damages relating to properties that they currently own or operate or at which environmental contamination occurred while or before they owned or operated the properties. However, no assurance can be given that potential liabilities for such contamination or damages caused by past activities at these properties do not exist.

Political Regulatory Risks

Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental regulations, labour relations, repatriation of income and return of capital. This may affect both the Company's ability to undertake exploration and development activities in respect of present and future properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

Fluctuating Mineral Prices

The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals. Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have historically fluctuated widely. Consequently, the economic viability of any of the Company's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices.

Currency Risk

Currency fluctuations may affect the cash flow which the Company may realize from its operations, since most mineral commodities are sold in a world market in U.S. dollars. The Company's costs are incurred primarily in Canadian dollars, U.S. dollars, and Mexican Pesos.

Drug Related Violence and Cartels

Mexico has experienced periods of violence over the past few decades primarily from drug related activities. Although the government has committed itself to combating such activities, drug-related violence propagated by rival drug cartels continues.

The Company is aware of reports of recent drug related violence in Mexico, but these have not affected the Company's activities, nor have Company personnel been threatened. The Company has routine safety precautions in place for its personnel, including travelling in pairs of vehicles accompanied by local personnel, prohibiting travel at night, working with locals as scouts in the area and generally maintaining a low profile in the area. In addition, all Company personnel on site are Spanish speaking.

OUTLOOK

The Company's principal business activity is to acquire and hold high-quality mineral assets with a focus in the Americas, effectively building a mineral bank at a time when market values are significantly lower than in the immediately preceding years. The Company currently holds a high-quality portfolio of 21 mineral assets in Canada, Mexico, and the United States, following the acquisition of Coastal Gold, whose flagship property is the 1.0 million Au ounce Hope Brook Project in Newfoundland, and the recently completed acquisitions of both Gold Canyon and PC Gold, which will add a further 4.4 million Au ounces of indicated, and 2.0 million Au ounces of inferred resource, to its growing mineral bank. Ultimately the Company's goal is to increase its portfolio to 40-50 mineral assets which will be comprised of gold, silver, copper, lead, zinc and nickel.

As the Company invests in additional exploration and evaluation activities, or undertakes an acquisition, the Company will likely need to additional capital. The Company is actively engaged in rapidly expanding its portfolio of mineral properties and is currently pursuing the acquisition of several companies possessing surplus cash and assets that meet its investment criteria.

The Company intends to add shareholder value by ultimately entering into earn-in agreements with third-parties who would move the assets forward whilst retaining a residual interest, which could be in the form of a royalty, metal stream, minority interest, and/or equity positions in partners.

SECURITIES OUTSTANDING

Authorized share capital: The Company can issue an unlimited number of common shares with no par value and an unlimited number of preferred shares with no par value. No preferred shares have been issued as at November 27, 2015.

All share information is reported as of November 27, 2015 in the following table.

Issued and Outstanding Common Shares			293,069,387
	<u>Expiry Date</u>	<u>Weighted average Exercise Price</u>	
Options	November 13, 2016 - October 27, 2020	\$0.37	11,629,344
Warrants	May 8, 2016 – April 2, 2019	\$0.18	16,783,905
			28,413,249
Fully Diluted			321,482,636

A total of 7,332,273 common shares of the Company were held in escrow under the Escrow Value Security Agreement dated March 30, 2015, on the completion of the RTO. Under this agreement, 10% of the shares were released immediately and 15% will be released every six months thereafter with the final release being on March 30, 2018. As at September 30, 2015, there were 5,499,206 common shares of the Company held in escrow (December 31, 2014 – nil).

A total of 1,369,500 common shares of the Company were held in escrow under the CPC Escrow Agreement dated August 2, 2005. At completion of the RTO, 10% of the shares were released and 15% will be released every six months thereafter with the final release being March 30, 2018. As at September 30, 2015 there were 1,027,124 common shares of the Company held in escrow (December 31, 2014 – 1,369,500 based on a 4:1 rollback).

CONTINGENCIES

A statement of claim was filed against Coastal Gold, a wholly owned subsidiary of the Company, on September 8, 2015. The claim seeks damages in the amount of \$485,580 against Coastal Gold for amounts alleged to be owed to certain former consultants for past services provided. In November 2015, the Company agreed to settle this claim out of court and to pay these amounts in full by January 31, 2016. No further action is required at this time.

