

*This document provides management's discussion and analysis (MD&A) for our financial condition as at October 31, 2014, and results of operations for the quarter ended Oct. 31, 2014. This MD&A should be read in conjunction with the Company's consolidated financial statements and notes for the year ended October 31, 2014. **This MD&A has been prepared as of May 22, 2015 and is current to that date unless otherwise stated.***

This document contains forward-looking statements which by their nature involve risks and uncertainties, many of which are beyond the Company's control and which could cause actual results to differ materially from those expressed in such forward-looking statements. Readers are cautioned not to place undue reliance on these statements. The Company disclaims any intention and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Additional information regarding the Company, including copies of the Company's continuous disclosure materials is available on the Company's website at www.silverspruceresources.com or through the SEDAR website at www.sedar.com.

Company Overview

Silver Spruce Resources Inc. is a junior exploration company headquartered in Bridgewater, Nova Scotia. Originally focused on uranium, mainly in the Central Mineral Belt (CMB) of Labrador, the Company diversified into our main project, Big Easy, a precious metal project on the island of Newfoundland and rare earth element (REE) projects in Labrador. Emphasis from 2012 on has been placed on the Company's gold/silver project in eastern Newfoundland, Big Easy which is road accessible and is close to infrastructure greatly reducing exploration and any future development costs.

The Company's uranium exploration was curtailed in 2008 due to the Nunatsiavut moratorium and uranium prices however we continue to hold significant uranium assets mainly in the CMB, making the Company a large landholder in one of the world's premier uranium districts. Projects include: the CMB joint venture (JV) with Jet Energy (formerly Crosshair), in which SSE holds a 2% production Net Smelter Return, and its 100% owned properties – Fish Hawk Lake, Snegamook, Mount Benedict, and Double Mer. The Fish Hawk Lake property, which is contiguous with the Snegamook property, was optioned from Virginia Energy in August, 2012. The CMBJV includes a mineral resource on the Two Time zone of 2.3 M lbs indicated and 3.7 M lbs U₃O₈ inferred, discovered by SSE, the first discovery in the CMB of Labrador since the 1980's. Drill-ready opportunities exist on the Fish Hawk Lake, Snegamook, Double Mer and Mount Benedict properties.

The uranium development moratorium in Nunatsiavut territory was lifted in March 2012 by a unanimous decision of the Nunatsiavut council however uranium prices have not responded due to the Japanese tsunami disaster and its impact on prices. Limited continued exploration / development in the CMB by Aurora Energy (Paladin) has taken place but further development continues to be slow pending an increase in uranium prices which appear to be on the rise.

The Company continues to have limited funds to allow operations to be maintained in 2015. A 3rd phase drill program, and limited ground work including prospecting, linecutting and a small soil geochemical survey was carried out on the Big Easy property in late 2014.

As of Oct. 31, 2014, cash reserves, totaled approximately \$116,938. A small, mainly flow through, financing in late 2014 raised \$141,500 which in conjunction with a Junior Exploration Assistance grant from the NL gov't, was utilized for the Big Easy diamond drilling and ground surveys. The company continues to evaluate its options for 2015 which include: a financing; seeking joint venture partners for our properties, a new mineral exploration project, or a combination of the three.

The Company has established environmental and safety protocols which include written procedures and policies which are overseen by Board committees for environment/health and safety.

Selected Annual Information

The table below outlines selected financial information to the Company's years ended October 31, 2014 and 2013. The financial information is extracted from the Company's audited consolidated financial statements.

	2014	2013
	\$	\$
Income	3,870	26,376
Net and comprehensive loss	(1,013,852)	(1,101,697)
Net income (loss) per share -basic and diluted	(0.09)	(0.01)
Total assets	203,250	956,394
Total long-term financial liabilities	-	-

For the year ended October 31, 2014, the Company incurred a net loss of \$1,013,852 (loss per share of \$0.09) compared to a net loss of \$1,101,697 (loss per share of \$0.01) for the year ended October 31, 2013.

The Company recognized total income of \$3,870 for the year ended October 31, 2014 (2013 - \$26,376). Income of \$3,870 in 2013 included a Mexican VAT recovery of \$nil (2013 - \$20,957). Foreign exchange resulted in a gain in 2014 of \$1,085 (2013 - \$805). Unrealized gain in market value of investments for 2014 was \$nil (2013 - \$1,570). Gain on sale of equipment for 2014 was \$2,785 (2013 - \$3,044).

The Company recorded impairment of \$856,197 in 2014 (2013 - \$937,170). The 2014 impairment was against the gold and base metals property, Big Easy. The 2013 impairment was against the uranium property, Fish Hawk Lake and against the Rare Earth Element properties; Pope's Hill Joint Venture, Pope's Hill. The Company reviewed the capitalized costs on its properties and recognized impairment in value based upon current exploration results and significant adverse changes in the business climate and a significant decrease in the Company's market capitalization compared to the carrying value of its resource properties that indicated that an impairment existed.

There was no stock-based compensation in either 2014 or 2013.

Other general, administrative and professional expense decreased to \$161,525 in 2013 (2013 - \$327,544) due to accounting, audit and legal decreasing to \$85,295 (2013 - \$93,066); corporate relations decreased to \$6,661 (2013 - \$10,880); office and general decreased to \$48,409 (2013 - \$70,019); wages decreased to a credit of \$58,306 (2013 - \$17,227); and consulting decreased to \$38,198 (2013 - \$88,963) due to less exploration activity in 2014.

For the year ended October 31, 2014 the Company spent \$40,507 on its exploration properties compared to \$63,403 in the prior year. In the current year there was less activity with no newly acquired properties. There was one property impaired in 2014 compared to three properties that were impaired or abandoned in the prior year.

Selected Quarterly Information

The table below outlines selected financial information related to the Company's most recent financial year and the previous two quarters, accompanied by the applicable comparative period information.

	October 31, 2014	July 31, 2014	April 30, 2014	January 31, 2014
	\$	\$	\$	\$
Income	588	(435)	(34)	3,751
Net gain (loss)	(784,358)	(60,091)	(118,246)	(51,157)
Net gain (loss) per share -basic and diluted	(0.09)	(0.00)	(0.00)	(0.00)
	October 31, 2013	July 31, 2013	April 30, 2013	January 31, 2013
Income	1,857	19,824	4,245	450
Net (loss)	(243,752)	(538,398)	(210,606)	(108,941)
Net (loss) per share -basic and diluted	(0.01)	(0.00)	(0.00)	(0.00)

For the three months ended October 31, 2014, the Company earned income, of \$588 compared to \$1,857 for the same quarter in the prior year. During this quarter there was a foreign exchange gain, and in prior year there was a foreign exchange loss.

For the three months ended October 31, 2014 the Company had a net loss of \$784,358 (October 31, 2013 - \$243,752) and a loss per share of \$0.09 (October 31, 2013 - \$0.01). This quarter the Company had total expenses of \$783,177 (October 31, 2013 - \$384,386).

Wages decreased to a credit of \$73,306 this quarter (October 31, 2013 - \$6,500) due to a decrease in the number of directors. Consulting fees decreased to a credit \$27,583 this quarter (October 31, 2013 - \$21,926) due to a decrease in management and consulting services.

Accounting, audit and legal fees increased to \$13,308 (October 31, 2013 - \$9,288) due to an increase in legal fees related to the share consolidation and private placement.

Office and general increased to \$5,787 this quarter (October 31, 2013 - \$12,681) due to increased corporate activity in the current year.

Expenditures on Mineral Properties

During the quarter ended October 31, 2014, and the quarters ended July 31, 2014, April 30, 2014, and January 31, 2014 and the comparative periods, the Company incurred the following expenditures on exploration:

	October 31, 2014	July 31, 2014	April 30, 2014	January 31, 2014
	\$	\$	\$	\$
CMB	-	-	-	-
Double Mer	-	-	-	-
Straits	-	-	-	-
Mount Benedict	-	-	-	-
Snegamook	-	-	-	-
Rambler South	-	-	-	-
Big Easy	32,661	2,486	441	4,919
Pope's Hill	-	-	-	-
Pope's Hill JV	-	-	-	-
Fish Hawk Lake	-	-	-	-

	October 31, 2013	July 31, 2013	April 30, 2013	January 31, 2013
	\$	\$	\$	\$
CMB	-	-	-	-
Double Mer	-	-	-	-
Straits	-	-	-	-
Mount Benedict	-	-	-	-
Snegamook	-	-	-	-
MRT Property	-	-	-	-
Rambler South	-	-	-	-
Big Easy	6,836	(6,218)	34,660	14,623
Pope's Hill	-	490	715	1,103
Red Wine Mountains	-	-	-	-
Pope's Hill JV	-	-	-	-
Fish Hawk Lake	187	-	-	75

The credit balances represent reallocations of expenses between the properties in the quarters reporting period. During the three months ended July 31, 2013, the Company had a net refund of expenditures for the Big Easy property of \$6,218, as a result of expenditures during the period of \$2,052 and a refund of staking claims of \$8,270 from the Department of Natural Resources for Newfoundland and Labrador.

Management's assessment of the properties' estimated current value is also based upon a review of other property transactions that have occurred in the same geographic area as that of the properties under review.

PROJECTS – GOLD/SILVER

General

Our only precious metal project, Big Easy (BE) is located in eastern Newfoundland. The property is 100 % owned, subject to an option agreement, a production Net Smelter Return (NSR) and advance royalties described in the summary following. Subsequent to year end, the Company decided not to make the annual option payment and as a result the property claims reverted back to its original owners.

