

TERRAX MINERALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS For the three and nine months ended October 31, 2014

This Management Discussion and Analysis of TerraX Minerals Inc. ("TERRAX" or the "Company") provides analysis of the Company's financial results for the three and six months ended July 31, 2014 and should be read in conjunction with the accompanying unaudited condensed interim financial statements and notes thereto for the three and nine months ended October 31, 2014 and with the audited financial statements and notes thereto for the year ended January 31, 2014, all of which are available at www.sedar.com. This discussion is based on information available as at December 23, 2014

The accompanying October 31, 2014 condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of financial statements. All amounts are expressed in Canadian dollars, unless otherwise stated.

Certain statements made may constitute forward-looking statements. Such statements involve a number of known and unknown risks, uncertainties and other factors. Actual results, performance and achievements may be materially different from those expressed or implied by these forward-looking statements. Additional information about TerraX Minerals Inc. is available at www.sedar.com.

The Company was incorporated on August 1, 2007 pursuant to the provisions of the *Business Corporations Act* (British Columbia) under the name of TerraX Resource Corp. On March 31, 2008, the Corporation amended its notice of articles to change its name to TerraX Minerals Inc. The Company has no subsidiaries.

OVERVIEW

The principal business of the Company is the acquisition and exploration of mineral exploration properties in underexplored areas of Canada. The Company's current focus is the **Yellowknife City Gold Project**, which now comprises 94.9 square kilometres of contiguous land immediately north of the City of Yellowknife in the Northwest Territories and includes TerraX's wholly-owned Northbelt property acquired in February 2013.

The Yellowknife City Gold ("YCG") project lies within the prolific Yellowknife greenstone belt and covers 15 km of strike length on the northern extension of the shear system that hosts the high-grade Con (6.1 Moz) and Giant (8.1 Moz) gold mines. The project area contains multiple shears that are the recognized hosts for gold deposits in the Yellowknife gold district, with innumerable gold showings and historic high grade drill results. Since February 2013, TerraX has consolidated the project area by acquiring and optioning numerous properties, including: Northbelt, Goodwin, Walsh Lake, and U-Breccia, as well as staking additional contiguous lands to the west at Ryan Lake (Fig. 1). Being all-season road accessible and within 15 km of the City of Yellowknife, the YCG is close to vital infrastructure, including transportation, service providers, hydro-electric power and skilled trades people.

During exploration this summer at the YCG project, TerraX was able to define a **5 km x 3 km "Core Gold Area" of high grade gold mineralization**, with multiple gold bearing vein sets as noted in large mineralized systems worldwide, and results that included:

- Drilled **22.42 m @ 6.35 g/t Au, inclusive of 5.16 m @ 18.40 g/t Au**, at the Barney Shear zone;
- Drilled **2.85 m @ 33.60 g/t Au, 3.07 m @ 13.84 g/t Au and 5.10 m @ 7.01 g/t Au** near surface at Crestaurum;
- Assayed **34.9 g/t, 75.8 g/t, 346 g/t and 547 g/t Au** in grab samples from the newly discovered VSB Vein at the Crestaurum deposit;
- Assayed **878 and 712 g/t Au** in grab samples from two more new veins discovered at the Crestaurum deposit area; and
- Assayed **141 g/t Au, 445 g/t Ag, 3.01% Cu and 6.32% Mo** in grab samples from the Ryan Lake Pluton area, just west of Crestaurum.

These results have all been released during the three month period ended October 31, 2014. A LiDAR (Light Detection and Ranging) survey was flown over the entire project area in July; results have recently been provided to TerraX and are discussed briefly below.

For more information on Yellowknife City Gold, as well as our other gold properties in Ontario and Newfoundland, please visit our web site at www.terraxminerals.com.

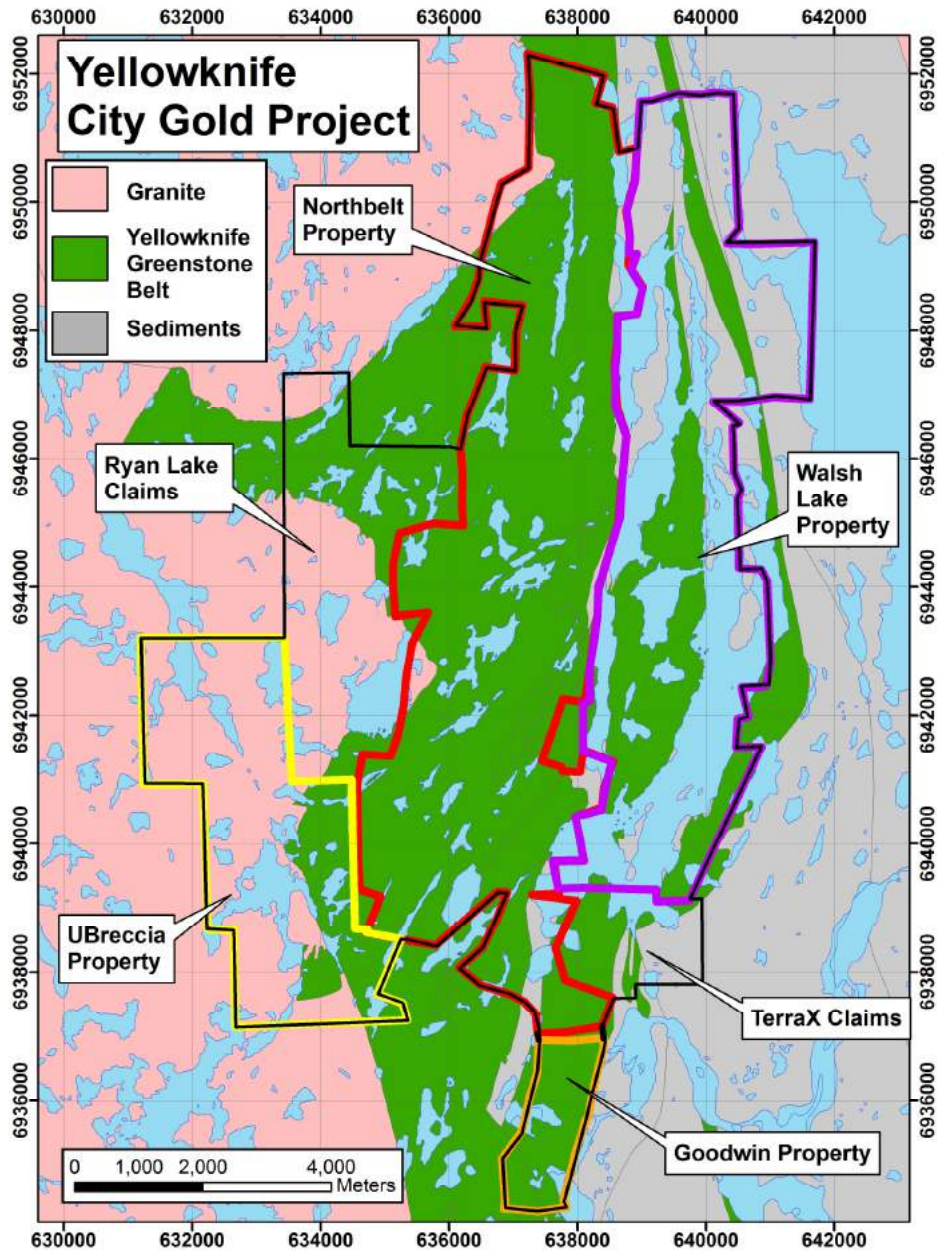


Figure 1: Properties within Yellowknife City Gold ("YCG")

YELLOWKNIFE CITY GOLD, NORTHWEST TERRITORIES

BACKGROUND

NORTHBELT PROPERTY

On February 13, 2013, the Company completed the acquisition of the Northbelt property from the receiver for Century Mining Corp. and commenced a compilation of previous work. The Northbelt property was explored at the beginning of the Yellowknife gold rush in the early 1940s. It was staked by multiple claimholders in 1944 with the discovery of the outcropping Crestaurum deposit. Drilling commenced in 1945 and the property was intermittently active throughout the 1960s and 1970s. By the 1970s Giant Gold Mines had largely consolidated the property and began serious exploration and by the end of the 1980s substantial drill programs were completed. Detailed mapping during this period confirmed that the property hosts the extension of the Yellowknife Gold Camp's gold bearing structures and that the stratigraphy associated with the large mines occurs in the southern part of the property. It was also realized that numerous other sub-parallel structures host gold occurrences, including the Crestaurum deposit. In addition, a precious metal (Ag, Au) enriched base metal (Zn/Pb +/-Cu) play was identified in the northern part of the property. At least 550 drill holes were completed on the property between 1938 and 1996, mostly concentrated on the Crestaurum deposit (approximately 200 holes).

The Crestaurum deposit is contained within a mineralized shear that trends for at least 1.4 km in a northeast direction. On the order of 200 historical drill holes intersect the structure, with the vast majority intersecting the structure at less than 100 m vertical depth. The shoots defined by drilling (North, Central, and South in the No. 1 Shear) consist of narrow veins, generally less than 1 m thick, within a chloritic (+/- carbonate and sericite) shear that can be up to 25 m wide. The Crestaurum shear bifurcates at its northern end and both horizons have high grade gold intersections.

During the due diligence studies, TerraX reviewed a listing of 169 holes used in the resource calculation prepared by D.W. Lewis for Giant Mines Ltd. in 1985 that estimated a resource of 572,040 tonnes at 6.72 g/t Au (123,489 ounces). Of these holes, 133 had high grade gold intersections, and several were mineralized on two or more shears. Visible gold was common, with 44 holes reporting coarse gold. The Crestaurum deposit was subjected to numerous resource calculations over the years, and to preliminary mine planning by Giant Mines, but its development was largely thwarted by the fact that the free milling gold at Crestaurum, similar to Con's Campbell Shear ore, was detrimental to the roasting process used at Giant for its refractory ore. A 1985 metallurgical study of two composite metallurgical samples reported poor recoveries using the Giant Mine's roasting process (44-62% recovery of gold), but further testing by conventional cyanidation led to the conclusion that "both composite samples were determined to be free milling and best suited for a straight cyanidation process", and that this process would "yield recoveries in the order of 95%". It was also determined during the metallurgical tests that gold head grades were 15% higher than uncut grades estimated from drill sample assays.

