DOLLY VARDEN SILVER CORPORATION
For the three and nine month periods ended September 30, 2014 and 2013
Management's Discussion and Analysis

Description of Management Discussion and Analysis

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim financial statements for the three and nine month periods ended September 30, 2014 and 2013, and the audited financial statements of Dolly Varden Silver Corporation (the "Company") for the year ended December 31, 2013. This MD&A contains forward-looking information and statements, which are based on the conclusions of management. The forward-looking information and statements are only made as of November 20, 2014, the effective date of this MD&A.

All financial information is presented in Canadian dollars unless otherwise stated. The Company is a reporting issuer in British Columbia. The Company's common shares trade on the TSX Venture Exchange under the symbol "DV". Financial results are reported in accordance with International Financial Reporting Standards ("IFRS").

Additional information related to the Corporation is available on SEDAR at www.sedar.com.

Forward Looking Statements

This MD&A contains forward-looking statements that are based on the Company's current expectations and estimates. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "suggest", "indicate" and other similar words or statements that certain events or conditions "may" or "will" occur. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements. Such factors include, among others: the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans to continue to be refined; possible variations in ore grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing; and fluctuations in metal prices. There may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

Company Overview

The Company is a Canadian-based resource exploration company in the business of acquiring, exploring, and developing exploration and evaluation assets. The Company currently has no producing properties and consequently no operating income. The recovery of the amounts comprising exploration and evaluation assets are dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete the exploration and development of those reserves and upon future profitable production. It is the intention of the Company to obtain financing through access to public equity markets, debt and partnerships or joint ventures as sources of funding for its exploration expenditures and to meet ongoing working capital requirements.

The Company owns 100% interest in multiple mineral titles and claims in the Northern Kitsault region of British Columbia (the "Dolly Varden Property") and had owned certain contiguous mineral tenures located on the north side of Iskut River ("Iskut Property"). During the year ended December 31, 2013, the Company entered into an option agreement to acquire 100% interest in the Musketeer property located in northwestern British Columbia, Canada, abutting the Dolly Varden Property and the Iskut Property claims were allowed to lapse.

Description of Properties

The following are summaries of acquisition costs and exploration expenditures in exploration and evaluation assets for the nine months ended September 30, 2014:

	Balance as at December 31, 2013	Dolly Varden Property	Musketeer Property	Balance as at September 30, 2014
Acquisition Costs				
Finders' fees	$ 62,500	$ -	$ -	$ 62,500
Legal fees	93,926	-	-	93,926
Property acquisition	2,896,801	-	233,333	3,130,134
Total acquisition costs	$ 3,053,227	$ -	$ 233,333	$ 3,286,560
Exploration Costs				
Assay	$ 251,975	$ 36,563	$ 13,048	$ 301,586
Camp, food, supplies & misc.	960,598	333,892	119,150	1,413,640
Claim maintenance	119,631	24,768	8,838	153,237
Data and sampling analysis	342,642	38,928	13,892	395,462
Depreciation	189,136	28,156	10,047	227,339
Drilling	1,132,384	291,798	104,128	1,528,310
Equipment, warehouse rental	729,417	177,938	63,498	970,853
Field labour and support	739,272	43,477	15,515	798,264
Field project and management	2,413,585	44,189	15,769	2,473,543
Fuel	378,431	76,208	27,196	481,835
Geological and geoscience consulting	1,611,705	266,322	95,037	1,973,064
Geotechnical studies	426,930	92,964	33,175	553,069
Mapping and modelling	724,623	133,147	47,514	905,284
Road and drill pad preparation	605,556	85,156	30,388	721,100
Site preparation	147,518	6,486	2,314	156,318
Survey and assessment	380,823	3,796	1,354	385,973
Transport, travel & accomodations	1,688,017	526,530	187,893	2,402,440
Cost recovery - BC METC (1)	(2,105,394)	(6,050)	-	(2,111,444)
Total exploration costs	$ 10,736,849	$ 2,204,268	$ 788,756	$ 13,729,873
Write-down of Exploration and Evaluation Assets	$ (93,031)	$ -	$ -	$ (93,031)
Total Exploration and Evaluation Assets	$ 13,697,045	$ 2,204,268	$ 1,022,089	$ 16,923,402

(1) Refers to the BC Mining Exploration Tax Credit, a government assistance program that gives refundable tax credits at 20% of certain qualified mining exploration expenditures.

Dolly Varden Property

During the period ended October 31, 2011, the Company purchased the Dolly Varden Property (the "Property"), consisting of fee simple titles, mineral claims and mineral tenures in respect of certain lands located in the Kitsault area of British Columbia. A finder's fee of $62,500 was paid through the issuance of shares to a shareholder of the Company. The property is subject to a 2% net smelter returns royalty ("NSR") of which one half (or 1% NSR) can be repurchased by the Company for $1,000,000 at any time.

A company in which a former director (until July 26, 2013) holds an indirect 20% interest, holds the 2% NSR and held a License agreement for use of nearby property at a monthly cost of $2,500 through to June 30, 2014. Other directors no longer have any entitlement of interest in the company that holds the 2% NSR and License agreement. The License agreement for use of the nearby property was extended from July 1 to December 31, 2014 at a monthly cost of $3,000.

The Company has provided deposits totalling $85,000 as reclamation bonds for the Property.

The main property comprises an area of 8,800 hectares and includes the Dolly Varden and Big Bulk claims located in or near to Kitsault Valley, northwestern British Columbia.

The Property contains the core of the historic silver-rich Dolly Varden Mining Camp north of Alice Arm, within the regionally important and prolific Stewart Complex. The Property encompasses several historic underground workings, including the Dolly Varden, North Star, Torbrit, and Wolf Mines, as well as several other developed showings and many mineralized prospects. The silver-rich deposits found on the Property are hosted in Jurassic-age volcanic and sedimentary rocks (Iskut River Formation) of the Hazelton Group. They display textural and mineralogical similarity to mineralization found in subaqueous, gold-silver-rich, hot spring-type volcanogenic massive sulfide (VMS) deposits such as the Hazelton Group hosted Eskay Creek deposit.