Sample Preparation and Analysis

Drill core was sawed in half using a diamond saw with one half of the core retained and the other half sent for analyses. Standard QA/QC check sampling is carried out. In the Big Easy exploration, analyses for rocks and stream samples were carried out at Eastern Analytical Laboratories in Springdale, NL, a recognized local laboratory, while core samples in 2012 were analyzed at Accurassay Laboratories in Thunder Bay, ON, after sample preparation at their Gambo, NL preparation facility, while core samples in 2014 were analyzed at Eastern Analytical. Check sample analysis was carried out at either Eastern Analytical, Springdale (2012), Activation Laboratories in Ancaster, ON. (2011) or Accurassay Labs, Thunder Bay (2014). Samples were analyzed for gold by fire assay using an atomic absorption finish plus an ICP technique for other elements. Elements above the detection limit of the ICP for variously Pb, Zn, Mo and Ag were re-analysed for “ore grade” values using either a wet chemical method with an Atomic Absorption finish or more accurate ICP techniques. Exploration data including pictures, maps and data spreadsheets are on the Silver Spruce website at www.silverspruceresources.com

BIG EASY (BE)

Property Description

The 78 claim (1950 ha) property, located near Thorburn Lake in east-central Newfoundland, was optioned from prospectors Alex Turpin and Colin Kendall in April, 2010 (NR Apr. 27, 2010). The option agreement, to earn a 100% interest subject to a 3% NSR with a 1.5% buyback for \$1.5M, was a total of \$110,000 plus 1.6 M shares over 3 years (all paid). A yearly, advance royalty payment, deducted from future NSR payments, of \$20,000 per year, is payable from the 4th anniversary on. The first advance royalty payment, due in late April, 2014, has not been made as agreed to by the vendors and remains payable. The BE, low sulphidation, epithermal, mineralized zone is a new gold / silver discovery in an area not previously known to host significant gold mineralization. The zone lies in the western Avalon Zone along the northern extension of the Burin Peninsula high sulphidation belt (BPHSB) where precious metal exploration is being carried out by a number of companies and prospectors.

Exploration Summary

The BE altered/mineralized zone was found by prospecting in 1995 during follow up of an anomalous lake sediment value of 10 ppb Au in Grassy Pond, and has been staked and worked periodically since that time. Historic work, prior to 2008, located grab sample values up to 196 ppb gold and soil sample values up to 370 ppb Au. In 2008 Cornerstone optioned the property, now named Big Easy, from the present vendors. Their work located values up to 403 ppb Au and 4.6 ppm Ag in rock samples and identified muscovite, chlorite and opal, using a Terraspec instrument, indicating an argillic to sub-prophyllitic alteration setting. Further exploration was recommended however the option was terminated when priorities changed in the company. Subsequent rock sampling by Turpin, mostly from angular boulders of silicified sedimentary units, carrying banded chalcedonic quartz, argillic alteration and finely disseminated sulphides (mainly pyrite) gave values up to 997 ppb (1 g/t Au) and 150 g/t Ag, in banded quartz veins in the northeast corner of Grassy Pond, and led to the SSE option in 2010.

SSE Exploration

Exploration has included prospecting/geological mapping and geological evaluation, line cutting, geophysics (IP), trenching, an airborne survey and three phases of diamond drilling in 2011, 2012 and 2014. Prospecting has located values up to 118 ppb Au and 14 g/T Ag in angular boulders / rubbly subcrop over a strike length of 1.7 km and widths of 200–500 m with the north and south extensions lost under till / soil cover. Trenching located a value of 2.08 g/T Au over 0.7 m in a silicified sedimentary angular subcrop, in the southern part of the zone. Prospecting and trenching located colloidal, finely banded, silica, characteristic of hot spring deposits, near trench 7 near Grassy Pond, in trench 6, the southernmost trench, and as float on the quad trail just to the south of the

powerline indicating that these areas are close to, or at, the paleosurface (the surface where the hot springs formed).

The Big Easy zone occurs in the Rocky Harbour Formation of the Musgravetown Group, a red to green, sedimentary sequence dated at approx. 565-570 Ma. Banded, epithermal style, quartz veins, crosscut the bedding in the altered/mineralized zone, in the central and northern part of the property while more colloidal banded silica, which parallels bedding, indicating contemporaneous deposition with the sedimentary units, occurs in the southern and western portion of the zone. Quartz breccias, possibly related to phreatic (gas) explosions, are noted in the southernmost portion of the zone near Trench 6. Bladed textures, possibly indicative of boiling, are noted in subcrop and in drill holes in the south central portion of the zone.

Exploration along the southern extension of the Big Easy trend resulted in the discovery of similar alteration/mineralization, the ET zone, 3.5 km to the south of the BE. It consists of silicification, carrying disseminated pyrite in brecciated sedimentary units with quartz veining including chalcedonic quartz. Grab samples gave values up to 125 ppb Au and 3.5 ppm Ag, similar to surface values found on the BE zone. The mineralization has been traced by prospecting over a 400 m strike length trending approximately 170/350 degrees and a width of a minimum of 75 m remaining open along and across strike. A small soil geochemical survey was carried out over the zone in late 2014 giving low but anomalous values in Au, As, Hg and Mo. Altered (sericitized / silicified) and mineralized felsic volcanic units (Love Cove / Marystown Groups or equivalent) have also been discovered in the eastern part of the property to the north and south of Shoal Harbour Pond - these units host many of the high sulphidation altered/mineralized zones along the BPHSB.

A 349 line km, airborne, high resolution magnetic/VLF-EM survey covered the Big Easy property at 70 m terrain clearance and nominal 300 m line spacing, with 200 m line spacing over the known mineralization at the BE and ET zones, in the fall of 2012, targeted at lithologic (rock type) and structural information. The magnetic results show lows, likely representing the alteration in the mineralized zones, coincident with both the BE and ET zones, with the zones joined by a sinuous magnetic low which may represent alteration and associated mineralization (NR January 3, 2013). The sinuosity is believed to be due to crosscutting faults which offset the alteration system as shown by magnetic highs representing mafic dikes emplaced along ENE and NW trending structures. The VLF-EM survey shows the ENE and NW trends as conductive zones most likely representing water filled shear systems. The airborne data has been incorporated in the database to help plan further exploration.

Three diamond drilling phases (19 holes – 4007 m) have tested the Big Easy zone over a 1.1 km strike length. The phase 1 program, 1577 m in 7 holes (BE-11-1 to 7), was carried out in 2011 drilling to the east across the stratigraphy. All holes, **the first ever drilled on the property**, intersected strongly altered (silicified/sericitized /chloritized) and mineralized sedimentary units (NR's Mar. 24, Apr. 8, May 3, June 1, 2011), with significant gold/silver intersections. The widest/strongest intersection, in BE-11-3, gave 0.87 g/T gold (Au) and 33.5 g/T silver (Ag) over 30.5 m (228-258.5 m), including 6.05 g/T Au, 174 g/T Ag over 1.5 m (240.5-242 m) and 6.04 g/T Au, 114 g/T Ag over 1 m (245-246m); A banded, "bonanza style" 0.3 m vein in BE-11-7, the northernmost drill hole gave 335 g/T (> 11 oz/t) Ag and 2.57 g/T Au (231.3-231.6 m).

The Phase 2 drill program in 2012, 1,080m in 5 holes (BE-12-8 to 12) drilling to the west across the vein structures, tested the mineralization over a 200 m strike length in the vicinity, and north of, the intersection in BE-11-3 (NR August 16, 2012). The widest mineralized zone was located, as in the 2011 drilling, at depth in DDH BE-12-12. Values of 1.3 g/T Au and 36.7 g/T Ag over 8.7 m from 200.1-208.8 m, including 4.6 g/T Au / 101.3 g/T Ag over 2.2 m (202.2-204.4 m), including 7.9 g/T Au and 130 g/T Ag over 1.2 m (202.3-203.5m) were located. The zone is comprised of brecciated quartz-adularia veining in a black matrix of fine-grained mineralization (picture on website). Near surface, banded quartz-adularia veins, typical of epithermal systems, gave narrow, high grade, values in silver and lower but significant values in gold, as follows:

- BE-12-9 – 5.65-5.9m (0.25 m) - 276 g/T silver, 1.73 g/T gold
- BE-12-9 – 15.9-16.4m (0.5 m) - 144 g/T silver, 1.25 g/T gold
- BE-12-10 – 30.7-30.9m (0.2 m) - 191 g/T silver, 2.11 g/T gold

Extensive banded quartz-adularia veins and areas of chalcedonic (opaline) quartz up to one metre wide, but generally from 1-30 cm wide, as well as brecciation with associated veining and silicification, were noted. Orientations of the veins varied from 20 to 90 degrees to the core axis, averaging 40 to 50 degrees dipping generally steeply to the east. Most zones give true widths varying from 50-90 per cent of the intersected widths. The most significant values from the diamond drilling are summarized in the table following. Plan maps and a summary of the drilling; compilation maps of the property; and pictures showing the drilling, drill core and other exploration on the property are shown on the Silver Spruce website at www.silverspruceresources.com.