TerraX believes the historic resources and the metallurgical testing are relevant but investors are cautioned that the estimates were prepared before the introduction of National Instrument 43-101 Standards of Disclosure for Mineral Projects. A Qualified Person has not completed sufficient exploration work nor conducted an examination of past work to define a resource that is currently compliant with NI 43-101.

The other significant work on the property was conducted in the first half of the 1990s focused on other shear zones (25 gold bearing shears identified in the southern part of the property; see map on the TerraX web site). Significant success was achieved in deeper drilling (up to 300 m below surface) on the north-trending Barney Shear, interpreted as the extension of the main Giant Mine trend. The best reported intersection from this shear was **18.78 m @ 4.74 g/t Au, including 9.75 m @ 8.76 g/t Au** in hole NB95-16. Another north-trending structure, the 20 Shear, returned **19.71 m @ 4.61 g/t Au** from hole NB94-1A.

In the northern part of the property there is widespread base metal mineralization. As with the gold targets it was initially found on surface and later explored with drilling. Subsequent drill holes under these showings seem to show relatively good continuity, even of the narrow lenses. The horizons are Pb-Zn rich, with minor Cu, very high silver

content and locally appreciable gold. Examples include **6.10 m @ 2.54 g/t Au, 204.31 g/t Ag, 10.82% Zn and 6.03% Pb** from hole 38-2 and **2.44 m @ 0.69 g/t Au, 162.14 g/t Ag, 7.64% Zn and 9.95% Pb** from hole G-2.

WALSH LAKE PROPERTY

In October 2013, TerraX entered into an option agreement whereby it can acquire a 100% interest in the Walsh Lake property, which is contiguous with and immediately east of the Northbelt property. TerraX can acquire the 100% interest over a four year period by making option payments totaling \$90,000, issuing 260,000 shares and funding \$400,000 of exploration expenditures. The vendor will retain a 2% NSR, of which 1.5% can be purchased by TerraX for \$2 Million. The Walsh Lake property consists of seven leases and five claims totaling 2,695 ha. Historical exploration on the property has produced grab samples as high as **150 g/t Au** and drill intersections as high as **15.85 m @ 2.59 g/t Au**. During due diligence field work conducted during September 2013 TerraX visited eleven different showings on the property, sampling trenches and exposed showings. Results confirm that anomalous to significant gold concentrations are widespread on the property, with a best chip sample result of 6 m @ 7.29 g/t Au from the Mispickel Island showing. The Walsh Lake property is underlain by Archean felsic volcanics and sediments. The structural regime on the Walsh Lake and Northbelt properties appears to be similar, with gold on the Walsh Lake property occurring in subvertical, NNW to NNE trending shear zones and associated quartz veins and biotite or sericite schists.

UBRECCIA PROPERTY

In February 2014, TerraX purchased the UBreccia property, which is contiguous with and immediately west-southwest of the Northbelt property. This property consists of three claims totaling 1,394 ha; it was purchased for 75,000 TerraX shares. The vendor retains a 1% NSR, of which 0.5% can be purchased by TerraX at any time for \$1,000,000. The property is bisected by the major, late, north to north-northwest trending West Bay and Akaitcho faults, which intersect on the property. These faults displace the Con and Giant ore systems approximately 5 km south of the property. The West Bay Fault also serves as the western boundary for the Yellowknife Greenstone Belt in this area. Mafic rocks of the greenstone belt comprise on the order of one third of the property; the remainder is underlain by felsic plutonic rocks of the Defeat Plutonic Suite. Gold occurs in shears, quartz veins and fault breccias associated with the north-northwest trending structures in the Defeat Plutonic Suite on the Uptown Property, which adjoins the UBreccia Property to the south. Grab samples with up to **113.5 g/t Au** have been obtained from these structures (Technical Report, April 13, 2013; North Sur Resources Inc., www.sedar.com). Preliminary prospecting on the property by Panarc revealed the presence of silicified and hematized fault breccias up to 100 m wide with minor gold anomalism (up to 94 ppb). TerraX acquired the UBreccia property partly to explore for structurally controlled gold in late faults in the Default Plutonic Suite, but mainly to explore for more conventional mesothermal gold deposits in the Yellowknife Greenstone Belt. At least four mineralized structures identified by TerraX and previous workers on the Northbelt property project onto the UBreccia property.

TERRAX EXPLORATION

INTRODUCTION

Exploration of the Yellowknife City Gold project started with a compilation of available information and the creation of a GIS project and 3D models of known mineralized bodies. The GIS project and 3D models are updated regularly and are used to plan exploration and record results. Access and logistics for the YCG project are excellent. The bulk of the work to date has been focused on the Northbelt property.

GEOPHYSICAL SURVEYING

TerraX commenced field exploration at Northbelt on May 30, 2013 with an airborne survey to acquire detailed magnetic, electromagnetic (EM) and radiometric data. This survey was completed in the first week of June and was flown Aeroquest Ltd. of Aurora, Ontario. The survey was flown by helicopter at a height of between 30 m and 60 m and consisted of a total of 520 line km, comprised of east-west lines spaced 100 m apart, and two north-south tie lines 3 km apart. The magnetic survey revealed a major magnetic high in the northern part of the property, as well as strong north-northeast anomaly orientations interpreted to be caused by both stratigraphy and structures. The

radiometric count-per-second (CPS) data for potassium showed highs corresponding to granites, and several moderate strength north-northeast trending linear highs that could represent hydrothermal alteration along mineralized structures.

The EM survey revealed a 1.2 km long, north-trending conductor in the northern part of the property, 400 m of which is highly conductive. This conductor was later tested by drilling (see below). A 4 km long, north-northeast trending intermittent conductor is present in the central part of the property, and an 800 m long conductor is present in the southern part of the property. Small amounts of graphitic sediments were noted in the central part of the property, and initial reconnaissance of the southern anomaly indicated that it likely has a structural association.

LiDAR Services International Inc. flew a LiDAR (Light Detection and Ranging) survey over the YCG in July, 2014. This survey provided detailed elevation data of bare earth and vegetated terrain models, as well as a high resolution airphoto mosaic. This information will allow TerraX to trace mineralized shear zones (locally topographic lows); provide surface modelling for future NI 43-101 mineral resource estimation; and be an invaluable tool for detailed collar location planning for exploration and definition drill programs.

SURFACE EXPLORATION

TerraX has conducted four three week field programs, two in 2013 and two in 2014. Initially, TerraX concentrated on locating historical drill collars in the field, finding approximately 125 of the collars at Crestaurum and more than 100 elsewhere on the property. All drill hole locations were recorded with a hand-held GPS and 155 of the most important holes in the southern part of the property were subsequently surveyed with a differential GPS to <1 m accuracy by Ollerhead & Associates Ltd. of Yellowknife. Precise knowledge of the location of historical drill holes allows TerraX to twin specific holes and also to create accurate 3-D models where drilling is sufficiently dense. In many drill holes casing has been left intact and capped, offering the option of carrying out downhole geophysical surveys and wedging directly from holes with mineralized intersections. Many of the historical collars that were not located were drilled from winter ice over lakes and ponds; their locations are known with a considerable degree of accuracy as they were drilled from the same surveyed ground grids as drill collars that were located onshore.

To date TerraX has collected approximately 1740 surface (grab, chip and minor channel) samples for assay. Gold results are shown in Figure 2 below; it is apparent that gold is widely distributed throughout the YCG. Most mineralization occurs on north to northeast-trending (000 to 030° trending), sub-vertical structures, although locally northwest-trending structures are important, particularly in the Crestaurum area. Structures observed on surface consist of 0.5 to 15 m wide zones of iron carbonate alteration, with or without sericite or chlorite. One or more quartz veins typically occur within the structure; such veins can be up to 1 m wide and have varying amounts of pyrite, arsenopyrite and base metal sulphides (galena, sphalerite, less commonly chalcopyrite). Bands of semi-massive sulphide up to 1 m wide are common in the northern part of the property and less common in the southern part. A concentration of gold on numerous structures has led TerraX to define a "**Core Gold Area**" in the south-central part of the property (Figures 3 and 4). Gold results are described below with reference to Figures 2 to 4; additional diagrams are available on the TerraX website.