Hot spring-type VMS deposits typically contain a central core of VMS massive sulfides, flanked by more distal aprons of stratiform exhalative deposits and debris flow facies deposits. The central core is typically underlain by high sulphidation epithermal vein and stockwork mineralization.

Deposits of these exhalite and debris flow mineralization are exceptionally extensive on the Property and locally contain significant precious and base metal contents at multiple horizons. These stratiform deposits occur in at least two or more horizons on the Property.

1. BASAL MINERALIZATION; A thick and extensive volcanic-exhalative DVT Horizon, which locally contains very high grade silver that occurs within fine andesitic tuff at the base of the Iskut River Formation, hosting the Dolly Varden, North Star, and Torbrit silver deposits. Historic silver production totals 20 million ounces (622 t silver)
2. VOLCANIC-SEDIMENTARY CONTACT; A second, younger horizon, that is hosted by similar host strata to the Eskay Creek gold-silver-rich VMS deposit, with strong footwall alteration and felsic flows, tuffs, and sediments, that occurs about 300-400 meters above the base of the Iskut River Formation. This horizon hosts the Wolf deposit, and several mineralized prospects, such as the prominent Red Point and Gold belt zones that are prospective for Eskay-type Au-Ag rich VMS deposits.

Each of these two horizons contains volcanic-exhalative debris flow and breccia facies and syn-sedimentary fault structures that are highly prospective. In the case of the DVT Horizon, high grade silver mineralization is hosted in a zone of breccia and flanking stratiform lenses that plunges moderately to the NNW from the Torbrit Mine.

The Company has now conducted two generations of helicopter-borne geophysical surveys: in 2010, an AeroTEM II, magnetic and radiometric survey; and in 2012, a new ZTEM and Magnetic survey. Importantly, provisional 2D inversion of the Geotech ZTEM Resistivity data has mapped the response of the footwall strata of the Torbrit silver deposits and also given a reliable and consistent interpretation of the important upper unit of the Iskut River Formation (Salmon River formation). The Company's assembled 3D data and the newly obtained 2D Resistivity modeling has been integrated into a powerful new 3D model of the exploration targets on the Property.

The Company continued with a balanced mineral exploration effort on the Property in 2013. Field crews mapped and sampled mineral showings and key lithologies across the entire Iskut River formation on the Property. Iskut River formation is the current Geological Survey of Canada nomenclature in the region for volcanic and sedimentary formations that fill the multiple sub-basins of the Eskay Rift. Combined with the new mapping at the Torbrit and the Dolly Varden, the following very significant conclusions can be supported:

1. The volcanic units of the Iskut River formation on the property are about 300 to 400m thick. DVT Horizon exhalite locally is the base of the volcanic unit. Eskay-type Au-Ag VMS occurences are found at the top of this volcanic unit at several locations, but remain largely untested.

2. At Dolly Varden, high-grade silver mineralization in veins and stockwork spans almost the entire vertical range of the basal volcanic unit.

3. At the Wolf, and now Torbrit, fault and graben-related silver rich veins and stockworks are feeders for Eskay-type VMS and exhalite. In the case of Wolf, the "Contact Horizon" with sediments is mineralized by a local vent that overlies the linear vein and stockwork system. At Torbrit, our 2013 diamond drilling shows that the VMS-exhalite is vented and deposited next to an active fault and graben system. Stratabound VMS and exhalite occurs over a vertical range of 250 m.

Ongoing data compilation and interpretation during the first and second quarters, utilized and added to the 3D Leapfrog model, which has allowed the company to better visualize the relationships between the host geology, the known deposits, historic showings, and mapped structures in order to prioritize the targets to be drilled during the 2014 field program. Additional geophysical and geochemical information compiled from historic sources, supplemented the information that was already gathered from numerous surface programs, has also been added to the Leapfrog model, and this has been instrumental in refining targets for detailed diamond drill follow up in three priority areas. Further processing of the geochemical and geophysical survey data also continued to verify important trends that were open to expansion, and specific geochemical and geophysical targets that required additional follow up.

Work completed during this year's two phase field program included geological and structural mapping designed to ground truth the highest priority diamond drill targets. Soil geochemical coverage was also significantly expanded over the strong alteration trend identified along the east side of the Kitsault River, and over the prospective volcanic – sediment package (Salmon River Fornation), along the west side of the Kitsault River. A total of 3 airborne geophysical targets were also followed up by surface Induced Polarization, and Electromagnetic surveys.

The three targeted corridors are the 1) Torbrit-Red Point Corridor – following known silver mineralization underneath Red Point, an Eskay-Creek style target; 2) Musketeer Corridor – which runs along the East side of the Kitsault river with numerous Ag-rich epithermal vein-type showings with strong potassic radiometric signatures; and 3) Wolf-Surprise Corridor where an Eskay-Creek style host-formation containing silver-rich VMS mineralization was identified by the Company's 2011 drill program.

Musketeer Property

The Company has entered into an option agreement with Musketeer Developments Ltd. and certain other parties to obtain a 100% interest in the Musketeer Property. This agreement marks the Company's full consolidation of all of the major developed silver prospects, and past producing mines in the Upper Kitsault Valley. This acquisition will allow the Company to follow the extensions of the Torbrit mine northward onto the Musketeer ground. The Musketeer property is comprised of both fee simple and undersurface mineral interests. The Company's 100% owned Dolly Varden silver property completely surrounds the Musketeer. Importantly, mineral tenures of the Company's historic silver deposits at Dolly Varden, Torbrit, and North Star are contiguous with the southern boundary of the Musketeer, while the Wolf tenure adjoins the northern boundary of the Musketeer.