Significant Au/Ag values – Big Easy Diamond Drilling – Phases 1 and 2

Hole #	From	To	Length	Au g/T	Ag g/T
BE11-03	183	272.2	89.2	0.41	15.4
incl.	228	258.5	30.5	0.87	33.5
incl.	239	246	7	2.5	74.1
incl.	240.5	242	1.5	6.05	174
incl.	245	246	1	6.04	114
BE-11-05	97	103.5	6.5	0.16	32.2
incl.	97	98.5	1.5	0.46	49
BE11-07	41	47	6	1.36	2
BE-12-9	5	7.3	2.3	0.42	49.8
incl.	5.65	5.9	0.25	1.73	276
And	15.9	17.55	1.65	0.63	109.3
incl.	15.9	16.4	0.5	1.25	144
BE-12-10	29.6	34.2	4.6	0.62	18.4
incl.	30.7	30.9	0.2	2.11	191
incl.	33.9	34.2	0.3	4.14	90
And	101	112.25	11.25	0.8	3.8
incl.	101	102.5	1.5	1.97	4
incl.	111.5	112.25	0.75	2.28	8
BE-12-11	9.8	12.3	2.5	1.7	33.5
incl.	10.8	11.2	0.4	4.39	69
BE-12-12	200.1	208.8	8.7	1.3	36.7
incl.	202.2	204.4	2.2	4.6	101.3
incl.	202.3	203.5	1.2	7.9	130

A Phase 3 drilling program was carried out from Oct. 23 to Dec. 22, 2014. Seven (7) drill holes (BE-14-13 to 19) totalling 1391.4 m were drilled with the drilling slowed by ground and weather conditions, geological anomalies and drill breakdowns with only 3 of the 7 holes (BE-13, 15, 17) completed to planned depth. Drill holes BE-14-13 to 16 tested the 500 m, previously undrilled, central section of the Big Easy alteration zone while BE-14-17 to 19 tested under holes BE-12-9 to 11 where quartz adularia (QA) veins with Au/Ag values were located in the 2012, second phase program.

Narrow, high to bonanza grade, values were found in the QA veins and wider zones of anomalous gold and silver values were found associated with strongly altered, silicified zones cut by mm to cm scale QA veins. The highest grades encountered in the program, and in the drilling on the zone to date, were in a QA vein in BE-14-13 at 9.97 g/T Au (check 10.75 g/T) and 1094 g/T Ag (checks 1290 and 1402 g/T) over 0.2 m from 226.5 to 226.7 m (Plate 4). The QA veins are classic, banded, epithermal, low sulphidation, veins with extensive “ginguro” banding and bladed textures noted. The wider anomalous zones are characterized by values such as 38 ppb Au and 3.6 g/T Ag over 27.9 m from 61.5 to 89.4 m in BE-14-17.

DDH’s BE-14-13, 15 and 17, the holes completed to depth into the chloritized and non silicified sedimentary package below the alteration, all intersected quartz breccia just above the contact possibly indicating a healed fault system along the contact. This alteration /mineralization did not carry strong values in either gold or silver with the highest grades in BE-14-13 at 62 ppb Au and 15.2 g/T Ag over 3.55 m from 232.85 to 236.4. Strong molybdenite (Mo) mineralization was noted as fracture fillings in various locations including the footwall quartz breccia. A significant number of samples were above Eastern’s upper detection limit for Mo of 220 ppm with Mo analyses, carried out on selected samples from DDH BE-14-13 and 18 at Accurassay, indicating most were in the 200 to 500 ppm range, however values >1000 ppm were located in a number of areas with the highest in BE-14-13 - 4449 ppm (0.45%) over 0.3 m from 133.5 to 133.8 and in the quartz breccia – 1166 ppm (0.12 %) over 1.05 m from 232.85-233.9. Mercury (Hg) values from 5 to 10 ppm, up to 15 ppm, were noted in some areas generally associated with higher Ag values. These values are considered semi-quantitative since Eastern’s lower detection limit is 1 ppm for Hg. No quantitative analysis for Hg was carried out due to lack of funds. Arsenic (As) in the 200 ppm+ range also shows an association with Au and Ag although no As mineralization has been noted in the core logging and is believed that As may be found in arsenious pyrite and or sulphosalts associated with the Au/Ag mineralization. Pt/Pd analyses of the higher Au/Ag intersections gave background values.

The 2014 drill program partially tested the 500 m interval in the central part of the mineralized zone locating significant QA veins with the highest grades found to date, >10 g/T Au and > 1 kg/T Ag, indicating that “bonanza grades” exist in the mineralizing system. Only 3 of the 7 holes penetrated to the planned depth with alteration, mineralization and veins still present in those holes that didn’t get to the planned depth. Further drilling is required to test the zone at depth including under BE-14-13 which gave the highest grades intersected to date. The significant Au/Ag intersections are summarized in the following table.

Significant Values - Big Easy 2014 Diamond Drilling					
Hole #	From	To	Length	Gold (Au)	Silver (Ag)
	m	m	m	g/T	g/T
BE-14-13	133.5	133.8	0.3	0.18	128.4
	156.0	156.3	0.3	9.98	8.5
	225.1	226.7	1.6	1.43	159.2
incl	226.5	226.7	0.2	9.97	1094.0
BE-14-15	209.0	211.0	2.0	0.15	11.2
BE-14-17	121.9	122.2	0.3	1.2	3.7
	158.7	159.2	0.5	0.1	16.2
BE-14-18	47.0	47.3	0.3	0.58	44.2
	53.9	54.2	0.3	3.86	119.6
	84.8	85.3	0.5	0.42	70.6
	89.5	89.9	0.4	1.56	7.2
	92.0	92.15	0.15	1.89	33.0
BE-14-19	135.6	35.75	0.15	5.46	78.7
	140.9	141.4	0.5	1.02	2.3
	148.6	148.8	0.2	6.23	98.7
	153.7	153.9	0.2	4.49	41.3
	163.6	63.85	0.25	0.83	170.4

Mineralogy (NR Feb. 28/13)

Mineralogical studies continue at Memorial University of Newfoundland (MUN) under the supervision of Dr. Graham Layne, Associate Professor of Earth Sciences, as part of a research grant from the Research and Development Corporation (RDC) of Newfoundland and Labrador, Geo EXPLORE program, with contributions from a B.Sc. thesis by Matthew Clarke. It includes petrological examination of polished sections to identify the minerals, with follow up by scanning electron microscope (SEM) equipped with backscattered electron (BSE) imaging and energy dispersive X-ray (EDX) detectors. Selected samples from the 2012 drill program (DDH BE-12-9 to 11), as well as samples from a section in DDH BE-11-3 that assayed 6 g/T Au, 174 g/T Ag over 1.5 m, have been studied. The main goal of this preliminary work was to gain insight to the precious metal mineralogy associated with the various styles and generations of veining and brecciation in the drill core.

Native silver (Ag), electrum (Au/Ag), acanthite (Ag₂S) and unidentified silver-sulfide-selenide (Ag-S-Se) minerals are noted, mainly in “ginguro” bands (narrow erratic black bands) in banded silica (quartz) veins. The Ag-S-Se minerals occur as very fine disseminations (2-3 microns) enclosed in pyrite (FeS₂), while the native silver, electrum and acanthite are found as discrete polyminerallic grains up to 30 microns in size, averaging 10-15 microns. A sample of core from the brecciated, gold/silver rich section in DDH BE-11-3 showed one 200 micron grain of pyrite with native Ag, electrum and acanthite in fractures, which is different from numerous smaller pyrite grains in the same polished section indicating that it may have been re-emplaced from another zone deeper in the system during the periodic re-activation of the boiling / hot spring system. The native Ag-electrum-acanthite mineral assemblage is associated with well-preserved bladed features – quartz after calcite, possibly related to boiling, as shown in a sample from DDH BE-12-10.

Continued mineralogical studies of the mineralization especially from the 2014 drilling are planned in 2015.

Interpretation of Results

Adularia (potassium feldspar), colloidal silica deposits (hot spring deposits) and bladed textures, typical of boiling zones, have been found in float on surface and in drill core, indicating that the mineralized zones lie at or near the paleosurface of a large epithermal system. The presence of colloidal silica and extensive opaline to chalcedonic silica indicates that we are most likely in the upper parts of the epithermal - hot spring system, and mainly above the area where “bonanza grade” gold and silver veins would typically be found. The mineralogy is indicative of a low sulphidation “hot spring” type, epithermal system similar to those found in Nevada (Sleeper) and Japan (Hishikari). The best gold/silver intersections are in the deeper holes with significant gold/silver values over reasonable widths, and narrow bonanza grade values in silver (> 1 kg/tonne) located in the 2014 drilling.

The Big Easy property was evaluated by international expert Jeffrey Hedenquist, PhD. of Ottawa, ON. Dr. Hedenquist has practiced his profession as a geologist continuously since 1975, working as a researcher for the U.S. Geological Survey, the New Zealand Department of Scientific and Industrial Research, and the Geological Survey of Japan until the end of 1998. Since then he has been an independent consultant completing assignments in over 35 countries world-wide for over 75 clients. He publishes widely in international refereed journals on subjects related to epithermal and porphyry ore-deposit formation and active hydrothermal systems.

As required by Dr. Hedenquist in his evaluations, the “Summary” of his report follows in its entirety:

“The Big Easy prospect shares numerous features typical of sulfide-poor epithermal vein systems that have experienced little erosion. The northerly striking structures are hosted by the Rocky Harbour Formation, an arenitic sedimentary package with horizons containing a volcanic component; there are also flow-banded rhyolites present. These characteristics are due to its location in an extensional basin, a few km west of the margin of a Neoproterozoic volcanic arc.

Evidence for preservation of the paleosurface comes from the presence of finely laminated silica gels, with deposition in a lacustrine basin. Periods of syn-hydrothermal clastic input may have been caused by sudden uplift and erosion, likely due to movement on local faults in this rift setting. The subsidence was at least 25 m, possibly up to 70 m (or more), which would have progressively buried veins to a deeper level below the prograding paleosurface.