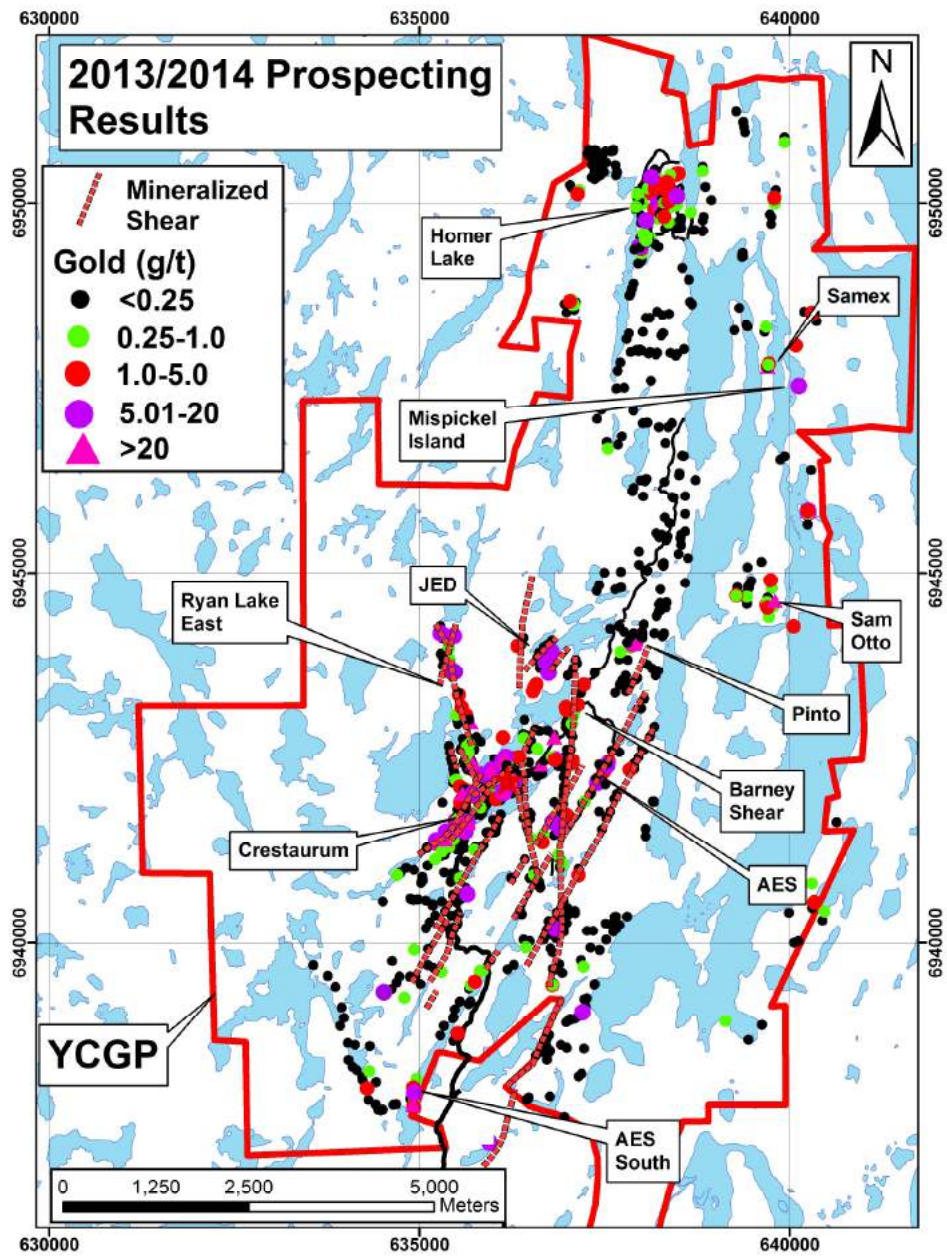


Figure 2: 2013/2014 Prospecting Results from the YCG

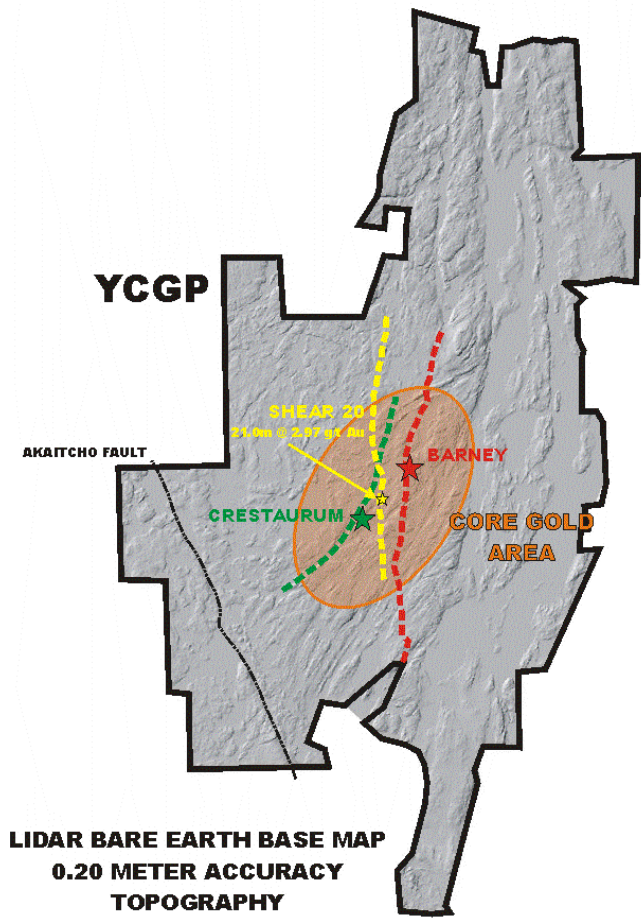


Figure 3: Location of Core Gold Area within YCG

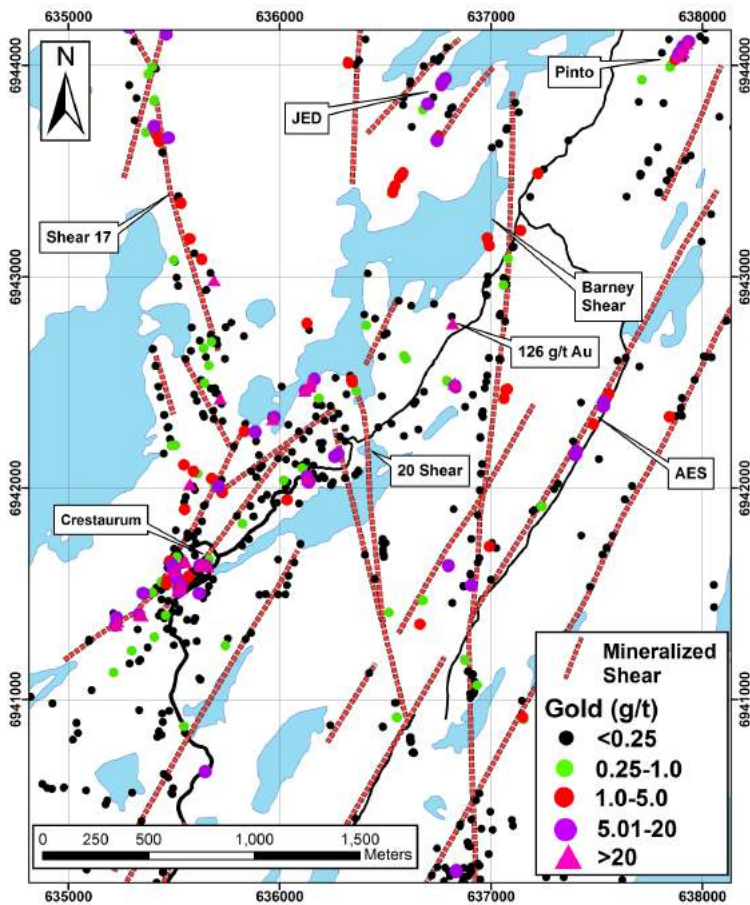


Figure 4: Surface gold results - Core Gold Area

The majority of the sampling was from structures identified at the **Homer Lake** area in the northern part of the property, with sampling also conducted on the **Pinto structure** in the eastern part of the property, the **Jed structure** in the central part of the property, on the **southwestern extension of the Crestaurum deposit**, and in several other locations (see maps on our website at www.terraxminerals.com). Results ranged from below detection to assay values of **49.30 g/t Au and 55.2 g/t Ag** in one grab sample at Pinto and **529 g/t Ag, >20% Pb and 9.44% Zn** in one grab sample from Homer Lake (see Table 1 below).

Homer Lake Area

Geological reconnaissance and sampling in the Homer Lake area defined five mineralized structures trending north-northeast and one trending north-northwest (see map on website). The north-northeast structures are silver and base-metal rich, locally with moderate amounts of gold. Mineralization occurs in semi-massive sulphides and lesser quartz veins within these structures, which can be seen to pinch and swell in the field. Results up to **7.54 g/t Au, 529 g/t Ag, >20% Pb and 9.44% Zn** have been obtained from different grab samples from the north-northeast structures (Table 1). The best chip result was **7 m @ 0.50 g/t Au, 90.2 g/t Ag, 4.25% Pb and 0.89% Zn**, from Structure 2. An intersection of **2.44 m @ 0.69 g/t Au, 162 g/t Ag, 9.95% Pb and 7.64% Zn** from hole G-2, drilled in 1973, is interpreted to be from this structure. The northwest trending structure contains a 1 m wide quartz-arsenopyrite vein with a best chip sample of **1 m @ 7.24 g/t Au and 154 g/t Ag**, with no significant base metals. This same precious metal structure was intersected by drilling along strike to the northwest in holes G-5 and G-22, with a best intersection of **0.61 m @ 25.37 g/t Au and 15.8 g/t Ag**. Drill logs from historical holes suggest that a number of sulphide bearing structures exist which have not yet been recognized on surface by TerraX. The significant EM anomaly identified by TerraX's airborne geophysical survey occurs in the Homer Lake area, but none of the known mineralized structures are interpreted as the cause of the anomaly.

Table 1: Selected Assay Results from Homer Lake Sampling

Area	Type	Length	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)
Structure 1	Grab	n/a	5.4	29.7		
Structure 2	Chip	7 m	0.50	90.2	4.25	0.89
Structure 2	Chip	5 m	1.54	95.5	3.13	1.59
Structure 2	Grab	n/a	7.54	269.0	1.10	
Structure 3	Chip	5 m	1.31	38.4	2.74	2.42
Structure 4	Grab	n/a	0.60	529.0	>20	9.44
Structure 5	Grab	n/a	0.10	397.0	>20	6.14
Structure 6	Chip	2 m	3.62	77.1	1.51	
Structure 6	Grab	n/a	25.50	35.3	0.20	

Two senior geologists provided by Virginia Mines Inc. mapped a 1.3 km (N-S) x 650 m (E-W) area immediately west of Homer Lake in 2014, and collected 99 grab and chip samples for assay and an additional 14 samples for whole rock analysis. Assay results ranged from below detection to **6.61 g/t Au, 357 g/t Ag, 1.51% Cu, 7.02% Zn**, and **>20% Pb**. When combined with results from 2013 sampling, two metal domains are apparent: a gold +/- copper domain to the west and a gold-silver-lead-zinc domain to the east. Detailed mapping of the predominantly mafic stratigraphy reveals alternating massive and pillowed facies, defining a northwesterly trend which is probably the approximate stratigraphic trend. The mafic rocks have been intruded by a north-northeast trending quartz porphyry interpreted by the Virginia geologists as a variably sericitized and chloritized subvolcanic intrusion. Mineralization occurs in bands within and along the edge of the quartz porphyry, associated with subparallel structures, and in northwest features along possible flow and sill contacts.