The Musketeer is underlain by Lower to Middle Jurassic Hazelton group volcanic and sedimentary rock units. Within the Hazelton group stratigraphy, historic drilling has shown that stratiform deposits of the combined Dolly Varden – North Star – Torbrit type plunge northward toward, and are in close proximity to the southern boundary of the Musketeer projected to be at moderate depths. Limited historical work has been completed on the Musketeer, with additional areas of interest including surface prospects at Kitsol, South Musketeer, and North Musketeer. The Company's 2014 field program commenced in July 2014 and continued into October 2014. Details of the work accomplished are listed in the highlights section.

Iskut Property

On January 30, 2012 the Company, as part of the amalgamation with Twin, acquired 100% ownership of the Iskut Property located on the north side of the Iskut River in Northwestern BC. The Iskut Property consists of certain contiguous mineral tenures (2,182 hectares) that are underlain by Hazelton group volcanic rocks. The Company had not incurred any exploration costs on the Iskut Property during 2013 and the Company made the decision to allow the claims to lapse to focus on the Dolly Varden and Musketeer properties.

The Company's Dolly Varden property program is directed by Ron Nichols, P.Eng., Vice President, Exploration, who is a "qualified person" as defined by National Instrument 43-101 and who also prepared and approved the geological and technical information contained in this MD&A.

Summary of Quarterly Results

The following are the selected quarterly financial information of the Company for the most recent eight fiscal quarters:

Table of Results for the Quarters of December 31, 2012 to September 30, 2014

	September 30 2014	June 30 2014	March 31 2014	December 31 2013
Total assets	$ 20,993,172	$ 15,860,410	$ 16,007,907	$ 16,039,648
Exploration and evaluation assets	$ 16,923,402	$ 14,259,403	$ 14,022,709	$ 13,697,045
Equipment	$ 195,270	$ 209,036	$ 222,802	$ 236,568
Working capital	$ 2,765,903	$ 483,406	$ 1,143,728	$ 1,447,388
Shareholders' equity	$ 20,165,579	$ 15,171,631	$ 15,507,156	$ 15,495,348
Interest income	$ 4,593	$ 1,840	$ 6,929	$ 1,808
Net loss	$ (208,039)	$ (379,443)	$ (275,644)	$ (434,412)
Basic loss per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Fully diluted loss per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)

	September 30 2013	June 30 2013	March 31 2013	December 31 2012
Total assets	$ 16,435,430	$ 17,120,721	$ 14,567,232	$ 13,409,986
Exploration and evaluation assets	$ 14,088,288	$ 11,727,676	$ 12,099,945	$ 11,314,347
Equipment	$ 255,241	$ 257,323	$ 252,425	$ 267,999
Working capital	$ 1,290,685	$ 3,950,846	$ 1,359,257	$ 491,314
Shareholders' equity	$ 15,812,685	$ 16,175,722	$ 13,905,486	$ 12,264,693
Interest income	$ 13,467	$ 13,862	$ 1,771	$ 4,486
Net loss	$ (991,073)	$ (508,442)	$ (347,975)	$ (328,600)
Basic loss per share	$ (0.01)	$ (0.00)	$ (0.00)	$ (0.00)
Fully diluted loss per share	$ (0.01)	$ (0.00)	$ (0.00)	$ (0.00)

Significant exploration costs were incurred in the first half of the final quarter of 2012 until winter conditions at the site prevented further exploration. However, significant expenditure was incurred in the first quarter of 2013, approximately 50% for evaluation work on the property and the other 50% paid towards the option to acquire the Musketeer property. Significant exploration spending resumed towards the end of the second quarter of 2013 as the Company reopened the camp at the site and began preparations for the 2013 drilling campaign. The 2013 drilling campaign peaked in the third quarter of 2013 before winding up in late August/early September. In the final quarter of 2013, we allowed the claims to lapse on the Iskut property which we did not view as one of the areas of focus and we wrote off all the previously capitalized costs of this property, totaling $93,031. In the first and second quarters of 2014, insignificant exploration costs were incurred, however a successful financing in the third quarter permitted a late exploration program which stretched from approximately mid-August to mid-October on both the Dolly Varden and Musketeer properties. Total assets of the Company have risen initially before levelling out over the previous eight quarters as the majority of capital raised was spent on exploration and evaluation assets. The Company has maintained a positive working capital over the previous eight quarters. Operating losses over the previous eight quarters have been comparable, with the exception of the loss for the quarter ended September 30, 2013, as share-based compensation (a non-cash expenditure) created a large increase in that quarter's net loss.

2014 Highlights

A two phase field program was initiated in July 2014 with a field crew completing geological and structural mapping, lithogeochemical rock sampling, and grid soil sampling. This phase one program was completed in late July, and was designed to ground truth the most drill ready targets in preparation for the phase two drill program.

The phase one field program further refined the location and orientation of several of our drill-ready Eskay-Creek style and epithermal "DVT" targets; generated a number of additional specific drill targets on known mineralized horizons; and identified several new zones with mineral potential on other areas of the property.

Additional, geologic and structural mapping was also completed over areas targeted for the 2014 diamond drill program. This mapping confirmed the layout of the initial drill holes planned for 2014.

The field program involved a geochemical survey where 970 soils, 28 silts, and 6 heavy mineral samples were collected over selected areas on the property. Highlights of the results from the soil surveys include:

1. The surface trace of the DVT Horizon, the horizon which hosts the high-grade silver mineralization at the Torbrit and Dolly Varden mines, is clearly indicated by the soil surveys and this technique can be confidently used to search for extensions of the DVT Horizon.