The structures outcropping at the surface range from mm-wide veinlets to meter-wide veins, at high angles to sedimentary bedding that has been tilted post-mineral ~30° to the west. Early prospecting, from 1994 to 2009, identified areas with up to ~0.4 g/t Au; since 2010 Silver Spruce has collected samples reporting up to 2 g/t Au and 13 g/t Ag at the surface. These grades are highly anomalous since the present erosion level is essentially the paleosurface, where grades in veins are typically low. The initial seven drill holes in 2011 (1577 m) along more than 900 m of north-south strike extent (with a drill gap of ~500 m) encountered narrow veins. At the southern and northern limits of drilling, intervals of 1.5 to 1 m contain up to 6.05 g/t Au and 174 g/t Ag, and 7.65 g/t Au and 10 g/t Ag, respectively. These results come from 30 to 170 m depth, i.e., near the top of the epithermal environment, and indicate the potential for grade development at Big Easy. The veins show evidence for banding, including colloform bands, zones of quartz that have replaced bladed calcite and quartz-adularia intergrowths (all three consistent with boiling in fractures), and rare occurrences of bands of acanthite; these features are typical of low-sulfidation epithermal veins. The second round of drilling did not penetrate below the initial higher grade zones, which is necessary to determine the potential for deeper bonanza grades that are the hallmark of the most notable examples of this deposit style. In addition, the effects of the now-tilted faults on vein continuity with depth, remains to be determined.

The large strike extent, 900 m, of significant grades (up to ~8 g/t Au and 170 g/t Ag over ~1 m widths at shallow depths, <170 m depth below the paleosurface), indicates a potential that has yet to be adequately tested. The soil results indicate that the prospect may be open to the north; the occurrence of the ET zone, ~3.5 km south, indicates further potential to the south. Thus, there is potential to be tested both along strike as well as at depth, at least to ~250 m below the present surface to determine if there is a sharp top to a possible bonanza-grade shoot.”

The evaluation by Dr. Hedenquist has confirmed that the Big Easy zone has many characteristics of typical low sulphidation, epithermal systems, and although comparatively old, dated at about 565-570 Ma, the system is relatively pristine and undeformed although it may be tilted. Textures and veins in outcrop indicate that the present surface is the paleosurface (i.e., historical surface where hot springs were present) and that high-grade

gold-silver veins, if present, should lie deeper (with tops up to 250-300+ m vertical) below the present surface, and that this potential has not been adequately assessed by the exploration carried out to date.

Planned Exploration – 2015

Only limited exploration was conducted in late 2014 before the Company decided not to pursue the property any further.

Impairment

Subsequent to year end, the Company decided not to make the annual option payment on the Big Easy property which has resulted in the claims reverting back to the owners. As a result, an impairment of \$856,197 was recognized during the year ended October 31, 2014.

URANIUM - LABRADOR

General

In 2008 the Nunatsiavut Government (NG) instituted a 3 year moratorium on uranium mine development in their territory until a land use plan was developed. The land use plan remains under development; however the moratorium was lifted when the NG Environmental Protection Plan came into force on March 9, 2012. The imposition of the moratorium combined with a drop in uranium prices has made it impossible to raise money for uranium projects in Labrador. The Paladin Energy purchase of Aurora Energy, and their Michelin/Jacques Lake deposits, and their stated intention of proceeding to production after more definition drilling to increase the resource, is a significant positive sign for the area, although recently the pace of exploration / development has been reduced considerably due to the U price and their commitments in Australia and Namibia. Positive news on the uranium price and the resultant availability of financing could result in a re-activation or JVs on our uranium projects. In the meantime the projects have been consolidated and most can be maintained for a number of years, until uranium prices rebound, without any more exploration required.

The Company's U projects are described following although the descriptions have been shortened considerably from earlier versions of the MD and A to save money on printing since no exploration has been carried out for a few years. For more detailed descriptions, the reader is requested to see earlier versions of the MD and A as filed on our website and SEDAR.

THE CENTRAL MINERAL BELT (CMB)

Background/Regional Activity

The CMB was the most active uranium exploration area in Canada, after the Athabasca Basin, up until late 2008. In 2003, the Fronteer/Altius joint venture (now **Aurora Energy/Paladin**) was formed to evaluate the iron oxide copper gold (IOCG) potential of the CMB. During this work the potential for shear zone hosted uranium was noted at the Michelin and other deposits and with an increase in the price of uranium at that time, emphasis was then placed on uranium as a commodity and blanket staking of Brinex showings, discovered in the 1950's and 1960's, was carried out. In September 2009, Aurora announced a positive preliminary economic assessment for the Michelin project producing up to 3300 tonnes of uranium oxide (U_3O_8) per year. The deposits have measured and indicated resources of 35,000 tonnes of U_3O_8 , plus 16,000 tonnes inferred resources. In early 2011, Paladin Energy purchased the Aurora Energy assets and indicated that they intend to move to production after continued definition drilling to enlarge and better define the resource. The drop off in U prices has resulted in a slowdown of their exploration efforts at the property as they prioritize projects in Australia.

Jet Metal Corp – TSXV - JET (formerly Crosshair Energy) optioned the Moran Lake property - copper/uranium/magnetite/hematite/vanadium zones, discovered and drilled by Shell Canada in the 1970's, in 2006/2007. A NI 43-101 compliant resource, in the C Zone, Armstrong and Area 1 zones, of approximately 5.2 million lbs indicated and 5.8 million lbs inferred U_3O_8 was announced in August 2008. The company has recently dropped the option on the property due to lack of cash and a very high advanced royalty payment. In

2008, Crosshair purchased a 60 % interest in the CMBJV with Silver Spruce, including the Two Time zone, from Universal Uranium and is now the operator of the JV although no recent exploration has been carried out.

SSE holds a 2% NSR on the properties in the CMBJV held by Jet (NR May 31, 2012) meaning that SSE will share in any successes on the CMBJV properties without any further expenditures required and any further drilling successes on the Two Time deposit will greatly enhance the exploration potential of the 100% owned, Snegamook property and adjoining Fish Hawk Lake property, which lie immediately to the south along the TT trend. Crosshair's last drilling on the Two Time deposit in 2011/12 was approximately 50 metres to the north of the Snegamook boundary and U mineralization was encountered in all holes. No work was carried out in 2013 or 2014 and as far as known none is planned for 2015.

SILVER SPRUCE WHOLLY OWNED PROPERTIES (100%)

Silver Spruce owns a 100% interest in 480 claims (120 km²) in 5 uranium properties in Labrador. They include - Snegamook (86), Fish Hawk Lake (73), Double Mer (74), Straits (17) and Mount Benedict (247). The company also retains a 2% net smelter return (NSR) on the Central Mineral Belt Joint Venture (CMBJV) properties, a total of 528 claims including the Two Time zone. The Snegamook, Double Mer, Straits and Mount Benedict properties are subject to NSR's as described in the property descriptions.

Planned Exploration - 2015

No uranium exploration has been carried out since 2010 and none is planned in 2015 unless uranium prices increase to allow financing for uranium exploration. The properties have been downsized to the areas of highest potential by reductions / consolidations allowing the assessment credits to carry forward for a number of years. Some of the properties are joint venture possibilities especially as prices rise.

Impairment

The property expenditures have either been written down or off due to the inability to raise funds for further exploration over the past few years.

SNEGAMOOK LAKE (SN)

Property Description

The property, located to the southeast of Snegamook Lake in central Labrador, in the western part of the Central Mineral Belt (CMB), consists of 86 claims (21.5 km²), and is surrounded by the CMBNW JV property to the north, west and east and the "Fish Hawk Lake" property to the south. The Company has earned a 100-percent interest subject to a two-percent NSR. The property is located outside Inuit lands on lands subject to the Labrador Innu Land Claim.

Exploration Summary

Exploration from 2006 to 2008 included: an airborne radiometric / magnetic survey, prospecting, lake sediment sampling, line cutting, RadonEx radon gas surveys, prospecting and diamond drilling (53 holes, 13,765.3 m).

The property hosts the Snegamook zone, on strike to the south of the TT zone, and the Near Miss prospect. At the Snegamook zone, seventeen (17) drill holes intersected a 20-50 m wide zone of U bearing, brecciated/alterred monzodiorite over a strike length of 300 m, to a vertical depth of 200 m, the same geological setting as the TT Zone. The zones are shallow dipping and vary in width from 5-53 m, with grades ranging from 225 to 771 ppm (0.023-0.077%) U₃O₈. The widest section in SN-08-8 averages 206 ppm U₃O₈ (0.021% - 0.41 lb/ton) over 73 m, similar to values located in early drilling on the TT zone. The Near Miss zone gives erratic U mineralization in hematized, brecciated, granitic to monzodioritic units with one meter intervals giving values from 113-2,117 ppm (0.011-0.21%) U₃O₈ with the widest intersection averaging 213 ppm U₃O₈ (0.021%, 0.43 lb/ton) over 16 m, including 1 m at 0.21% (4.23 lb/ton) U₃O₈. Crosshair's drilling on the TT is approximately 50 m from the north boundary of the SN property, indicating the likelihood that the TT zone continues onto the SN property at depth. Further exploration is warranted along the TT-Snegamook trend and in other prospects such as the Near Miss.

No exploration has been carried out since 2008 however the property can be maintained without further work until 2017. No exploration is planned for 2015 unless financing permits. It is an obvious joint venture possibility.

Impairment

The last of the exploration expenditures were written off in 2012.

FISH HAWK LAKE (FHL)

Property Description

The property, located to the southeast of Snegamook Lake in central Labrador, in the western part of the Central Mineral Belt (CMB), consists of 73 claims (18 km²) after reductions and consolidations carried out in 2012 and 2013. It is surrounded by the CMBNW JV property to the east and the Snegamook property to the north. It was purchased from Virginia Energy in August 2012 (NR August 7, 2012). It is 100% owned subject to a two-percent NSR with a 1% buyback for \$500,000. The property is located outside Inuit lands on lands subject to the Labrador Innu Land Claim.