Walsh Lake Property

Several showings from the Walsh Lake Property were examined and sampled. These showings typically occur in northerly trending, 1 to 7 m wide structures, containing strongly sheared, fine-grained felsic volcanics or sediments.

Notable results include chip samples of **4 m @ 6.20 g/t Au** from the Samex zone, **6 m @ 7.29 g/t Au** from the Mispickel Island showing and **5.0 m @ 1.90 g/t Au** from the Sam Otto zone (Fig. 2). These zones are variably traceable for 50 to 150 m of strike length. A grab sample from a quartz vein 100 m northeast of the Sam Otto zone assayed **72.6 g/t Au**, and a newly discovered quartz vein in the eastern part of the Walsh Lake property ran **11.1 g/t Au**.

Pinto

The Pinto Vein (Figs. 2 and 4) outcrops over a strike length of 160 m. The "vein" consists of an anastomosing series of veins up to 2 m wide in total, with a maximum vein width of 1 m. Veins are composed predominantly of quartz, with lesser ankerite and minor sulphides (pyrite, galena, sphalerite, chalcopyrite/malachite). The best grab sample obtained by TerraX was **49.30 g/t Au, 55.2 g/t Ag, 4.37% Pb, 2.01% Zn and 0.5% Cu**; the best chip sample was **2 m @ 7.15 g/t Au, 5.6 g/t Ag, 0.23% Pb and 0.20% Zn**. To the best of our knowledge, this structure has not been drill tested.

AES

Anomalous gold values were traced by TerraX over a 650 m strike length of the AES structure in the central part of the project area (Fig. 2). Gold occurs in quartz-ankerite veins. Grab samples of **12.85 g/t Au and 12.05 g/t Au, 8.4 g/t Ag and 1.20% Zn** were obtained, and the best chip sample was **1 m @ 4.76 g/t Au, 0.6 g/t Ag and 0.13% Zn**. Six drill holes were drilled in this area, but most were drilled to test depressions adjacent to the outcropping vein structures. The only hole that apparently tested the structure intersected **0.58 m @ 2.74 g/t Au**. Grab sample results up to **21.7 g/t Au** were obtained on the same structure in 2014 5 km to the southwest, within the UBreccia property.

Barney Shear

The north-trending Barney Shear has been traced over a strike length of 4.5 km and drill tested over 600 m of strike length. A number of high-grade gold results were reported in drilling, mostly beneath Milner Lake (see below). TerraX prospected the length of the Barney Shear, collecting more than 100 grab and chip samples. Almost half of these samples were anomalous in gold (>50 ppb) and six of the grab samples contained more than 1 g/t Au, with a high of **12.30 g/t**. The shear contains anomalous base metals throughout its length, with high values of **5.77% Pb, 6.41% Zn and 0.75% Cu** (different samples). Thirteen samples contained more than 1% Pb and five contained more than 1% Zn. The most consistent mineralization occurs proximal to intersections of the Barney Shear with northeast-trending shears.

A recently recognized northerly trending structure 150 m west of the Barney Shear has produced a grab sample running **126 g/t Au** (Fig. 4), as well as one 275 m to the south which assayed **44.3 g/t Au**.

Jed Structure

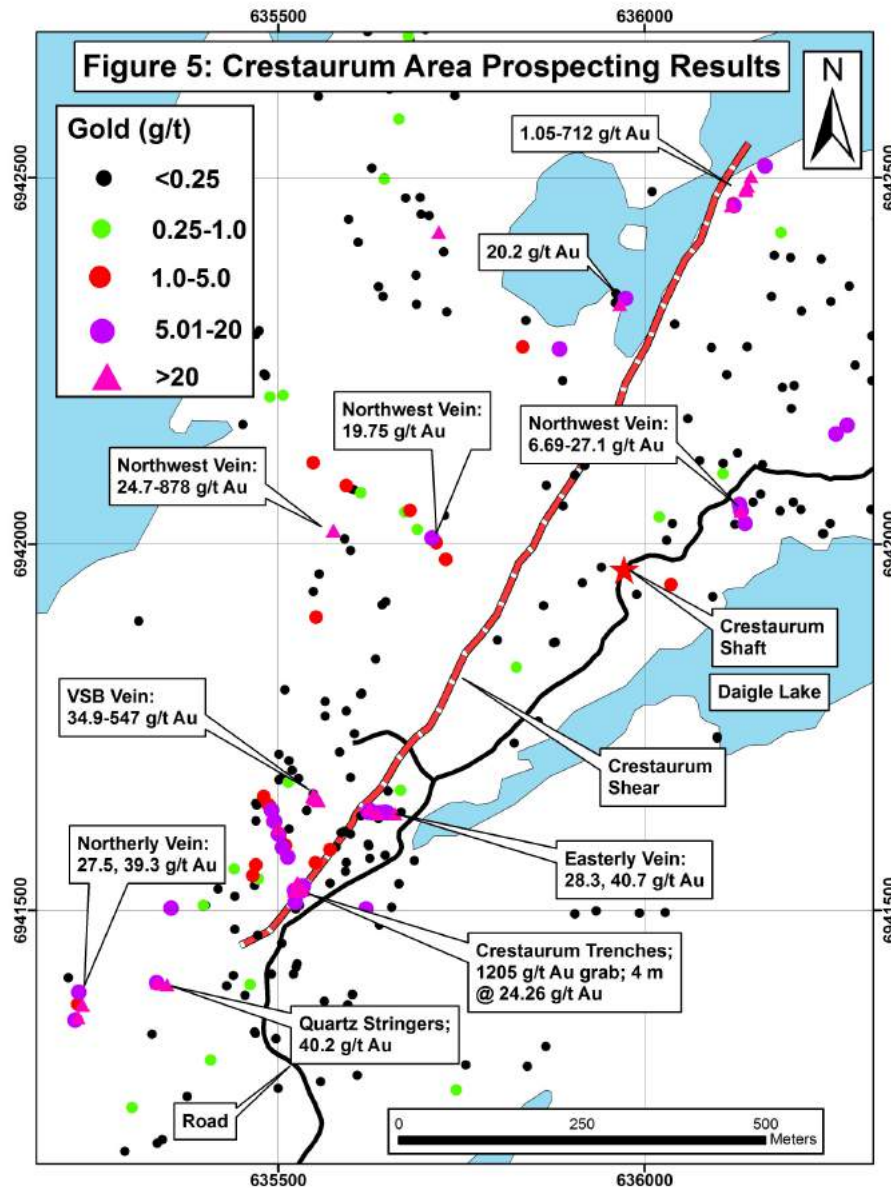
The north-northeast trending Jed structure was sampled by TerraX over a strike length of 600 m. The best chip sample results were **1.40 m @ 16.85 g/t Au, 23.7 g/t Ag and 0.20% Pb** in the northern part and **3.40 m @ 2.12 g/t Au and 19.3 g/t Ag** in the southern part. Historical drilling by the Con Mine in the 1940's confirms that the structure has a minimum strike length of 1,700 m, and is gold bearing over its entire length. TerraX sampled Shear 19, subparallel to and 150 m to the east of Jed, in 2013. Thirteen grab and chip samples were collected, indicating mineralization over a strike length of at least 150 m. High values of **5.53 g/t Au, 135 g/t Ag, 1.13% Pb and 0.96% Zn** (different grab samples) were returned.

Ryan Lake East

The Ryan Lake Pluton underlies Ryan Lake on the western margin of the YCG. Numerous thin quartz veins, some with apparent potassium feldspar, occur near the southern and eastern margins of the pluton. A number of wider (0.5 to 2 m), north-northwest trending quartz veins are present; these contain variable amounts of molybdenite, pyrite and lesser chalcopyrite. The veins intrude the pluton and the surrounding mafic stratigraphy. The most significant structure is Shear 17, which can be traced for 1.2 km. This shear zone/vein system and nearby veins were tested with

31 drill holes by Jacknife Mines in the mid-1940's. Unfortunately, no drill records are available and the core is poorly preserved and not useable.

TerraX sampled veins within Shear 17 and nearby subparallel veins. Values up to **141 g/t Au, 445 g/t Ag, 6.32% Mo** and **3.01% Cu** were obtained. 22 samples had $>0.1\%$ Mo. A chip sample from the northern portion of Shear 17 returned **6 m @ 2.03 g/t Au, 0.09% Cu and 0.05% Mo**. A chip sample from the trench that produced the 6.32% Mo ran **0.5 m @ 1.75% Mo and 88 g/t Ag**. The vein that produced these extremely high grade Mo samples is 100 m west of Shear 17. Historical hole NB96-24 intersected the Ryan Lake Pluton at a vertical depth of 500 m, 1 km east of where it outcrops. This hole intersected **4 m @ 7.78 g/t Au and 0.13% Mo** within the pluton and **72 m @ 0.08% Cu** in the overlying volcanics. Thus it seems that a porphyry mineralization system was operative in the Ryan Lake East area, probably with a mesothermal gold system superimposed on it.