2. Numerous promising multi-element anomalous trends were located along the prospective sediment-volcanic contact of the Salmon River Formation in areas with no previously known showings. These anomalous trends display similar geochemical signatures to those found at Eskay Creek, and remain open to the north of the sampled area.

3. Strong geochemical response within the airborne radiometric anomaly that has been outlined on the east side of the Kitsault River is outlining some possibly significant trends that could be related to structurally controlled epithermal mineralization.

4. Anomalous gold - silver results from silt samples taken north of the gridded area underlain by Salmon River Formation points to additional potential on the northern portion of the property.

The second phase of field work began in mid-August, and consisted of further detailed geological mapping, geochemical sampling (soil, silt and heavy mineral) and ground geophysical surveys to define and vector drill targets, followed by diamond drill testing of many high priority targets. The field program was terminated due to deteriorating weather conditions in mid-October. A map highlighting the 2014 program is available on www.dollyvardensilver.com. Work consisted of the following:

1. Additional detailed geological mapping and prospecting of primary target zones defined by historic data compilation, the phase one geochemical results, and analysis;

2. Collection of another 1,580 soil geochemical samples, bringing the overall total collected to 2,550 samples covering 54.4 line kms;

3. Completion of EM and IP ground geophysical surveys, totaling 10.9 line kms over three areas, along with two borehole EM/IP surveys; and

4. Diamond drilling of 5280 metres of core in 12 holes from 8 locations -- 2 holes into the Red Point alteration zone; 4 holes between Red Point and Torbrit, within the Torbrit Graben; 3 holes to test the Kitsol epithermal vein; 2 holes at the Musketeer epithermal vein; and 1 hole at the Wolf deposit.

A total of 2,273 core samples, and 206 surface rock samples were taken and all are currently in Acme's laboratory in Vancouver. Results are being compiled and interpreted as received, and will be released once all of the analyses are finalized.

All of the 2,550 soil geochemical samples have been submitted to AGAT Laboratories in Mississagua, Ontario, and once all of the sample results are in and plotted, they will also be released in a subsequent news release.

The Company did not generate operating revenue from March 4, 2011 (Inception) to present, as all of the operating activities of the Company were directed towards exploration as outlined below.

Results of Operations for the three months ended September 30, 2014 and 2013

Dolly Varden Property

Total exploration costs (exclusive of tax credits) incurred during the three months ended September 30, 2014, amounted to $1,881,477 (September 30, 2013 - $2,360,612). Direct comparison of the field exploration costs from 2013 to 2014 is impacted by the timing of the field work which covered the period from mid-August to mid-October in 2014 compared to late June to early September in 2013. Additionally, the field crew in 2014 was larger than in 2013 with the addition of a soil sampling crew, geophysics crew and a second diamond drill for the second half of the program. Included in exploration costs was $25,087 (September 30, 2013 - $66,773) in assay costs, $329,378 (September 30, 2013 - $186,686) in camp, food, supplies, and miscellaneous costs, $5,966 (September 30, 2013 - $11,725) in claim maintenance, $38,928 (September 30, 2013 - $65,340) in data and sampling analysis, $2,687 (September 30, 2013 - $16,908) in depreciation, $291,798 (September 30, 2013 - $317,155) on drilling, $137,199 (September 30, 2013 - $132,680) in equipment and warehouse rental, $43,477 (September 30, 2013 - $92,564) in field labour and support, $44,189 (September 30, 2013 - $322,985) in field project and management, $76,208 (September 30, 2013 - $74,599) on fuel, $175,905 (September 30, 2013 - $216,348) in geological and geoscience consulting fees, $88,937 (September 30, 2013 - $134,170) on geotechnical studies, $19,131 (September 30, 2013 - $86,082) on mapping and modelling costs, $85,156 (September 30, 2013 - $86,725) on road and drill pad preparation, $6,486 (September 30, 2013 - $76,012) on site preparation, $3,796 (September 30, 2013 - $11,323) on survey and assessment, $507,149 (September 30, 2013 - $462,537) on transport, travel and accommodation costs. As at September 30, 2014, ignoring the cost recovery of BC METC, the Company had accumulated $15,006,135 (September 30, 2013 - $12,306,070) in exploration costs on the Dolly Varden Property.

Iskut Property

The Company, as part of the amalgamation with Twin, acquired 100% ownership of the Iskut Property in the first quarter of 2012. In December 2013, the Company made the decision to allow the Iskut claims to lapse and focus instead on the Dolly Varden and Musketeer properties; as a result, the Company wrote down the capitalized costs related to the property to $Nil. The total amount of the write-down was $93,031.

Musketeer Property

On March 18, 2013, the Company entered into an option agreement to acquire 100% interest in the Musketeer property located in northwestern British Columbia, Canada for a purchase price of $1,050,000 payable over four years, subject to a 2% NSR. The Company has the option to reduce the NSR by 1% by paying $1,750,000 to the royalty holders within 3 years of acquiring the Musketeer property.

The Company paid an aggregate option payment of $350,000 in the first quarter of 2013 and the second option payment of $233,333 in the first quarter of 2014. The remaining option payments are due as follows:

February 13, 2015	$233,333
February 12, 2016	$233,334

During the three months ended September 30, 2014, total exploration costs of $788,572 (September 30, 2013 - $Nil) were incurred on the property. This third quarter of 2014 is the first time that the Company actively conducted exploration on the property. Included in exploration costs was $13,048 (September 30, 2013 - $Nil) in assay costs, $119,150 (September 30, 2013 -$Nil) in camp, food, supplies, and miscellaneous costs, $8,654 (September 30, 2013 - $Nil) on claim maintenance, $13,892 (September 30, 2013 - $Nil) on data and sampling analysis, $10,047 (September 30, 2013 - $Nil) in depreciation, $104,128 (September 30, 2013 - $Nil) on drilling, $63,498 (September 30, 2013 - $Nil) in equipment and warehouse rental, $15,515 (September 30, 2013 - $Nil) in field labour and support, $15,769 (September 30, 2013 – $Nil) in field project and management, $27,196 (September 30, 2013 - $Nil) on fuel, $95,037 (September 30, 2013 –$Nil) in geological and geoscience consulting fees, $33,175 (September 30, 2013 - $Nil) on geotechnical studies, $47,514 (September 30, 2013 - $Nil) on mapping and modelling costs, $30,388 (September 30, 2013 - $Nil) on road and drill pad preparation, $2,314 (September 30, 2013 - $Nil) on site preparation, $1,354 (September 30, 2014 - $Nil) on survey and assessment, $187,893 (September 30, 2013 - $Nil) on transport, travel and accommodation costs. As at September 30, 2014, the Company had incurred $788,952 (September 30, 2013- $196) in exploration costs on the Musketeer Property.

The property is in good standing.

Operating Expenses

Administrative & Consulting fees in the three months ended September 30, 2014 were $31,900 (September 30, 2013 - $29,445). Directors' fees experienced a recovery of previously expensed amounts of $36,828 (September 30, 2013 – N/A), which was the net amount of the dollar value of directors fees for the quarter of $36,500 (September 30, 2013 - $45,489), less a decrease in the total liability for the DSU plan of $73,328 (September 30, 2013 – N/A), arising as a decrease in common share market value. Management fees were comparable to 2013 at $48,500 (September 30, 2013 - $46,500). Marketing and communications increased to $95,433 (September 30, 2013 - $65,612) as the Company contracted additional marketing services in the quarter. Office expense was lower than the previous year at $18,566 (September 30, 2013 - $26,361) as the previous year included some one time expenditures to bolster office and information systems security. Professional fees were slightly lower than the previous year at $28,364 (September 30, 2013- $32,865). Rent and maintenance decreased very significantly to $6,246 (September 30, 2013 - $14,355) as the Company moved its head office to much more economical space at the end of 2013. Salaries and benefits were comparable to previous year at $20,129 (September 30, 2013 - $16,804). Share-based compensation was very significantly lower than the previous year at $5,436 (September 30, 2013 - $628,036) as the previous year saw multiple grants to new directors and staff that were hired in July 2013. Transfer agent and filing fees decreased from the previous year to $4,431 (September 30, 2013 - $12,943) as the previous year had higher costs due to holding the first AGM and the filing fees on the options to new directors and staff. Travel costs decreased significantly to $31,344 (September 30, 2013 - $86,298) as additional travel for finance/investor relations had largely subsided following the mid-quarter private placement. Interest income fell significantly to $4,593 (September 30, 2013 - $13,467) on the Company's deposits as the Company held on average significantly less cash over the quarter than a year earlier. Additionally in the third quarter, the Company had a recovery of $42,000 (September 30, 2013 – N/A), as flow-through share issuance liability was reversed as the Company made the required expenditures in the period.

The previously reported lawsuit filed by a former officer was mutually settled in the quarter.

Results of Operations for the nine months ended September 30, 2014 and 2013

Dolly Varden Property

Total exploration costs (exclusive of tax credits) incurred during the nine months ended September 30, 2014, amounted to $2,210,318 (September 30, 2013 - $3,729,774). Direct comparison of the field exploration costs from 2013 to 2014 is impacted by the timing of the field work which covered the period from mid-August to mid-October in 2014 compared to late June to early September in 2013. Additionally, the field crew in 2014 was larger than in 2013 with the addition of a soil sampling crew, geophysics crew and a second diamond drill for the second half of the program. Included in exploration costs was $36,563 (September 30, 2013 - $67,613) on assay costs, $333,892 (September 30, 2013 -$251,884) in camp, food, supplies, and miscellaneous costs, $24,768 (September 30, 2013 - $35,758) in claim maintenance, $38,928 (September 30, 2013 - $111,352) in data and sampling analysis, $28,156 (September 30, 2013 - $48,381) in depreciation, $291,798 (September 30, 2013 - $317,155) on drilling, $177,938 (September 30, 2013 - $234,685) in equipment and warehouse rental, $43,477 (September 30, 2013 - $124,787) in field labour and support, $44,189 (September 30, 2013 – $737,860) in field project and management, $76,208 (September 30, 2013 - $103,374) on fuel, $266,322 (September 30, 2013 –$488,554) in geological and geoscience consulting fees, $92,964 (September 30, 2013 - $173,420) on geotechnical studies, $133,147 (September 30, 2013 - $267,590) on mapping and modelling costs, $85,156 (September 30, 2013 - $108,181) on road and drill pad preparation, $6,486 (September 30, 2013 - $85,940) on site preparation, $3,796 (September 30, 2013 - $23,753) on survey and assessment, $526,530 (September 30, 2013 - $549,487) on transport, travel and accommodation costs. As at September 30, 2014, ignoring the cost recovery of BC METC, the Company had accumulated $15,006,135 (September 30, 2013 - $12,306,070) in exploration costs on the Dolly Varden Property.

Iskut Property

The Company, as part of the amalgamation with Twin, acquired 100% ownership of the Iskut Property in the first quarter of 2012. In December 2013, the Company made the decision to allow the Iskut claims to lapse and focus instead on the Dolly Varden and Musketeer properties; as a result, the Company wrote down the capitalized costs related to the property to $Nil. The total amount of the write-down was $93,031.

Musketeer Property

On March 18, 2013, the Company entered into an option agreement to acquire 100% interest in the Musketeer property located in northwestern British Columbia, Canada for a purchase price of $1,050,000 payable over four years, subject to a 2% NSR. The Company has the option to reduce the NSR by 1% by paying $1,750,000 to the royalty holders within 3 years of acquiring the Musketeer property.