Exploration Summary

Exploration in 2006/07 by Santoy Resources (predecessor to Virginia Energy) included: an airborne radiometric / magnetic survey, prospecting, geological mapping, lake sediment sampling and diamond drilling. The property covers a number of significant uranium showings, including the Anomalies 7, 7a and 17 (A7, A7a, A17) showings discovered by Canico in the late 1970s and the Fish Hawk Lake North, Central and South (FHLN,C+S), Brook and Whiskey Jack showings/occurrences discovered by Santoy. Twenty Six (26) drill holes have tested the area: eight on A7 by Canico, as well as three on A7, 13 on FHLS and two on FHLN by Santoy. No exploration has been carried out since 2007. Highlights of the drilling include:

- Anomaly 7 – 0.13% U₃O₈ / 23.4 m, incl. 0.25% / 9.7 m
- FHLS - 0.063% U₃O₈ / 27.9 m, incl. 0.18% / 4.5 m and 0.106% / 9.9 m in FHLS-07-3

Narrow high grade zones in uranium with copper (Cu) and silver (Ag), were noted in Santoy drilling, FHLS-07-9 – 1.15% U₃O₈, 0.79 oz/T Ag, 0.5% Cu / 0.94 m. Mineralization is hosted in at least two different geological settings - fractured to brecciated, hematized granodiorite, similar to that in the TT and Snegamook zones, as well as unconformity-related mineralization along the contact between a fault-bounded wedge of Moran Lake sedimentary units and Archean basement intrusives. The zones have been mapped by drilling and surface outcrop and float, with strike lengths from 250 to in excess of 400 m, and to depths of greater than 100 m.

Planned Exploration

The property has been reduced / consolidated and will be maintained without further work into 2016. No exploration is planned for 2015 unless prices increase and financing becomes available.

Impairment

The last exploration expenditures of \$84,845 were written off in Q4 2013.

DOUBLE MER (DM)

Property Description

The property consists of 74 claims (18.5 km²), located in the Double Mer-Lake Melville area, on the north side of Lake Melville, in Labrador, approximately 110 kilometres to the east of Happy Valley-Goose Bay. The property was acquired by staking in 2006 in an arm's length deal with a local prospector who retains a 1% NSR. The property lies within Labrador Inuit Settlement Area (LISA) lands and covers strong uranium in lake sediment anomalies in leucogranites of Helikian age. It was reduced in size to cover significant U radiometric anomalies and showings in early 2012 to allow retention without continued work until 2015.

Exploration Summary

Exploration has included: an airborne radiometric/magnetic survey in 2006, data compilation, prospecting, geological mapping, geochemistry (streams, soils) and ground geophysics (scintillometer/radon gas) from 2006-08. The property is characterized by a linear, 10 km long, airborne radiometric anomaly. It hosts two styles of U mineralization: 1) pegmatite-hosted and 2) structurally controlled in brecciated and/or mylonitized zones in polydeformed gneisses. Prospecting (grab samples) located seventy-six (76) values >500 ppm (0.05%) U₃O₈ with forty-two (42) >1,000 ppm (0.1%), seven over the 95th percentile of 2,200 ppm (0.22%) and a high of 4,281 ppm (0.43%) U₃O₈. Uranium in soil values up to 208 ppm (bg <10 ppm) and radon gas anomalies occur over the mineralization, over widths up to 30 m mainly in areas associated with short, steep scarps characterized by breccia units. Mineralization also occurs in a highly deformed pegmatite up to 40 m, but generally 5-10 m wide which can be traced over a minimum strike length of 300 m. No follow-up trenching or drilling has been carried out. Ground follow up by trenching and drilling is required to evaluate the uranium potential.

Planned Exploration

No exploration is planned for 2015 with further work dependent upon U prices and financing availability.

Impairment

The last exploration expenditures were written off in 2012.

MOUNT BENEDICT (MB)

Property Description

The property, totalling 247 claims (62 km²), is located in the Benedict Mountains area, near the Labrador coast, in the eastern part of the CMB, approximately 180 kilometres northeast of HVGB and 50 km to the south of Makkovik. The claims are 100% owned by Silver Spruce, subject to a one percent NSR on the original staked property. It is located in part on Labrador Inuit Land (LIL), with the remaining part on LISA lands. The property covers uranium in lake sediment anomalies hosted in felsic plutonic rocks of the Benedict Mountains Intrusive Suite (BMIS), with some felsic supracrustal units of the Aillik Group, the host for the Michelin deposit which is located to the southwest of the property. The property remains in good standing until at least 2018 without further work required.

Exploration Summary

Exploration has included: compilation, airborne radiometric/magnetics, prospecting, geological, geochemical, geophysical and radon gas surveys, stream sediment geochemistry, line cutting, environmental baseline and archeological studies, followed by diamond drilling. The property has two significant U prospects, in the northern part of the property, the **AT-649** and the **T Super 7** zones. At the **AT-649** - Five representative grab samples from outcrop, in a 10 m area, off scale on the scintillometer, averaged 0.497% U₃O₈, defining a high grade U zone at least 10 m wide, exposed in a small brook flowing into Stag Bay. Float boulders downstream from the showing give values from 0.06 to 3.37% U₃O₈, with three values >1%. The host rock is a moderately to strongly hematized felsic to mafic intrusive which has been fractured and veined with uraninite/pitchblende and magnetite. The high grade zone has not been tested directly due to environmental regulations which require a set back of a minimum of 50 m from the brook. Diamond drilling (1,263 m in nine holes) has defined a zone of low grade mineralization hosted in a sheared and altered monzonite to monzodiorite possibly related to the high grade mineralization. The zone varies from 4 to 16 m wide, giving U₃O₈ values of up to 598 ppm (0.06%, 1.2 lb/ton)

over 1 m and intersections of 4.3 m at 0.025% at a vertical depth of 40 m. The zone was tested over a strike length of 150 m and to a vertical depth of 75 m and remains open along strike and to depth.

The T Super 7 is located 4.8 km to the southwest of AT-649. It carries U mineralization in bedrock with grab sample values from 500 ppm (0.05%) to over 1% (20 lb/ton) U_3O_8 . Tested by seven holes totalling 968 m, the drilling indicates weak to moderate mineralization over good widths. Mineralization in DDH MBS7-08-5 is hosted in a northeast trending mylonite zone which carries two separate mineralized zones: 27 m (5-32 m) at 138 ppm (0.014%) U_3O_8 and 22 m (44-66 m) at 278 ppm (0.028%) U_3O_8 in a highly altered felsic intrusive or volcanic unit. An 8 m wide section, from 51 to 59 m grades 444 ppm (0.044%) U_3O_8 . Geological mapping indicates a minimum strike length of 300 m, remaining open along strike to the northeast and southwest and radon gas surveys give strong anomalies over a minimum 750 m strike length coincident with the zone. The mineralization is similar to the AT-649, developed along a major northeast trending structure which trends through, and is associated with, the AT-649 mineralization. Further work, including diamond drilling, is warranted along the 649/Super 7 trend.

Planned Exploration

No exploration is planned for 2015 dependent upon uranium prices and financing or JV opportunities.

Impairment

The last exploration expenditures were written off in 2012.

JV PROPERTIES - CENTRAL MINERAL BELT JV (CMBJV) – SSE – 2% NSR

The CMBJV properties consist of 528 claims (132 km²) in the Central Mineral Belt (CMB) of Labrador. The properties are proximal to the Michelin, Moran Lake and other uranium showings and are located, to the west of and inland from, the coastal Postville-Makkovik area of Labrador, approximately 150 kilometres northeast of Happy Valley-Goose Bay. Licence 18131M (124 claims) in the CMBNW property was ceded to Lew Murphy, the vendor of the Moran Lake property, due to an area of influence, when Jet Energy dropped the option on the Moran Lake property however under the CMBJV agreement, the 2% NSR to SSE continues on this property. The CMBJV claims were acquired by staking in 2005/06 to cover uranium in lake sediment anomalies, hosted in volcanic, sedimentary and plutonic rocks. Silver Spruce's original joint venture partner, Universal Uranium, earned a 60% interest in the CMBJV in March 2007 by spending \$2 million in an option agreement. UUL sold its 60% interest to Crosshair (now JET Metals) in May 2008, for 10 M Crosshair shares plus \$500,000, with UUL retaining a 2% NSR on the 60% purchased. Crosshair took over the operatorship of the JV when SSE reverted to a 2% NSR on the properties. SSE declined to participate in the exploration programs and was diluted to a 2% NSR according to the formula in the JV agreement (NR May 31/12).

Exploration Summary

Exploration consisted of a helicopter-borne radiometric/magnetic survey, a limited airborne gravity survey over part of the CMBNW property, prospecting using scintillometers, lake sediment, soil and radon gas geochemistry, ground scintillometer surveys, geological mapping, trenching and diamond drilling. Follow up on the airborne radiometric survey in late 2006 by SSE, led to the discovery of the Two Time zone on the CMBNW property, the only significant new uranium discovery in the CMB since the early days of exploration in the CMB by Brinex, Canico and Shell in the 1950's to 1980's. The global financial crisis in 2008 / early 2009 and the resulting budgetary restraints, the NG uranium moratorium and the price of uranium, has limited exploration to that required to keep the properties in good standing for the last few years. Crosshair (now Jet Energy), as operator, in consultation with SSE, carried out exploration in 2009/10 aimed at consolidating, reducing and retaining those properties which showed the most potential. Three new uranium prospects were discovered on the CMB JL (2) and CMB NE (1) JV properties with values up to 0.46% , 0.28% and 0.1% U_3O_8 in selected grab samples from the three showings (NR Feb. 8/11).