Crestaurum Area

The Crestaurum Shear has been traced for at least 1.4 km. It has been intersected by numerous drill holes, but outcrops on surface only at its southwest and northeast limits (Fig. 5). Where exposed by trenches in these locations, the structure has returned a grab sample of **1205 g/t Au** and a chip sample of **4 m @ 24.26 g/t Au** in the southwest, and grab samples up to **712 g/t Au** in the northeast. A number of quartz veins occur close to the Crestaurum Shear, many of which contain visible gold. These are dominantly northwest trending, although northerly and easterly trending veins have also been recognized (Fig. 5). Some of the assays from these veins include **547 g/t Au** from the VSB vein and **878 g/t Au** from another northwest trending vein. Many other assay results greater than 5 g/t Au occur on cross-structures within 250 m of the Crestaurum Shear. The intersection of the main northeast trending Crestaurum structure with the numerous northwest structures could provide a control on the interpreted high grade lodes defined in historical resource estimates made at Crestaurum.

DRILL HOLE RE-LOGGING AND RE-ASSAYING

Background

A substantial amount of historical core from the Northbelt property was stored at a storage facility on the Giant mine site. Approximately 30 holes from the northern part of the property, drilled in 1973 and 1974, were recovered along with 86 holes drilled in the 1990's from the southern part of the property. The ore intersections from all 74 Crestaurum holes drilled in 1985 were also preserved. TerraX moved all of this core to its new core facility established at the Yellowknife airport. TerraX has re-logged, re-sampled and conducted extra sampling of much of this historical core, including all of the core from Crestaurum.

Crestaurum

In February, 2013 TerraX discovered 187 drill logs for holes drilled between 1945 and 1985 on the Crestaurum deposit. These logs contain hand written assay results (no assay certificates are available) which indicated a significantly gold rich shear zone. In June, 2013 TerraX located 123 drill collars at Crestaurum and had the locations surveyed. This included almost all of the 74 holes drilled in 1985, making the drill core from the mineralized intervals of these 74 holes a high priority choice to be re-logged and re-sampled.

TerraX re-logged and re-sampled mineralized core intervals from the 74 holes drilled in 1985 at Crestaurum by Giant Mines to assist them in open pit and underground planning on the Crestaurum deposit. Core distances were converted from the original imperial measurements (feet) to metric (meters), and then it was subjected to geological re-logging. New core sampling intervals were designated from the metric measurements based on observed mineralization, but by and large consisted of standard 1 meter sample intervals. Compared to the size of other shears on the property, the logging revealed a relatively narrow zone of alteration (siliceous, carbonate, sericitic, +/- chlorite) and shearing with many holes displaying quartz veining and mineralization (pyrite, arsenopyrite, galena, sphalerite, chalcopyrite and stibnite). Several drill holes displayed visible gold as fine grained aggregates or millimeter scale grains, generally within quartz, but occasionally seen in sheared host rock. Orientation of the Crestaurum Zone is well defined by 187 drill holes (average 035° strike and average 50° dip), and therefore it is confidently known that the drill intersections are close to true thickness, ranging from 85%-100% true width. Best results were obtained in areas of good quartz veining. Sampling generally was done by quarter core sampling of half sawn core that remained from previous sampling in 1985, although TerraX sampled all of the core that was available, and extended its sampling beyond the previous sample limits. To the best of the Company's knowledge, the assay results from these holes had not been reported by prior operators.

North Shoot

The North Shoot is an area of higher grade mineralization on the Crestaurum shear that received almost half of Giant Mines' drilling effort in 1985. It is adjacent to an exploratory shaft sunk in 1946 to a depth of 400' (122 m) and was subjected to mine planning and metallurgical testing by Giant Mines in the 1985 to 1988 period. TerraX collected 358 samples for assay from the 36 holes drilled into the North Shoot area. Individual assay results ranged from below detection to a high of 131 g/t Au. Highlights of TerraX's resampling of the North Shoot include:

- **13.07 g/t Au over 6.87 meters** in hole 85-118
- **67.69 g/t Au over 2.00 meters** in hole 85-136;
- **11.96 g/t Au over 6.00 meters** in hole 85-166; and
- **13.45 g/t Au over 3.00 meters** in hole 95-134.

16 holes were drilled by Giant Mines on the North Extension Shoot of the Crestaurum deposit in 1985. The North Extension Shoot is 100 m north of the North Shoot, and is the most northerly area previously drilled on the Crestaurum shear. The highest single TerraX assay from the North Extension Shoot was 216 g/t Au. Highlights from TerraX's resampling of this shoot include:

- **62.90 g/t Au over 5.00 meters** in hole 85-150;
- **4.43 g/t Au over 5.00 meters** in hole 85-148; and
- **6.55 g/t Au over 2.00 meters** in hole 85-151

Central Shoot

The Central Shoot is 150 m south of the North Shoot; this shoot was tested by 11 drill holes in 1985. The highest assay obtained by TerraX was 85.6 g/t Au. Highlights from TerraX's resampling of this shoot include:

- **20.66 g/t Au over 5.00 meters** in hole 85-187; and
- **12.79 g/t Au over 3.00 meters** in hole 85-181

South Shoot

The South Shoot is a further 300 m southwest of the Central Shoot and is the most southerly area previously drilled on the Crestaurum shear. Eleven holes were drilled in this area in 1985. TerraX's resampling of holes from the South Shoot produced highlights of:

- **12.43 g/t Au over 5.00 meters** in hole 85-173
- **8.03 g/t Au over 5.00 meters** in hole 85-174

The shear structure containing the Crestaurum mineralization has been drilled for 1400 m of strike length, but the deepest known intersection into the mineralization is less than 150 m vertical depth. The deposit is interpreted to extend further north than the North Extension based on widely spaced drilling with significant gold grades reported in drill logs by previous operators. It has almost no drilling to the south of the South Shoot. The deposit therefore remains open in all directions.

Barney Shear

In addition to Crestaurum, the Barney Shear was the one area of the YCG where very significant mineralization had been noted in historical drill holes. The best reported intersection from this shear was 18.78 m @ 4.74 g/t Au, including 9.75 m @ 8.76 g/t Au in hole NB95-16 (Fig. 6). Nebex Resources drilled 29 holes over a 600 m strike length of this zone in 1995 and 1996; they encountered a number of encouraging intersections but were not able to define a discrete mineralized structure prior to being forced to abandon the property by market conditions.

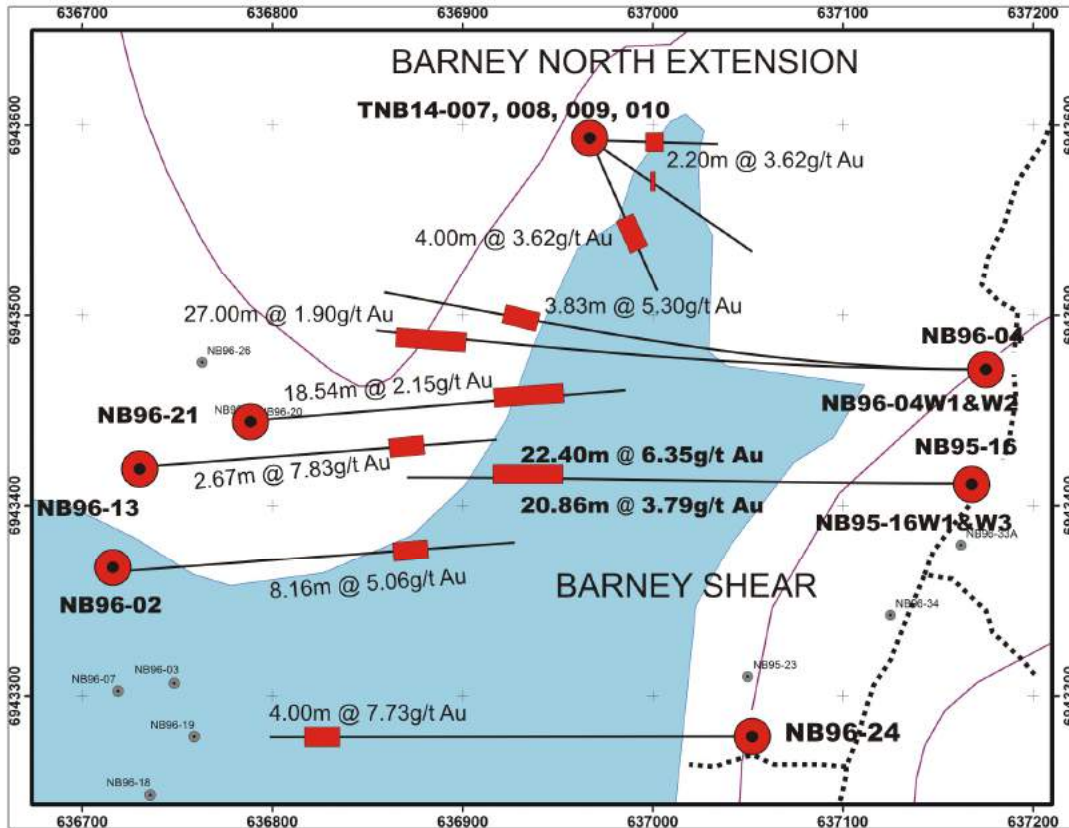


Figure 6: Drilling on the Barney Shear

TerraX obtained virtually all of Nebex's drill logs and actual core, and were able to find many of Nebex's drill collars in the field. These collars were capped by Nebex and are available for re-entry by TerraX; the locations of the most important holes were surveyed by TerraX. The core from selected holes was subjected to a full geological and geotechnical analysis which included refitting of the core, revealing excellent 100% recovery and excellent geotechnical rock quality values. Core distances were converted from the original imperial measurements (feet) to metric (meters), and new core sampling intervals designated from the metric measurements.

The key hole was NB95-16, Nebex's discovery hole and the first hole to be relogged by TerraX. Logging revealed an extensive zone of alteration (siliceous, carbonate, sericitic, +/- chlorite) and shearing from 265 m to the end of the hole at 408 m. Within this wide zone of alteration were several zones of quartz veining and mineralization (pyrite, arsenopyrite, galena, sphalerite, chalcopyrite and stibnite), with an area of concentrated mineralization and veining from 334.06 to 362.38 m. Results from TerraX's re-assaying included an interval of **20.86 m @ 3.79 g/t Au, inclusive of 4.00 m @ 12.59 g/t Au**. The highest value from the hole was 38.1 g/t Au. True thickness of this zone is unknown at present, but based on shear foliations (70-75° to core axis) it is believed that the intersections are 90-95% true width. Depth from surface for this intersection is approximately 240 vertical meters.