The Company paid an aggregate option payment of $350,000 in the first quarter of 2013 and the second option payment of $233,333 in the first quarter of 2014. The remaining option payments are due as follows:

February 13, 2015	$233,333
February 12, 2016	$233,334

During the nine months ended September 30, 2014, total exploration costs of $788,756 (September 30, 2013 - $196) were incurred on the property. This period of 2014 is the first time that the Company actively conducted exploration on the property. Included in exploration costs was $13,048 (September 30, 2013 - $Nil) in assay costs, $119,150 (September 30, 2013 -$Nil) in camp, food, supplies, and miscellaneous costs, $8,838 (September 30, 2013 - $196) in claim maintenance, $13,892 (September 30, 2013 - $Nil) on data and sampling analysis, $10,047 (September 30, 2013 - $Nil) in depreciation, $104,128 (September 30, 2013 - $Nil) on drilling, $63,498 (September 30, 2013 - $Nil) in equipment and warehouse rental, $15,515 (September 30, 2013 - $Nil) in field labour and support, $15,769 (September 30, 2013 – $Nil) in field project and management, $27,196 (September 30, 2013 - $Nil) on fuel,

$95,037 (September 30, 2013 –$Nil) in geological and geoscience consulting fees, $33,175 (September 30, 2013 - $Nil) on geotechnical studies, $47,514 (September 30, 2013 - $Nil) on mapping and modelling costs, $30,388 (September 30, 2013 - $Nil) on road and drill pad preparation, $2,314 (September 30, 2013 - $Nil) on site preparation, $1,354 (September 30, 2013 - $Nil) o survey and assessment, $187,893 (September 30, 2013 - $Nil) on transport, travel and accommodation costs. As at September 30, 2014, the Company had incurred $788,952 (September 30, 2013 - $196) in exploration costs on the Musketeer Property.

The property is in good standing.

Operating Expenses

Administrative & Consulting fees in the nine months ended September 30, 2014 were $92,575 (September 30, 2013 - $78,279); the increase due to staffing changes year over year. Directors' fees decreased to $21,279 (September 30, 2013 - $106,489), which was the net amount of the dollar value of directors fees for the period of $110,778 (September 30, 2013 - $106,489), less a reduction in the total liability for the DSU plan of $89,499 (September 30, 2013 – N/A), arising as a result of the drop in common share market value. Management fees decreased to $139,250 (September 30, 2013 - $164,000) due to some staffing changes at the VP Exploration and CEO positions. Marketing and communication costs fell to $197,529 (September 30, 2013 - $224,747) as the Company reduced the use of external investor relations services, which was mitigated by the contracting of marketing services by the middle of the third quarter. Office expense was comparable to previous year at $48,536 (September 30, 2013 - $51,988). Professional fees were markedly lower than the previous year at $96,254 (September 30, 2013- $136,049), due to a significant reduction in audit fees in the current year. Rent and maintenance decreased very significantly to $18,105 (September 30, 2013 - $44,065) as the Company moved its head office to much more economical space at the end of 2013. Salaries and benefits decreased very significantly to $52,070 (September 30, 2013 - $106,202) due to staffing changes. Share-based compensation was very significantly lower than the previous year at $69,920 (September 30, 2013 - $734,851) as the previous year saw multiple grants to new directors and staff that were hired in July 2013. Transfer agent and filing fees were lower than the previous year at $22,982 (September 30, 2013 - $30,237), as the previous year had higher costs due to holding the first AGM and the filing fees on the options to new directors and staff. Travel costs decreased significantly to $156,607 (September 30, 2013 - $200,279), due to timing of financing efforts. Interest income decreased to $13,362 (September 30, 2013 - $29,100) on the Company's deposits as the Company held on average significantly less cash over the quarter than a year earlier. Additionally, the Company had a recovery of $42,000 (September 30, 2013 – N/A), as flow-through share issuance liability was reversed as the Company made the required expenditures in the period.

The previously reported lawsuit filed by a former officer was mutually settled in the period.

Liquidity and Capital Resources

At September 30, 2014, the Company's working capital was $2,765,903 (December 31, 2013 - $1,447,388). The source of cash has been solely from equity financing.

As at September 30, 2014, the Company had a cash balance of $2,535,775 (December 31, 2013 - $358,619) to settle current liabilities of $827,593 (December 31, 2013 - $502,300). The Company's ability to remain liquid over the long term depends on its ability to obtain additional financing.

However, there is no assurance that the Company will be able to obtain sufficient additional capital in the case of operating cash deficits.

Transactions with Related Parties

The Company's related parties consist of directors and officers (being key management personnel), companies with directors and officers in common and/or companies owned in whole or in part by executive officers and/or directors of the Company. The Company incurred the following related party transactions:

	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
Allen Ambrose, Director				
Director's fees	$ 7,250	$ 8,533	$ 21,750	$ 23,033
Allan Marter[1], Director				
Director's fees	$ 9,250	$ 10,250	$ 27,750	$ 26,750
Connie Norman[1], Corporate Secretary				
Management & Consulting fees	$ 7,000	$ 6,750	$ 18,225	$ 17,550
Share-based compensation (stock options)	-	34,500	-	34,500
	$ 7,000	$ 41,250	$ 18,225	$ 52,050
Daisy Duong, CFO (to June 28, 2013)				
Salaries and benefits	$ -	$ -	$ -	$ 84,278
George Heard, Director, CEO (from Jan. 24, 2014)				
Director's fees	$ -	$ 3,641	$ 1,278	$ 3,641
Management & Consulting fees	47,000	-	122,000	-
Share-based compensation (stock options)	-	103,500	-	103,500
	$ 47,000	$ 107,141	$ 123,278	$ 107,141
Ian He, Director (from July 26, 2013)				
Director's fees	$ 5,000	$ 3,641	$ 15,000	$ 3,641
Share-based compensation (stock options)	-	103,500	-	103,500
	$ 5,000	$ 107,141	$ 15,000	$ 107,141
Ian Smith, Director (from July 26 to Dec. 30, 2013)				
Director's fees	$ -	$ 4,370	$ -	$ 4,370
Share-based compensation (stock options)	-	103,500	-	103,500
	$ -	$ 107,870	$ -	$ 107,870
John King Burns, Director				
Director's fees	$ 10,000	$ 10,000	$ 30,000	$ 30,000
Keith Margetson[1], CFO (from July 1, 2013)				
Management & Consulting fees	$ 7,500	$ 9,000	$ 25,500	$ 9,000
Share-based compensation (stock options)	-	55,200	-	55,200
	$ 7,500	$ 64,200	$ 25,500	$ 64,200
Paul McGuigan[1], VP Exploration (to Feb. 20, 2014)				
Costs included in exploration and evaluation assets	$ -	$ 889,659	$ -	$ 1,877,555
Management & Consulting fees	-	13,695	-	15,439
	$ -	$ 903,354	$ -	$ 1,892,994
Ron Nichols[1], CEO (to January 24, 2014)				
Management & Consulting fees	$ -	$ 46,500	$ 17,250	$ 164,000
Costs included in exploration and evaluation assets	33,375	-	106,875	-
	$ 33,375	$ 46,500	$ 124,125	$ 164,000
Rosie Moore, Director (from July 26, 2013)				
Director's fees	$ 5,000	$ 3,641	$ 15,000	$ 3,641
Share-based compensation (stock options)	-	103,500	-	103,500
	$ 5,000	$ 107,141	$ 15,000	$ 107,141
Theo Sanidas[2], Director (to July 26, 2013)				
Costs included in exploration and evaluation assets	$ -	$ 2,500	$ -	$ 17,500
Director's fees	$ -	$ 1,413	$ -	$ 11,413
	$ -	$ 3,913	$ -	$ 28,913
Total related party transactions	$ 131,375	$ 1,517,293	$ 400,628	$ 2,795,511

Note 1: or a company controlled by the individual

Note 2 : or a company controlled by or in which the individual has an indirect interest

At September 30, 2014, included in accounts payable and accrued liabilities is $158,141 owed to Cambria Geosciences Inc. (Paul McGuigan, former VP Exploration) (December 31, 2013 - $158,141), $144,508 owing to the independent directors on the Board of Directors (December 31, 2013 - $134,543) for directors' fees. An additional $7,883 (December 31, 2013 - $14,536) was owed to two companies owned by officers and to two directors.

Certain directors, namely John King Burns and Paul McGuigan (until July 26, 2013) no longer have any entitlement of interest in the Company that holds the 2% NSR and License agreement on the Dolly Varden property. Only Mr. Theo Sanidas had entitlement of interest in the Company that holds the 2% NSR and License agreement on the Dolly Varden property. However, Mr. Sanidas ceased to be a director on July 26, 2013 and Mr. McGuigan ceased to be an officer on February 20, 2014. The License agreement expired on June 30, 2014 but was extended at the rate of $3,000 per month until December 31, 2014.

Financial Instruments and Risk Management

International Financial Reporting Standards 7, Financial Instruments: Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments include cash, receivables, deposits, and accounts payable and accrued liabilities.

Financial instruments

Cash and deposits are measured at fair value using level one as the basis for measurement in the fair value hierarchy. The carrying value of receivables, payables and accrued liabilities, approximate fair value because of the short-term nature of these instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company's credit risk is primarily attributable to cash and receivables. The Company has no significant concentration of credit risk arising from operations. Cash consists of bank balances and GIC investment at reputable financial institutions, from which management believes the risk of loss to be remote. Financial instruments also included receivable from government agencies. The Company limits its exposure to credit loss for cash and equivalents by placing its cash and equivalents with high quality financial institutions.

Liquidity risk

The Company's ability to remain liquid over the long term depends on its ability to obtain additional financing through the issuance of additional securities, the entering into credit facilities or the entering into joint ventures, partnerships or other similar arrangements. As at September 30, 2014, the Company had a cash balance of $2,535,775 to settle current liabilities of $827,593. The Company's current policy is to invest excess cash in Guaranteed Investment certificates issued by its banking institutions.

Interest rate risk

The Company has cash balances subject to fluctuations in the prime rate. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management believes that interest rate risk is remote as investments are redeemable at any time and interest can be earned up to the date of redemption.

Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's future mining operations will be significantly affected by changes in the market prices for silver. Precious metal prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for commodities, the level of interest rates, the rate of inflation, investment decisions by large holders of commodities, and stability of exchange rates can all cause significant fluctuations in commodity prices.

Other risks

The Company is subject to risks and challenges similar to other companies in a comparable stage of development. These risks include, but are not limited to, continuing losses, dependence on key individuals, and the ability to secure adequate financing to meet minimum capital required to successfully complete its projects and continue as a going concern. These factors should be reviewed carefully.

The following risk factors, in addition to the risks noted above in the "Financial Instruments and Risk Management" section, should be given special consideration when evaluating trends, risks and uncertainties relating to the Company's business.

Exploration, Development and Production Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge of management and key employees and contractors of the Company may not eliminate. Few exploration and evaluation assets which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in the definition of a mineral resource. The Company's operations will be subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing silver and other exploration and evaluation assets is affected by many factors, including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The remoteness and restrictions on access of the Company's exploration and evaluation assets may have an adverse effect on profitability as a result of higher infrastructure costs. There are also physical risks to the exploration personnel working in the terrain in which the Company's exploration and evaluation assets are located, which are subject to poor climate conditions. The long-term commercial success of the Company depends on its ability to explore, develop and commercially produce minerals from its exploration and evaluation assets and to locate and acquire additional properties worthy of exploration and development for minerals. No assurance can be given that the Company will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participation uneconomic.