The Two Time (TT) U deposit, located on the CMBNW property has an NI 43-101 indicated resource of 2.33 M lb. (1.82 MT at 0.058% U_3O_8) and an additional inferred resource of 3.73 M lb. (3.16 MT at 0.053% U_3O_8). The zone remains open along strike and at depth and Jet has continued exploration drilling to the south towards our Snegamook property, with drill holes within 50 m of the north boundary of the SN property. In 2011 drilling at

the Firestone Showing, located 7 km to the southeast of the TT Zone, gave 3.5 m at 0.084% U₃O₈, including 0.5 m of 0.519% U₃O₈ (DDH FS-11-007). The 2% NSR on the CMBJV properties means that Silver Spruce will benefit from continued exploration on the TT zone and the other prospects in the JV area without any further expenditure.

Crosshair reported (NR August 22, 2012) that drilling on the Two Time deposit intersected mineralization over a significant interval giving 0.031% U₃O₈ over 28.5 m including 4 m at 0.051% and 3 m at 0.074%, indicating the deposit is continuous to the south along strike and down dip. Drill hole CMB-12-49 is a 50 m step out to the south from previous holes that were drilled in 2011, lying approximately 50 m to the north of the north boundary of the Snegamook property, which is owned 100% by Silver Spruce. The drilling enhanced the prospectivity of our Snegamook and Fish Hawk Lake properties which lie along strike of the TT deposit to the southeast covering the extension of the TT geological units. No exploration has been carried out since and as far as known, none is planned for 2015.

Impairment Issues

Since SSE has no further participating interest in the CMBJV properties the remainder of the exploration costs were written off in 2012. The company retains a 2% NSR on any production from the properties however no value can be placed on this at this point as production is not imminent.

RARE EARTH ELEMENT (REE) PROPERTIES

The Company holds two rare earth element (REE) properties totalling 79 claims (20 km²) in Labrador – the Pope's Hill (PH), and Straits. The properties are 100% owned by Silver Spruce, subject to net smelter returns (NSR's) on the Straits property as described in the property descriptions. A 50/50 joint venture with Great Western Minerals Group, the Popes Hill JV, covered part of the 100 km long PH trend however the claims in this agreement were cancelled in the 3rd quarter and the agreement is now terminated.

Compilation maps showing the property locations, the geophysical and geochemical results, a diamond drill plan map plus a summary of the drill hole and trench data on the Popes Hill property and data and pictures from the Company's REE projects can be viewed on the company website at www.silverspruceresources.com. The Company's REE projects are described following although the descriptions have been shortened considerably from earlier versions of the MD and A to save money on printing since no exploration has been carried out for a few years. For more detailed descriptions, the reader is requested to see earlier versions of the MD and A as filed on our website and SEDAR.

Exploration

Exploration included an airborne radiometric/high resolution magnetic and VLF-EM survey along the 100 km long PH trend, regional stream sediment geochemistry and prospecting/geology and trenching, washing, cutting and sampling of the trenches and gridding on the original PH property. The ST properties were evaluated by limited prospecting and sampling using helicopters for access with compilation and report writing carried out in 2012, in order to maintain the most significant claims. No exploration has been carried out since 2012.

Planned Exploration

No exploration is planned in 2015 unless financing opportunities for REE exploration are available. The properties have been reduced / consolidated to allow the main prospects to be retained for the longer term. The main Popes Hill property is considered a JV opportunity for companies involved in REE exploration.

Impairment

All exploration costs have been written off.

POPE'S HILL (PH) – 100 % OWNED

Property Description

The PH trend extends in a generally E-W to NE-SW direction from the Pope's Hill area, approximately 100 km from Happy Valley/Goose Bay (HVGB) on the Trans Labrador Highway (TLH), along and parallel to the Churchill River. The property totals 62 claims (15.5 km²) after regional properties, with limited potential, were dropped. The claims cover REE showings, and structural features defined by government mapping. REE mineralization, discovered by SSE, is associated with syenitic intrusive units in the gneisses at the MP trend and with pegmatites to the south of the MP trend on the original PH property. No previous REE or other exploration is documented for the area.

Exploration Summary

Uranium, thorium and REE mineralization was located in 2006 while prospecting for uranium. No further work was carried out in 2006 due to the lack of interest in REE's and the property was not staked until spring 2010, when interest in REE's peaked. A prospecting / sampling program (31 samples) using scintillometers to locate radioactive mineralization in the fall of 2010 gave anomalous total rare earth element plus yttrium (TREE) values with 16 > 5%, and 5 > 10% with a high value of 24.1% (NR Oct. 28, 2010). TREE values varied from a low of 0.07% to a high of 24.07% averaging 5.73%, which included 7 "host rock" samples, with values 0.4% or lower. Samples are rich in light rare earth elements (LREE), but the more anomalous values give higher values in HREE up to 7.5% percent of the REE. Significant values in Nb, Zr, Th and U were also noted. The anomalous trend was traced over a 7 km strike length extending to the east, approximately 4 km, and to the west, approximately 3 km, from the MP showing in the bedrock pit by the TLH. The highest REE values were in a dark grey to black sub-metallic to glassy mineral, in segregations which are variably non-magnetic to moderately magnetic. All of the REE bearing samples are weakly to moderately radioactive with significant Th content (up to 0.7%) but generally 0.1-0.3 % and minor uranium values (up to 461 ppm but generally < 100 ppm). Overburden depths are 1-2 m maximum with scarce outcrop away from the road. The rock unit hosting the REE mineralization is a peralkaline, syenitic unit of late Paleoproterozoic age which hosts green pyroxene crystals. Magnetic, VLF-EM and radiometric (spectrometer) surveys were carried out with lithological/alteration trends noted striking in a 070 degree (ENE) direction and magnetics indicating crosscutting, probable fault or shear structures, trending at approximately 150/330 degrees, one of which passes through the area of the MP pit. Radiometric results were inconclusive due to the limited area covered and the inclement weather however radiometric anomalies were defined in the MP showing area.

Exploration

A total of 1120 m in 10 holes (PH-11-1-10) tested the MP showing in the bedrock pit and another close by target on the Trans Labrador Highway (TLH) (NR March 3, 2011) in February 2011. The drilling was designed to test TREE mineralized bedrock and float samples from the pit, VLF-EM anomalies thought to represent shear systems, and magnetic anomalies which could reflect the variably magnetic TREE mineralization. The drilling tested an approximate 700 m long zone of the known 7 km mineralized trend, mainly in the MP pit area. All drill holes were at least partially sampled using radioactivity (Th content) as a guide, visual identification of prospective zones and magnetically anomalous areas. Wide zones, up to 140 m of > 0.1 % REE mineralization, were intersected with 4 holes giving widths in the 50 m range. Narrow (0.1-0.3 m) zones of higher grade TREE values in the 1 to 6 % range are also found throughout most of the drill holes. Strong Zr values generally >1,000 ppm (0.1%) were noted over wide intervals associated with the REE mineralization (NR March 29, 2011). The diamond drilling defined an area of anomalous REE mineralization hosted in syenitic units in the granitic gneisses, however the high grade REE segregations noted on surface in the pit were not intersected. Geological mapping indicates that the area is cut by numerous faults making structural control more difficult than expected and possibly disrupting the REE bearing units. High grade REE mineralization was located in exploration in 2011 along trend further to the east, however no drilling has tested these showings.

Mineralogy

A REE mineralogical research study was carried out at Memorial University of Newfoundland (MUN), under the supervision of Dr. John Hanchar, the Head of the Department of Earth Sciences. It was partially supported through a GeoEXPLORE research grant from the Research Development Corporation (RDC) of Newfoundland

and Labrador. REE rich rock samples representative of the mineralization were evaluated. Results indicate that the REE from the MP trend of the Pope's Hill prospect are primarily hosted in allanite, titanite, monazite and britholite, with trace amounts hosted in fergusonite, REE-carbonates and apatite. The total average rare earth oxide (REO) composition of the sample was 17.5 wt %, with the percentage contributed by each mineral: allanite - 47.6 %; high-REE titanite - 24.1 %; monazite - 16.7 %; both varieties of britholite (high-REE and low-REE) - 11.1 %; and the rest in fergusonite, REE carbonate and apatite. Disseminated allanite and monazite were also noted in the adjacent host rock units in the thin section analysis.

Prospecting/Geological Mapping

Prospecting using scintillometers to locate radioactive mineralization on the MP trend traced the REE mineralization in outcrop over an approximate 2.8 km strike length (NR Aug. 9 and Aug. 30/11). The zone is laterally continuous, extending eastward from the MP showing in the pit on the TLH and to the north of the pit, through the T1 and T2 showings located 800 and 1,100 m, respectively, to the T5 and T6 showings located 2,000 and 2,200 m respectively, in the vicinity of the brook where a boulder running 24.1% TREE was found in 2010 (NR Oct. 28, 2010). Outcrops with massive segregations are located at the MP showing, and in all the "T" showings with other areas of mineralization noted between the showings but not fully exposed. The mineralized unit, a syenitic unit, conformable with the granitic gneisses, a minimum of 10 m wide, carries green pyroxene crystals, as phenocrysts or porphyroblasts, up to 5 cm long, and is open along strike to both the east and west. The massive, high grade, segregations, up to 30 cm wide, which typically run 10-25% TREE, are characterized by pinch and swell structures with at least two parallel massive segregations, separated by 5-6 m of host rock, noted in the T2, T5 and T6 exposures, with other parallel zones carrying narrow veins and disseminations in the host unit. Other massive segregations are exposed in hand dug pits up to 30 m across strike from the "T" showings. These may be part of the same system indicating the mineralized unit could be much wider than now exposed.