Hole NB96-04 was drilled 60 m north of hole NB95-16 and is interpreted by TerraX to transect the same zone as NB95-16. Hole NB96-04 intersected **1.90 g/t over 27.00 m, including 8.97 g/t Au over 2.70 m** (TerraX's assays). In addition to the main zone of mineralization, NB96-04 intersected other lower grade zones of mineralization above the main zone, including anomalous silver, copper and lead mineralization. There are no historical drill holes further north into the Barney Shear and the surface expression of this zone has been followed on surface for a further 700 m north of NB96-04. In addition, no holes were drilled up or down dip of NB96-04 or NB95-16.

Hole NB96-02 is also within the Barney Shear and is interpreted to intersect a closely parallel zone of mineralization to the Barney Shear. This hole was collared 450 m west of NB95-16 and was drilled to the east. TerraX assayed

5.06 g/t Au over 8.16 m. This higher grade mineralized zone was sampled to 328.33 m down hole where two boxes of core are missing (assumed to be removed in 1996 for display). The missing core extends from 328.33 m to 340.98 m. Historical assays from 1996 indicated the entire zone was **20.06 m @ 4.45 g/t Au.**

TerraX re-sampled drill hole NB96-24 which is approximately 200 meters south of NB95-16 along strike on this important structure. NB96-24 was the longest hole drilled on the Northbelt property (+ 630 m) and intersected seven separate zones of mineralization in mafic volcanics, including gold, silver, copper and lead, and then intersected highly altered and mineralized porphyry to the end of the hole hosting gold silver, copper and molybdenum mineralization. The highest grade zones occurred in the porphyry (**4.00 m @ 7.73 g/t Au, 6.8 g/t Ag, 0.13% Mo and 2.00 m @ 7.44 g/t Au, 14.5 g/t Ag and 0.24% Cu**), and the widest zones in the volcanics (**72.00 m @ 0.43 g/t Au, 2.7 g/t Ag, 0.08% Cu**). The hole was terminated in mineralization.

TerraX considers the results from NB96-24 highly significant as they indicate a new style of mineralization on the Northbelt property (porphyry gold, silver, copper, molybdenum).

Hole NB96-21 returned **18.54 m @ 2.15 g/t Au and 6.2 g/t Ag**, including **3.94 m @ 5.04 g/t Au and 13.2 g/t Ag**. This intersection was missing 81 cm of the highest grade core from selective samples taken for display purposes in 1996. Hole NB96-21 was drilled on section and west of hole NB96-04. NB96-21 and NB96-04 were the two most northerly holes drilled on the Barney Lake Shear Structure prior to TerraX's 2014 drilling.

Hole NB96-13 was drilled 30 m to the south and 60 m west of NB96-21 and intercepted **2.67 m @ 7.83 g/t Au and 8.1 g/t Ag** in a zone interpreted to be in the hangingwall of the zone intersected in NB96-21. Extensive alteration and mineralization were encountered, with stronger gold mineralization consistent with a close approach to the interpreted strongest portion of the known Barney Mineralized Zone.

Hole NB96-09, drilled 50 m down-dip of the gold zone in NB96-13, was interpreted to be in the hangingwall of the zone intersected in NB96-21 and returned **6.38 m @ 2.74 g/t Au and 5.2 g/t Ag.**

Hole NB96-15 was drilled west of the previously known Barney Zone and up dip of NB96-24. Results include a gold zone of **5.01 m @ 3.14 g/t Au.**

20 Shear and Environs

The 20 Shear strikes north-south, sub-parallel to the Barney Shear, and occurs midway between the Barney Shear and Crestaurum (Fig. 4). In 1994, Nebex drilled 14 holes into the 20 Shear and a splay off this shear. One hole in particular, NB94-01A was reported to be well mineralized. TerraX re-sampled this hole, documenting a mineralized zone totaling **21.12 m @ 2.97 g/t Au, inclusive of 3.88 m @ 8.81 g/t Au.** This mineralization occurs in a siliceous rhyolitic tuff. The assay results from NB94-01A are very encouraging as they indicate another zone of important potential on the Northbelt property. The 20 Shear has been delineated by previous workers over a strike length of 4 km yet has had very little drill testing, with sporadic drilling over 200 m of strike length in 1994.

Four holes were re-logged from areas that are between the Crestaurum Zone, 20 Shear and 19 Shear, which collectively lie to the west and south of the Barney Zone (see table below), and form part of the mineralizing structures within the Core Gold Area. These holes were drilled in 1994 and are not directly associated with the two best known zones of gold mineralization (Crestaurum, Barney), but were logged and sampled by TerraX to gain a better understanding of the relationship of these zones to each other, and to ascertain the controls on their gold mineralization. Results include **1.45 m @ 6.05 g/t Au in hole NB94-03; 11.36 m @ 0.92 g/t Au in hole NB94-05; 1.50 m @ 5.36 g/t Au in hole NB94-13; and 1.90 m @ 5.05 g/t Au from in hole NB94-15.**

DRILLING

Background

In early March 2014 TerraX was issued a Land Use Permit (No. MV2014C005) from the McKenzie Valley Land and Water Board ("MVLWB") to conduct advanced exploration and drilling programs on the YCG. The permit has

conditions applying to work activities typical for advanced exploration, and required a security deposit of \$70,000 be deposited with the minister of Aboriginal Affairs and Northern Development Canada. The MVLWB received numerous letters of support from potentially impacted Aboriginal Communities, the City of Yellowknife and outdoor recreational groups which use the area together with constructive comments from a number of Government of the Northwest Territories (“GNWT”) and Federal Government reviewers. In preparation for the permit application the Company conducted over 400 community engagement activities since February 2013.

The permit is for a term of five years with the option of a two year extension. The term and area of the permit will allow TerraX to efficiently explore the YCG in the years ahead.

The permit applies to all TerraX’s exploration land holdings immediately north of the City of Yellowknife with the exception of the Goodwin Claims which contain approximately 5% of the YCG area. At the request of the Yellowknife Dene First Nation (YKDFN”), TerraX requested that the Goodwin Claims not be included in the permit. This area is currently low priority for TerraX and the YKDFN has advised that portions of the Goodwin Claims border culturally and environmentally sensitive land.

In late March, 2014 Terrax commenced drilling at YCG, with the first drill hole collared on the Northbelt Property. This marks the first drilling on the Northbelt since 1996, a period of 18 years. TerraX’s first drill campaign was designed to test three initial target areas: the **Barney Shear**, which is the extension of the Con/Giant shear system; the **Crestaurum Zone**, which is a high grade zone with nearly 200 historical drill intersections; and the **Homer Lake** base metal/precious metal target at the north end of the property. The first drilling was completed at Homer Lake because the target area was within 500 m of a previously established ice road which makes winter access easier with much less environmental impact than overland access in summer conditions. Although Crestaurum and the Barney Shear are TerraX’s highest priority gold targets, the logistics associated with Homer Lake access dictated that it be drilled first to take advantage of 6-8 weeks of ice road use before spring breakup.

Homer Lake

As noted above, six mineralized structures were delineated at Homer Lake during reconnaissance prospecting by TerraX. These structures typically contain polymetallic (base and precious metal) mineralization. TerraX’s 2013 airborne electromagnetic (EM) survey revealed a 1.2 km long, north-trending conductor at the Homer Lake target, 400 m of which is highly conductive. The source of this conductor is buried and 3-D modeling indicated a top of the conductor at approximately 110 meters below surface, with a steep westerly dip. None of the known surface mineralized zones mentioned above were conductive in the 2013 EM survey, and the buried conductor had never been tested by drilling. The conductor was tested by two holes (TNB14-001 and TNB14-002). Two holes (TNB14-003 and TNB14-004) were drilled from the same set-up under the main trench on Structure 2, where TerraX chip sampling had returned **7.0m @ 0.50 g/t Au 90.2 g/t Ag, 4.25% Pb and 0.89% Zn**.

Drill holes TNB14-001 and TNB14-002 intersected multiple narrow, massive to semi-massive sub-meter sulphide bands of pyrrhotite, ± pyrite, chalcopyrite, and arsenopyrite within massive to pillowed mafic volcanics, locally sheared proximal to mineralization. Collectively, these sulphide bands are interpreted to be the cause of the EM anomaly. These zones carried minor base metal mineralization, with single sample assays of up to 0.44% Cu in drill hole TNB14-001, and up to 0.20% Cu in TNB14-002. A 16.34 m section of TNB14-001 returned 0.61 g/t Au, including **6.83 g/t Au over 0.71m**, while the best intersection in TNB14-002 was **2.87 g/t over 0.57m**.

The strong EM anomaly remains untested over 300-400 m of strike length to the south of TNB14-002. TerraX believes the amount of sulphides in this target area and the associated highly anomalous gold content are significant, and this target will receive further field attention in due course. In addition, the EM anomaly and associated magnetic signature will be remodelled to better define target potential by integrating the results from this drilling.

Holes TNB14-003 and TNB14-004 both intersected a quartz porphyritic felsic unit (subvolcanic intrusion according to Virginia Mines geologists) that is pervasively mineralized and contains massive to semi-massive sulphide zones. The sulphide-rich bands are base and precious metal rich and are surrounded by a wide halo of lower grade material. Highlights include:

- Hole TNB14-004: **71.15 m @ 0.25 g/t Au, 14.0 g/t Ag, 0.73% Pb and 0.57% Zn** including **3.42 m @ 3.41 g/t Au, 69.3 g/t Ag, 3.67% Pb and 3.17% Zn**; and
- Hole TNB14-003: **60.87m @ 0.11 g/t Au, 10.4 g/t Ag, 0.58% Pb and 0.65% Zn** in **1.50 m @ 1.70 g/t Au, 43.3 g/t Ag, 2.41 % Pb and 2.04% Zn**.