QUALIFIED PERSONS

Mr. William F. Tanaka, BSc Geological Engineer, Consultant to First Mining Finance, and Fellow of the AusIMM, is a Qualified Person as defined by National Instrument 43-101 Standards of Disclosure for Mineral Projects, and is responsible for the review and verification of the technical information in the MD&A.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109") the Chief Executive Officer and Chief Financial Officer have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the interim consolidated financial statements for the three and nine months ended September 30, 2015 and this accompanying MD&A (together the "Interim Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as

defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company on SEDAR at www.sedar.com.

FORWARD LOOKING INFORMATION

This MD&A may contain “forward looking statements” that reflect the Company’s current expectations and projections about its future results. When used in this MD&A, words such as “estimate”, “intend”, “expect”, “anticipate” and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company’s future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause the Company’s actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and factors may include, but are not limited to: unavailability of financing, failure to identify commercially viable mineral reserves, fluctuations in the market valuation for commodities, difficulties in obtaining required approvals for the development of a mineral project and other factors.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE – MINERAL PROPERTY EXPENDITURES

During the nine months ended September 30, 2015 and the year ended December 31, 2014, the Company incurred the following acquisition, exploration and evaluation expenditures on its 100% owned mineral properties:

	Canada	Mexico								USA	Total	
	Hope Brook	Miranda	Socorro	San Ricardo	Peñasco Quemado	La Frazada	Pluton	Los Lobos	Others ⁽¹⁾	Mexico Total		Turquoise Canyon
Balance December 31, 2013, RESTATED	\$ -	\$ 335,781	\$ 194,896	\$ 268,134	\$ -	\$ -	\$ 525,805	\$ -	\$ 153,158	\$ 1,477,774	\$ 453,084	\$ 1,930,858
Acquisition	-	-	-	-	1,834,140	1,493,651	-	295,242	276,967	3,900,000	-	3,900,000
Mineral concessions and option payments	-	23,833	87,184	76,042	105,930	948	90,807	45,592	98,431	528,767	37,791	566,558
Geological consulting and lab	-	4,418	1,111	1,111	-	-	1,802	-	1,111	9,553	-	9,553
Field supplies and other	-	794	-	-	-	-	-	-	-	794	-	794
Travel and administration	-	3,420	2,638	5,952	1,820	328	4,923	1,131	9,897	30,109	-	30,109
Total expenditures	-	32,465	90,933	83,105	1,941,890	1,494,927	97,532	341,965	386,406	4,469,223	37,791	4,507,014
Write-down of mineral properties	-	-	-	-	-	-	-	-	(242,060)	(242,060)	-	(242,060)
Option payments and expenditures recovered	-	-	-	(40,247)	-	-	-	-	(6,150)	(46,397)	-	(46,397)
Impact of change in presentation currency	-	32,093	22,249	26,478	110,989	86,042	52,600	19,341	21,252	371,044	43,002	414,046
Balance December 31, 2014, RESTATED	-	400,339	308,078	337,470	2,052,879	1,580,969	675,937	361,306	312,606	6,029,584	533,877	6,563,461
Acquisition	17,659,163	-	-	-	-	-	-	-	-	-	-	17,659,163
Mineral concessions	-	44,982	103,438	113,640	305,359	1,979	106,904	95,208	208,588	980,098	40,730	1,020,828
Surveying, geological consulting and lab	7,446	92,064	44,238	17,248	-	-	53	-	9,164	162,767	982	171,195
Field supplies and other	13,295	18,950	33,055	10,833	-	29	632	-	1,382	64,881	-	78,176
Travel and administration	12,291	20,360	17,467	6,030	-	1,075	122	-	1,580	46,634	262	59,187
Total expenditures	17,692,195	176,356	198,198	147,751	305,359	3,083	107,711	95,208	220,714	1,254,380	41,974	18,988,549
Option payments and expenditures recovered	-	-	-	(8,830)	-	-	-	-	-	(8,830)	-	(8,830)
Impact of change in presentation currency	-	70,666	54,756	54,366	323,983	237,803	93,701	59,107	57,685	952,067	81,083	1,033,150
Balance September 30, 2015	\$17,692,195	\$ 647,361	\$ 561,032	\$ 530,757	\$ 2,682,221	\$ 1,821,855	\$ 877,349	\$ 515,621	\$ 591,005	\$ 8,227,201	\$ 656,934	\$ 26,576,330

(1) Other mineral properties include the Puertecitos, Los Tamales, Margaritas, La Sorpresa, Geranio, El Apache, El Roble, Batacosa, Lachatao, Tierritas and Montana Negra properties.

Note that amounts reported in prior periods have been restated due to the change in the Company's presentation currency from US dollars to Canadian dollars. Refer to Changes in Accounting Policies on page 11.