The 136 samples taken from the moderately to highly radioactive, massive segregations and adjacent host rock along the MP trend give HREE percentages ranging from 1.1% to 47.6%, averaging 8.4%, including 45 values > 10% HREE (NR Aug. 30/11). Average values for REEs are: 1.00% La, 2.14% Ce, 0.26% Pr, 0.84% Nd, 0.14% Sm, 44 ppm Eu, 0.10% Gd, 149 ppm Tb, 750 ppm (0.075%) Dy, 130 ppm Ho, 314 ppm Er, 37 ppm Tm, 191 ppm Yb, 25 ppm Lu and 0.28% Y. Thirty (30) samples gave P₂O₅ values > 2% with a high of 11.6% and preliminary mineralogy studies have shown that REE mineralization, with higher HREE content, is present in apatite (calcium phosphate) and apatite content should be reflected by P₂O₅ values. Thorium values for the radioactive, higher grade, REE samples, are generally in the 0.2% to 0.4% range.

In the T1 / T2 area, over an approximate 600 m strike length, 28 outcrop/sub crop grab samples gave an average of 8.6% TREE including 6 host rock samples with values <1% (0.1 to 0.9%) (NR Aug. 30/11). HREE values ranged from 2.7% to 47.6%, averaging 12.7%, with 16 > 10% HREE. The average values for the REE's are: 1.67% La, 3.64% Ce, 0.41% Pr, 1.54% Nd, 0.26% Sm, 62 ppm Eu, 0.2% Gd, 287 ppm Tb, 0.15% Dy, 261 ppm Ho, 633 ppm Er, 74 ppm Tm, 379 ppm Yb, 49 ppm Lu, and 0.57% Y. These are selected grab samples and as such they are not representative of the overall values in the zone.

A trenching program along the MP trend carried out in 2011 (NR Aug. 31, Sept. 27, Oct. 20 and Nov. 3/11) to exposed the favorable, REE anomalous, syenitic unit which carries the high grade segregations. A series of 14 trenches from 100 to 500 m apart were dug to give grade / width information on the zone over a 2.5 km long trend. Radioactivity, representing Th bearing minerals associated with the REE mineralization, was used to guide the trenching and sampling. Ten of 14 trenches were washed, mapped and channel sampled with approximately 290 samples taken over widths varying from 10 cm to 2m. Trenches 9, 10, 13 and 14 were not sampled due to low radioactivity and the lateness of the season, with snow and ice conditions making exploration difficult.

Total Rare Earth Oxide plus yttrium oxide (TREO) results give wide (up to 30 m) low grade zones grading 0.2% to 0.75% TREO, narrower (>3 m) medium grade zones >0.75% TREO and narrow zones (<1 m) of high grade values >3% TREO (NR February 9, 2012). The highest values were found in the T1 to T5 area in trenches 3, 4, 5, 6, 7 and 11. Some trenches gave anomalous values over the entire exposed zone, including: Tr 7 - 0.71% TREO / 22.6 m; Tr 5 - 0.74% TREO / 9.5 m; and Tr 11b - 1.29% TREO / 5.7 m, indicating that the zones could be much wider. The highest individual value was 16.88% TREO / 0.3 m in Tr 11b, located near the 24% TREE boulder found in 2010.

Heavy rare earth oxide (HREO) percentages of the TREO range from 3.6 to 20.3 %, generally 5-13 %, with dysprosium oxide being one of the higher HREO, in the syenitic units. Narrow high grade zones, related to the massive segregations, “carry” the mineralized zones in most instances; however, significant background values in the 0.1 to 0.5 % range are noted through the syenite that hosts the mineralization. Values of 0.84 % TREO / 9 m, including 1.24 % / 1.6 m, were found in Trench 15, in the pegmatitic material near the TLH. HREO was 2.8-4.9 % of the TREO. Zirconium (Zr) values in the REE mineralized zones along the MP trend are mainly in the 500-1500 ppm range, with a high value of 2.32 % noted in trench seven. Trench 15, in the pegmatites, has generally much higher Zr values, in the 1000-9000 ppm (0.1-0.9 %) range. Thorium (Th) values are generally 2-500 ppm in the REE mineralized areas, with a high of 0.31 % (3100 ppm) noted in trench 11b. The host syenite units strike at approximately 70 degrees and dip to the south (toward the TLH) at approximately 30-40 degrees, parallel to the gneissosity of the geological units. True width of the zones is estimated at 70-90%, depending upon the steepness of the hill where the mineralization occurs.

Regional Exploration

Airborne magnetic/radiometric/VLF-EM surveys, stream sediment geochemical sampling and concurrent prospecting were completed over prospective areas to the north and west of the Churchill River over the former 100% owned SSE properties (NR Aug. 30/11). A number of radioactive zones were noted in the scintillometer prospecting surveys and areas of anomalous stream sediments some with contiguous anomalous rock samples were located. No follow up has been carried out.

Planned Exploration

No exploration is planned for 2015, due to lack of funding for REE projects. The area has JV potential due to its location along the TLH.

Impairment

The remaining balance of exploration expenditures were written off in Q4, 2013.

POPES HILL JV – 50 % INTEREST

Property Description

The last of the claims in the Popes Hill Joint Venture (PHJV) along the PH trend, a 50/50 JV with Great Western Minerals Group (GWMG) (NR Nov. 30, 2010) as the operator, were cancelled in the 3rd quarter due to lack of assessment credits. The claims covered grassroots areas considered to be prospective for REE mineralization based on geology, geochemistry (lake sediment results – anomalous La and Ce) and structural features.

Exploration

Regional exploration including airborne radiometrics/magnetics/VLF-EM, prospecting, geological mapping, and geochemistry, was carried out in 2011. A number of anomalous areas were defined by the stream geochemical survey with some anomalous REE values located in associated rock samples although no significant mineralization was noted. No follow up was carried out.

Impairment

No exploration has been carried out since 2011 and the claims were cancelled in the 3rd quarter. All remaining exploration costs related to these properties were written off in Q4, 2013.

RWM

Property Description

The last claims in the property, which covered the second highest heavy rare earth element value, >80 ppm HREE (Eu, Tb, Yb and Lu), in the Government lake sediment database for Labrador, were cancelled in the 4th quarter. The property was located in the southern Red Wine Mountains, approximately 30 km to the east of the Orma Lake road which provides access to the Churchill Reservoir area.

Summary

The highly anomalous lake sediment sample includes 210 ppm Ce, 240 ppm La, 11 ppm Lu, 18 ppm Rb, 48.9 ppm Sm, 12 ppm Tb, 14.5 ppm U and 62 ppm Yb plus elevated F. Eu, Th and V give background values. Another lake sediment sample in the same area is also moderately anomalous in REE. The geological setting is described in government mapping as late paleoproterozoic granite, quartz monzonite, granodiorite, syenite, and quartz diorite, lying just to the south of the Red Wine peralkaline suite.

Exploration Summary

An airborne radiometric / magnetic survey in July 2010 showed coincident U/Th/K anomalies in two areas of the claim group, in the southwest and northeast, underlain by magnetically low units, which are separated by a magnetically high area. A one day field visit, using a helicopter, located radioactive floats in the area of the radiometric anomalies. Six grab samples gave anomalous values in La >100, high 2,510 ppm; Nd>100, high 1,520 ppm; and Ce>200, high 4,360 ppm; Anomalous values were also found in Th>200, high 3,480 ppm with two values >2,000 ppm; and Zr>1,500, high 1,625 ppm against a background of 50 ppm. The highest/most coincident anomalous values were found in the mafic volcanic sample from the northeastern portion of the property. The area is primarily boulder fields and eskers with no outcrop noted (NR Sept. 27/11). Results indicate an average of 0.89% TREE with 7 samples giving TREE values >1%, with a high of 2.58%. The samples are predominantly LREE enriched. Generally, samples >1% TREE gave lower HREE percentages in the 5-15% range. Samples with lower TREE values (in the 0.4% range) give HREE percentages averaging 9.8% with the highest at 56.5%.

Impairment

The property expenditures were written off in 2012.

STRAITS (ST)

Property Description

The project, located in the Straits of Belle Isle area of southern coastal Labrador, between Mary's Harbour and Red Bay, consists of 17 claims (4 km²) in three small licences. It was acquired for its uranium potential however REE potential has been noted and the property is considered a U/REE property.

Exploration Summary

The area was staked in 2006 to cover uranium in lake sediment anomalies associated with a north-northwest trending fault structure in Proterozoic, metamorphosed, felsic volcanics, now orthogneiss. The vendor retains a 1 % NSR on the original staking plus an AOI around the original property. Exploration has included lake, stream sediment and soil geochemistry, ground scintillometer surveys, prospecting, and geological mapping. Significant uranium showings were located in the south central part of the property near the coast. Data from the project was re-evaluated for REE potential in 2010, using La as a guide, since significant Th values were located during the uranium exploration. A geochemical release by the Government of Newfoundland in June 2010, showed anomalous values in REE with TREE values in the 400 to 650 ppm range on the claims, some of the highest located in the survey. Background is less than 100 ppm TREE. Values up to 2.48 % TREE, 2.2 % Zr, and 636 ppm Nb were located in rocks from the area (NR July 26/11). Thirteen samples gave values >0.1 % TREE, including five (5) >0.4 %. Samples were generally LREEs with percentages in the 85-90 % range. Most high values are located in outcrop in the north central and north-eastern ends of the property, however, one sample in the southwestern part gave a value of 0.5 % TREE.