Higher grade intervals (Table 2) occur within the mineralized felsic unit, at the felsic to mafic volcanic contacts, and also in the adjacent mafic volcanics.

Table 2: Selected Assays from Drill Holes TNB14-003 and 004

Hole	From (m)	To (m)	Interval (m)	Au g/t	Ag g/t	Pb%	Zn%
TNB14-004	63.21	134.36	71.15	0.25	14.0	0.73	0.57
incl.	96.85	100.27	3.42	3.41	69.3	3.67	3.17
incl.	128.39	133.70	5.31	0.40	64.5	3.65	2.64
TNB14-003	13.42	16.39	2.97	0.22	15.9	1.22	1.20
	31.09	91.96	60.87	0.11	10.4	0.58	0.65
incl.	37.17	41.61	4.44	0.16	25.5	2.10	2.59
and incl.	37.17	38.79	1.62	0.32	56.6	4.76	5.30
incl.	61.77	63.27	1.50	1.70	43.3	2.41	2.04
incl.	73.00	77.20	4.20	0.08	40.7	2.00	2.56
	145.73	153.43	7.70	0.10	25.1	1.22	1.14
incl.	149.16	151.18	2.02	0.34	85.1	4.08	3.72

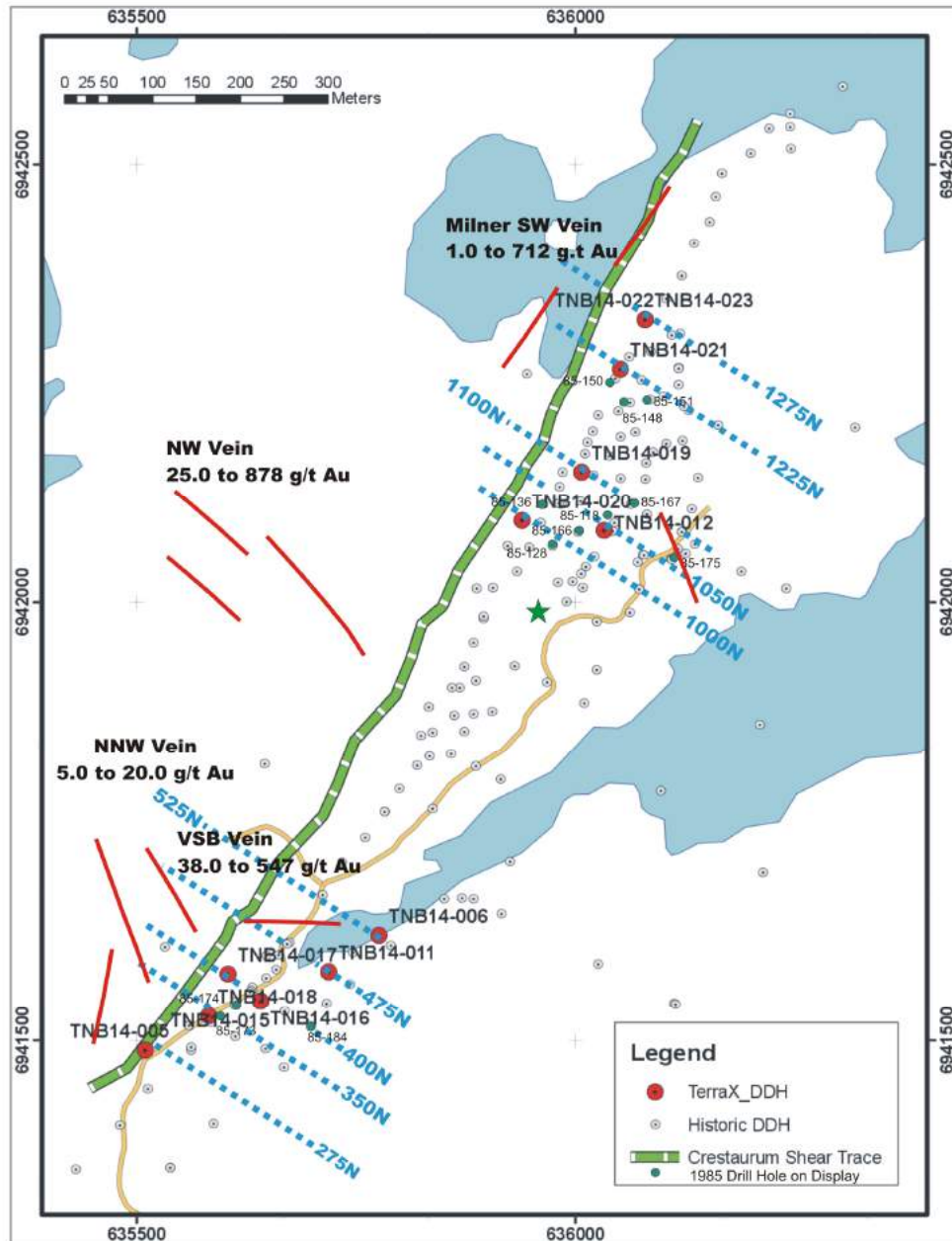
TerraX collected 871 samples for assay from the Homer Lake drilling. Results ranged from below detection in all metals to highs of 6.83 g/t Au, 261 g/t Ag, 13.55% Pb, 10.15% Zn, and 0.44% Cu, in separate samples. True thickness of the zones of mineralization is unknown at present. Based on core foliation angles it is estimated to be between 50-80% of drill intersection width.

Drilling results combined with mapping by Virginia Mines suggests that TerraX has two distinct targets at Homer Lake: i) a gold-copper target in the west, with known mineralization associated with pyrrhotite and chalcopyrite stringers and an electromagnetic signature; and ii) structurally controlled gold-silver-lead-zinc mineralization in the eastern part of the area. The high grade structural target is enhanced by the presence of a lower grade envelope of mineralization. Both targets have good size potential. The origin of the two mineralization styles has not yet been determined, but both are considered worthy of further drill testing.

Crestaurum

In 2013, TerraX recovered and re-sampled core from 74 drill holes drilled by Giant Mines Ltd. in 1985 (see above). A further 117 holes were drilled into the Crestaurum Zone between 1945 and 1980 over a strike length of 1.4 km for which drill collar locations were found in the field but for which no drill core has been recovered by TerraX. Based on this information, TerraX drilled a total of 12 holes in 2014 (three in winter and nine this summer; Fig. 7) to verify historical information from drill logs and possibly allow these 117 drill holes to be incorporated into a future NI 43-101 resource estimate.

Figure 7:
Crestaurum
Drilling



The three holes (533 m) drilled at Crestaurum during the winter were designed to twin historic drill holes for which no drill core is available and confirmed the correlation with historic drill results. All three holes confirmed the historic drill results; highlights include **10.02 m @ 4.17 g/t Au**, inclusive of **2.89 m @ 10.88 g/t Au**, in drill hole TNB14-011.

TerraX drilled nine holes (810.5 m) at Crestaurum during the summer drill program. High-grade gold was intercepted near surface in several holes, with mineralized intersections encountered from as little as 5 metres to no more than 70 metres vertically below surface (Table 3). Highlights include:

- **2.85 m @ 33.60 g/t Au** in hole TNB14-019,
- **3.07 m @ 13.84 g/t Au** in hole TNB14-015; and
- **5.10 m @ 7.01 g/t Au** in hole TNB14-022

Of the nine holes, four (TNB14-015 to 018) were drilled into the South Shoot; two (TNB14-019 and 020) were drilled 1 km north along strike in the North Shoot; one hole (TNB14-021) was drilled 125 m further north along strike in the North Extension Shoot; and two holes (TNB14-022 and 023) were step-out holes drilled a further 65 m north, intercepting high-grade gold mineralization and extending the strike length of the North Extension Shoot. Holes TNB-0018, TNB-019, TNB-021 and TNB14-023 were twins of historic holes, with the remaining five holes drilled up or down dip or along strike from historic holes reported by prior operators. During surface exploration in 2013 and 2014, sampling by TerraX has indicated that the Crestaurum shear extends up to 650 m to the southwest and up to 2 km to the northeast of the area of the historic Crestaurum deposit for an overall potential strike length of over 4 km. In addition, many new oblique and high angle gold veins were identified and sampled in 2014 near the main Crestaurum zone.

Table 3: Crestaurum Summer 2014 Drill Results

Drill Hole				Azimuth	Dip	From (m)	To (m)	Interval (m)	Au g/t	
		Easting	Northing							
TNB14-015		635641	6941546	302	-45	70.40	73.47	3.07	13.84	
TNB14-016		635641	6941546	302	-68	73.00	76.60	3.60	4.48	
TNB14-017		635604	6941576	306	-45	29.50	33.44	3.94	0.91	
TNB14-018		635582	6941529	314	-60	36.00	38.33	2.33	3.21	
TNB14-019		636008	6942149	310	-45	49.00	51.85	2.85	33.60	
TNB14-020		635939	6942093	296	-45	31.00	32.78	1.78	1.38	
TNB14-021		636051	6942266	311	-45	8.50	10.50	2.00	3.66	
						and	50.98	57.20	6.22	4.34
						incl	50.98	53.74	2.76	7.52
TNB14-022		636079	6942322	299	-49	49.28	58.28	9.00	4.69	
						incl	49.28	54.38	5.10	7.01
TNB14-023		636079	6942322	298	-65	33.50	34.32	0.82	1.65	
						and	53.00	57.40	4.40	2.18
						and	68.50	70.00	1.50	3.79

Drill holes were all drilled approximately normal to the interpreted strike and dip of the mineralized zone, and the mineralized intersections reported above represent approximately 93-100% of true thicknesses of the zone. TerraX collected 370 samples for assay from the summer Crestaurum drilling program. Results for gold ranged from below detection to highs of 100.0 g/t Au.