Substantial Capital Requirements

Management of the Company anticipates that it may make substantial future capital expenditures for the acquisition, exploration, development and production of its exploration and evaluation assets. As the Company will be at the exploration stage with no revenue being generated from the exploration activities on its exploration and evaluation assets, the Company may have limited ability to raise the capital necessary to undertake or complete future exploration work, including drilling programs. There can be no assurance that debt or equity financing will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. Moreover, future activities may require the Company to alter its capitalization significantly. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition, results of operations or prospects. In particular, failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in its exploration and evaluation assets, miss certain acquisition opportunities and reduce or terminate its operations.

Competition

The mining industry is highly competitive. Many of the Company's competitors for the acquisition, exploration, production and development of exploration and evaluation assets, and for capital to finance such activities, include companies that have greater financial and personnel resources available to them than the Company.

Volatility of Mineral Prices

The market price of any mineral is volatile and is affected by numerous factors that are beyond the Company's control. These include international supply and demand, the level of consumer product demand, international economic trends, currency exchange rate fluctuations, the level of interest rates, the rate of inflation, global or regional political events and international events as well as a range of other market forces. Sustained downward movements in mineral market prices could render less economic, or uneconomic, some or all of the mineral extraction and/or exploration activities to be undertaken by the Company.

Mineral Reserves / Mineral Resources

The Company's exploration and evaluation assets are considered to be in the early exploration stage only and do not contain a known body of commercial minerals. Mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for exploration and evaluation assets that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades may cause a mining operation to be unprofitable in any particular accounting period.

Recent Global Financial Conditions

Recent global financial conditions have been subject to increased volatility. Access to public financing has been negatively impacted by both sub-prime mortgages and the liquidity crisis affecting the asset-backed commercial paper market. These factors may impact the ability of the Company to obtain equity or debt financing 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 value and the price of the shares of the Company could be adversely affected.

Environmental Risks

All phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

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 any future producing exploration and evaluation assets or require abandonment or delays in the development of new mining properties.

Reliance on Key Personnel

The success of the Company will be largely dependent upon the performance of its management and key employees and contractors. In assessing the risk of an investment in the shares of the Company, potential investors should realize that they are relying on the experience, judgment, discretion, integrity and good faith of the proposed management of the Company.

Conflicts of Interest

Certain directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies. As a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The Business Corporations Act

(British Columbia) (the "BCBCA") provides that in the event that a director or senior officer has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director or senior officer must disclose his or her interest in such contract or agreement and a director must refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA. To the knowledge of the management of the Company, as at the date hereof, there are no existing or potential material conflicts of interest between the Company and a director or officer of the Company except as otherwise disclosed in this MD&A.

Dividends

To date, the Company has not paid any dividends on its outstanding common shares. Any decision to pay dividends on the shares of the Company will be made by the Board on the basis of the Company's earnings, financial requirements and other conditions.

Substantial number of authorized but unissued shares

The Company has an unlimited number of common shares which may be issued by the Board without further action or approval of the Company's shareholders, except in limited circumstances. While the Board is required to fulfill its fiduciary obligations in connection with the issuance of such shares, the shares may be issued in transactions with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of the Company's shareholders.

Permits and Licenses

The activities of the Company are subject to government approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters, including issues affecting local native populations. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company.

Further, the mining licenses and permits issued in respect of its mineral property may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Company's investments in its exploration and evaluation assets may decline.

Title Risks

The acquisition of title to exploration and evaluation assets or interests therein is a very detailed and time-consuming process. The exploration and evaluation assets may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.

Limited Operating History

The Company was incorporated on March 4, 2011 and has yet to generate a profit from its activities. The Company will be subject to all of the business risks and uncertainties associated with any business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations. Even if the Company does undertake exploration activity on its exploration and evaluation assets, there is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

Uninsured Risks

The Company, as a participant in mining and exploration activities, may become subject to liability for hazards that cannot be insured against or against which it may elect not to be so insured because of high premium costs. Furthermore, the Company may incur a liability to third parties (in excess of any insurance coverage) arising from negative environmental impacts or any other damage or injury.

Unforeseen Expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

Accounting Standards, amendments and interpretations issued but not yet effective

A new standard is not yet effective for the period ended September 30, 2014, and has not been applied in preparing the unaudited interim condensed financial statements for the three and nine month period ended September 30, 2014 or this MD&A.

IFRS 9 – Financial Instruments: Classification and Measurement applies to classification and measurement of financial assets and liabilities as defined in IAS 39. The tentative effective date of IFRS 9 is January 1, 2018. The Company is assessing the impact of this new standard, if any, on the financial statements.

Management's Responsibility for Financial Statements

The information included in the audited financial statements and this MD&A is the responsibility of management, and their preparation in accordance with IFRS requires management to make estimates and their assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of expenses during the reported period. Actual results could differ from those estimates.

Off Balance Sheet Arrangements

The Company is not party to any off balance sheet arrangements.

Disclosure of Outstanding Share Data

The Company has unlimited authorized common shares and the issued and outstanding share capital at the date of this MD&A is:

	Common shares Issued and Outstanding	Warrants	Options
Balance at December 31, 2013	132,797,919	6,826,550	13,139,750
Issuance of flow-through common shares for cash	46,441,711	-	-
Issuance of common shares for cash	750,000	-	-
Issuance of finders' warrants	-	3,508,632	-
Expired warrants	-	(2,300,000)	-
Exercised warrants	2,700,000	(2,700,000)	-
Issued stock options	-	-	460,250
Cancelled stock options	-	-	(1,900,000)
Balance at September 30, 2014	182,689,630	5,335,182	11,700,000
Balance as at the date of this MD&A	182,689,630	5,335,182	11,700,000