Helicopter supported prospecting, in 2011, evaluated areas of thorium (Th) radioactivity in the airborne surveys as well as other areas anomalous in lanthanum (La), Th and REE from previous ground surveys (NR Nov. 18/11, May 27, 2010) and favorable geologic units. Scintillometer readings in anomalous areas averaged 500 to 9000 counts per second (cps) against a background of 150 cps. Eleven (11) samples gave total rare earth oxide (TREE) values > 0.1 % and 13 gave U₃O₈ values >100 ppm (NR Jan. 19/12). The most significant mineralized area was located on Licence 17761M, to the north of Temple Bay, where five outcrop samples of mafic to felsic gneisses cut by pegmatites, associated with a structural lineament, gave TREE >1% with a high of 4.76 %, including 3.42 % TREE

with 58% heavy rare earth oxides (HREO) including 0.19 % dysprosium oxide (Dy_2O_3). The average HREO for the five samples was 23.4 %, with all having associated U_3O_8 values ranging from 400 to 1130 ppm, with low Th_2O_3 values, except for one sample at 1016 ppm. The samples were also anomalous in Zr, Nb and Ta. The samples were taken from narrow veins < 30 cm wide associated with the pegmatites. While the mineralization located is narrow, the REO / uranium association, the HREO content and the apparent structural control in this relatively unexplored area are all positive indications of significant potential for both REE and uranium.

Planned Exploration

No exploration is planned in 2015 due to lack of funding for REE or U projects. The properties are being reduced, or dropped as they come due, to allow maintenance of some of the properties for the longer term.

Impairment

The property expenditures were written off in 2012.

OTHER PROPERTIES/PROJECTS

The Company evaluates properties and opportunities under a “general exploration” budget when available. These projects/properties/opportunities include various commodities in various parts of the world, mainly Newfoundland and Labrador although little work of this nature has taken place since about 2011 none is planned in 2015, due to lack of funds. General exploration costs are expensed as spent unless they result in the acquisition of a property when they are then capitalized against the property.

MANAGEMENT

Stephan Jedynak – President/CEO, Director

He is a General Counsel, called before the legal bars of New Zealand and Nova Scotia and has over 15 years of corporate experience, compiling a track record of regulatory compliance, by creating, implementing and managing regulatory compliance regimes for a top 100 company. He earned an undergraduate degree from the University of Ottawa and a Bachelor of Laws from Dalhousie University and the University of Auckland.

Gordon Barnhill - VP Corporate Affairs, Director, CFO

Prior to joining Silver Spruce Resources, Mr. Barnhill was the President of a company providing management consulting, capital research, business evaluations, deal structuring and investment strategies. From 1973 to 1997 Mr. Barnhill had an extensive career in banking with Canada's largest banking institution as a senior commercial lending officer.

LIQUIDITY, FINANCINGS AND CAPITAL RESOURCES

Operating Activities

The Company had a net cash outflow from operating activities of \$46,016 for the year ended October 31, 2014 (October 31, 2013 - \$197,090 outflow).

Financing Activities

The Company had a net cash inflow from financing activities of \$163,938 for the year ended October 31, 2014 (October 31, 2013 - \$30,000 inflow).

Investing Activities

The Company had a net outflow of \$33,707 from investing activities for the year ended October 31, 2014 (October 31, 2013 - \$70,039 net inflow). Of this amount in the current year \$40,507 was invested in mineral property exploration activities (October 31, 2013 - \$63,403).

Liquidity

The Company had cash and cash equivalents of \$116,938 as at October 31, 2014 (October 31, 2013 - \$32,723). The change in non-cash operating working capital as at October 31, 2014 was a cash inflow of \$209,482 (October 31, 2013 - \$92,725).

Capital Resources

The Company's authorized capital consists of an unlimited number of common and preference shares without par value. At October 31, 2014, the Company had 14,025,781 issued and outstanding common shares (October 31, 2013 - 11,195,781).

RELATED PARTY TRANSACTIONS

Included in accounts payable and accrued liabilities as at October 31, 2014 is \$226,201 (2013 - \$140,212) owing to directors and companies controlled by directors of the Company for consulting related services rendered and \$nil (2013 - \$56,103) owing to directors for their annual stipend. These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

In April 2013, the Company received a loan of \$30,000 from a director of the Company. The loan is secured by the Big Easy Property. During the 2014 fiscal year, an additional loan of \$35,000 was received from a director of the Company for a total outstanding balance of \$65,000 (2013 - \$30,000). The \$30,000 loan is non-interest bearing and the \$35,000 loan bears interest at 5% per annum. During the year ended October 31, 2014, the loans incurred interest expense of \$1,167 which is outstanding at year end. The loans are past due as at October 31, 2014.

During the year ended October 31, 2014, no stock options were granted to directors, officers and employees of the Company (2013 - Nil).

During the years ended October 31, 2014 and 2013 key management personnel compensation consisted of services provided by companies owned by directors of \$87,708 (2013 - \$91,468), and directors' fees of \$nil (2013 - \$34,603) which are classified as short-term employee benefits and recorded as wages and benefits on the consolidated statement of operations.

COMMITMENTS

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Company indemnifies the subscribers of flow-through shares from any tax consequences arising from the failure of the Company to meet its commitments under the flow-through subscription agreements. The Company renounced \$136,500 of qualifying exploration expenditures to shareholders effective December 31, 2014. Under the "look back" provision governing flow-through shares, \$136,500 of this amount is remaining and must be spent by the end of 2015.

FINANCIAL INSTRUMENTS

Fair Value

IFRS requires that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying amounts for cash, amounts receivable, deposits, prepaid expenses, accounts payable and accrued liabilities on the balance sheets approximate fair value due to their short-term maturity. The fair value of long term debt approximates its carrying value based on current borrowing rates. The fair value of investments is based on quoted market prices.

RISKS AND UNCERTAINTIES

The Company's financial success is dependent upon the extent to which it can discover mineralization or acquire mineral properties and the economic viability of developing its properties. The market price of minerals and/or metals is volatile and cannot be controlled. There is no assurance that the Company's mineral exploration and development activities will be successful. The development of mineral resources involves many risks in which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The Company has no source of financing other than those identified in the section on liquidity, financings and capital resources.

CURRENT MARKET CONDITIONS

The fundamentals for gold and silver, have improved in late 2014 / early 2015 and appear to remain strong for the rest of 2015. Prices have been volatile, dropping significantly in 2013 and volatile in 2014 although still at reasonable prices historically. The company continues to emphasize the Big Easy project for this reason. The fundamentals for uranium are strong in the long term although short term interest is not there yet and financing for these projects is therefore not available. No emphasis is being placed on U, REE or base metal exploration at this time although both the U and REE properties offer JV opportunities if prices firm up and financing becomes available.

The Company's main focus until late 2008 was uranium. Demand for uranium is forecast to outstrip supply over the next 10 years or so, growing at an annual rate of approximately 2% per year. While the short term outlook for uranium and the spot price has been impacted by the problems at the nuclear plant in Japan related to the earthquake and tsunami damage, the long term outlook remains positive with prices expected to rise starting in 2014. The Japanese are currently restarting their reactors which should help the price firm up. Uranium is currently trading at around US\$45/lb on the term market with spot prices around \$40/lb up from the last quarter. Market pressures remain strong for the long term and it is expected that the long term uranium price should increase.

The main claims with uranium potential in the CMB and Mount Benedict properties can be maintained for the next few years without requiring significant exploration expenditures. SSE will benefit from maintaining a strong land position in uranium in Labrador with Paladin planning to develop the "world class" Michelin and Jacques Lake deposits which host approximately 135 M lbs of uranium and Jet Energy (formerly Crosshair) having a significant global resource in the CMB at the TT zone. This will bring renewed attention and investor interest to the area and any Company with assets in this area. The most significant properties can be maintained until prices, and the global economic climate, returns to normal.

OUTLOOK

The company has a property portfolio with a carried interest in a uranium deposit with defined resources (Two Time), and other significant uranium projects and REE properties with significant discoveries in Labrador, for the longer term. It is felt that uranium and REE prices should increase over the next few years thereby allowing financing for these projects. The Company is currently focusing on mineral projects that can be cash positive in the short to medium term.

GOING CONCERN

The company has enough capital to maintain itself as a going concern for the next few months, however the Company's ability to continue as a going concern for the rest of 2015 and beyond, is dependent on its ability to raise money in the form of a private or public placement, loans, grants and/or a joint venture on our properties with

a partner who would provide the financing for the exploration or a change of business associated with new funding. There is no certainty the Company will be successful in accessing such funding.

FUTURE CHANGES IN ACCOUNTING POLICIES

The International Accounting Standards Board (“IASB”) has issued several new standards, pronouncements and interpretations that are not effective for the current year, and although early adoption is permitted, they have not been applied in preparing these condensed consolidated interim financial statements.

The Company is currently evaluating the impact, if any, the following new standards and amendments will have on its financial statements.

IFRS 9 *Classification and Measurement* (“IFRS 9”) introduces new requirements for the classification, measurement and de-recognition of financial assets and financial liabilities. Specifically, IFRS 9 requires all recognized financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortized cost or fair value. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company is currently assessing the impact of this new standard on the Company’s financial assets and financial liabilities.

During the year ended October 31, 2014, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements to existing standards. These included IFRS 10, IFRS 11, IFRS 12, IFRS 13, IAS 32, IAS 36, and IAS 39. These new standards and changes did not have any material impact on the Company’s financial statements.

IAS 1 *Presentation of Financial Statements* (“IAS 1”) was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality considerations apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

IAS 24 *Related Party Disclosures* (“IAS 24”) was amended to clarify that an entity providing key management services to the reporting entity or the parent of the reporting entity is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. The amendments to IAS 24 are effective for annual periods beginning on or after July 1, 2014.