Barney Shear

Five drill holes (751 m) were drilled during the winter program on the interpreted northern strike extension of the historically drilled mineralization on the Barney Shear (notably TerraX's results of **20.86 m @ 3.79 g/t Au** in hole NB95-16). These holes were purely exploratory and designed to test the strike extension 150-250 meters north and closer to surface than previous mineralized intersections (Fig. 6). None of the historical drilling tested the shallow up-dip extensions of mineralization encountered in the deeper 1995-96 drill holes.

Drill results from the Barney North Extension are listed in Table 4. The first hole (TNB14-007) intersected the host shear structure, but was devoid of mineralization. Encouraged by the discovery of the shear zone, hole TNB14-008 was drilled directly under TNB14-007 and encountered quartz carbonate veining with significant sulphides, including galena, arsenopyrite and pyrite. This hole intersected **6.00m @ 1.49 g/t Au, 12.3 g/t Ag and 0.50% Pb**, including **2.20 m @ 3.63 g/t Au**. A further hole (TNB14-009) was drilled to intersect the zone approximately 25 m south of holes TNB14-007 and 008. This hole was again designed to intersect the zone at shallow depths, but in this case it was weakly mineralized with an intersection of 0.96 m @ 1.04 g/t Au, 24.1 g/t Ag and 0.93% Pb. TerraX then drilled a hole (TNB14-010) approximately 25 m south and 50 m down-dip of the intersection in TNB14-009. The shear zones became significantly wider with multiple zones of better mineralization, including a central zone of

12.50 m @ 1.40 g/t Au, 20.3 g/t Ag and 1.69% Pb, including 4.00 m @ 3.62 g/t Au. The final hole (TNB14-014) was drilled 100 m north of holes TNB14-007 and 008 to target the interpreted host shear zone at shallow depth. This hole was stopped at 78 m depth as spring breakup required shutdown and removal of the drill. Regardless, the hole had entered a zone of shearing corresponding to the interpreted Barney North Extension and although only at a very shallow depth (approximately 40 m vertical) it was weakly mineralized, returning 2.97 m @ 0.46 g/t Au in a zone of quartz carbonate veining and shearing.

Table 4: Barney North Extension Drilling Results

Hole	From	To	Interval	Au g/t	Ag g/t	Pb %
TNB14-007	No significant assays					
TNB14-008	91.00	97.00	6.00	1.49	12.3	0.50
incl.	94.07	96.27	2.20	3.63	11.6	0.41
TNB14-009	118.58	119.54	0.96	1.04	24.1	0.93
TNB14-010	113.30	114.70	1.40	0.30	12.4	0.37
and	131.50	144.00	12.50	1.40	20.3	1.69
incl.	131.50	134.15	2.65	0.28	86.7	7.73
and incl.	140.00	144.00	4.00	3.62	3.0	0.02
and	162.65	167.00	4.35	0.95	3.3	0.10
and	215.25	216.25	1.00	1.86		
					Cu %	
TNB14-014	16.50	17.17	0.67	0.323	0.18	
and	52.59	55.56	2.97	0.46		

True thickness of the zones at the Barney North Extension of mineralization is unknown at present. Based on core foliation angles it is estimated to be between 60-90% of drill intersection width. The drilling on the Barney North Extension confirmed that the Barney Zone mineralization continues for at least 250 meters further north and a similar distance up-dip of historical drilling. Based on these results, the mineralized zones are strengthening and widening with depth. Thus the initial 2014 drilling greatly extended the target area for the Barney Zone and this mineralization will be followed down-dip and further north along strike in future drilling.

TerraX re-commenced drilling on the Barney Shear in late June, 2014. Five holes (1,172 m) were drilled at the Barney Shear target and were successful in intercepting the up-dip extension of mineralized zones intersected in 1995/96 drill programs conducted by Nebex Resources Ltd. Highlights of assay results (Table 5) include:

- **22.42 m @ 6.35 g/t Au, inclusive of 5.16 m @ 18.40 g/t Au, in hole NB95-16W1;** and
- **45.71 m @ 1.56 g/t Au, inclusive of 15.73 m @ 3.73 g/t Au, in hole NB96-16W3**

The first hole (NB95-16W1) was drilled above drill hole NB95-16 using a wedge and intersected **22.42 m @ 6.35 g/t Au, inclusive of 5.16 m @ 18.40 g/t Au**, approximately 10 meters up-dip from the 1995 gold intersection, confirming a nearly vertical steep westerly dip for the mineralized zone, with an estimated true thickness of approximately 17 m. The second hole completed on this zone (NB95-16W3) again used a wedge and turned to the

north and intersected the zone approximately 10 m up-dip and 7 m to the north of the original hole. This hole intersected a broad zone of mineralization with **45.71 m grading 1.56 g/t Au**, inclusive of **15.73 m @ 3.73 g/t Au**, which also included **5.39 m @ 5.42 g/t Au** and an additional **2.73 m @ 7.25 g/t Au**.

The second series of holes were wedged off of drill hole NB96-04, located approximately 80 m north of NB95-16 (Fig. 6). The first hole, NB96-04W1, targeted the structure approximately 135 meters above the mineralized zone intercepted in NB96-04 (1.90 g/t Au over 27.00 m, including 8.97 g/t Au over 2.70 m). Hole NB96-04W1 appears to indicate that the main mineralized zone pinches out in this location, but it intersected two additional polymetallic zones interpreted to be in the hangingwall of the main zone higher up the hole, with 15 m grading 0.79 g/t Au, 10.5 g/t Ag and 0.43% Pb, inclusive of 3.00 m @ 3.01 g/t Au; and a second zone of 19 m @ 0.78 g/t Au, 35.6 g/t Ag, and 1.32% Pb inclusive of 6.51 m @ 1.90 g/t Au, 58.5 g/t Ag, and 1.13% Pb. The second zone correlated with a zone originally intersected in NB96-04 of 17.5 m of 0.38 g/t Au, 13.8 g/t Ag and 0.55% Pb. Hole NB96-04W2 was set approximately 235 m above the mineralized zone intercepted in 1996. This hole also intersected two zones, including 2.00 m @ 2.91 g/t Au and a lower zone of 14.51 m @ 1.59 g/t Au, 15.1 g/t Ag and 0.36% Pb inclusive of 3.83 m @ 5.30 g/t Au, 16.4 g/t Ag and 0.36% Pb.

The fifth hole (TNB14-013) was designed to cross the mineralized zone up-dip and between holes NB95-16 and NB96-04. This hole hit the zone but intersected weaker alteration, shearing and mineralization, supporting the indications that gold mineralization at the Barney Zone is stronger with depth. The hole intersected a few weak polymetallic zones similar to hole NB96-04 and its wedges, including 7.5 m @ 0.38 g/t Au, 6.4 g/t Ag and 0.35% Pb, and a second high grade silver and lead zone of 1.66 m @ 0.58 g/t Au, 228.1 g/t Ag, and 4.61% Pb.

TerraX collected 639 samples from the Barney Zone summer drilling. Results ranged from below detection in all metals to highs of 37.70 g/t Au, 373 g/t Ag, and 7.52% Pb in separate samples. Drill hole collar locations were surveyed to sub-meter accuracy. There was no permafrost in the area, allowing TerraX to perform detailed down-hole directional surveying of these and several historical holes using Maxibor as well as complete multi-instrument geophysics and oriented televiewer surveys of the 2014 drill program for interpretation of bedding and veining directions.

Table 5: Barney Zone 2014 Summer Drilling Results

Hole	From	To	Interval (m)	Au g/t	Ag g/t	Pb %	Cu %
NB95-16W1	327.60	350.02	22.42	6.35	6.0	0.13	
incl.	328.40	332.89	5.29	5.48	5.0	-	
and incl.	342.93	348.09	5.16	18.40	6.5	0.13	
 							
NB95-16W3	199.70	201.50	1.80	0.24	168.9	0.37	0.22
and	299.29	345.00	45.71	1.56	5.6	0.14	
incl.	327.00	342.39	15.73	3.93	7.4	0.22	
incl.	327.00	332.39	5.39	5.42	5.3	-	
and incl.	340.00	342.73	2.73	7.25	7.3	0.26	
 							
NB96-04W1	313.00	328.00	15.00	0.79	10.5	0.43	
incl.	316.00	324.45	8.15	1.33	11.1	0.55	
and incl.	316.00	319.00	3.00	3.01	5.6	0.10	
and	339.00	358.00	19.00	0.78	35.6	1.32	
incl.	349.67	356.18	6.51	1.90	58.5	1.13	
 							
NB96-04W2	305	307	2.00	2.91	1.9	-	
and	350.49	365	14.51	1.59	15.1	0.36	
incl.	354.90	358.72	3.83	5.30	16.4	0.36	

TNB14-013	254.59	255.49	0.90	1.38	-	-	
and	271.00	278.50	7.50	0.38	6.4	0.35	
and	283.60	285.26	1.66	0.58	228.1	4.61	

The mineralization encountered in this drilling, particularly around drill hole NB95-16, supports the popular theory that the Barney Zone is the northern extension of the shears that hosted the historic Con and Giant gold mines immediately to the south in Yellowknife, and shows that it has the potential to contain widths and grades equivalent to those high grade deposits. TerraX intends to aggressively explore, in future drill programs, the more than 4.5 km trend of this zone that has been identified to date on the Northbelt property, and which has not been tested to the north or south of the current drilling.

Drilling Scheduled for January 2015

In December 2014 the Company announced that it had awarded the drilling contract for its winter drill program at YCG to Foraco Canada Ltd. of Yellowknife, with drilling scheduled to start in mid-January 2015.

Foraco was chosen over nine other companies that put in competitive bids for the drill contract. In addition to being cost effective, well qualified and capable of carrying out the program, Foraco has the added advantage of having an operational base in Yellowknife. This will significantly reduce logistical demand on the drill program, and will provide direct employment and economic impact to the local communities, something of great importance to TerraX as it moves the Yellowknife City Gold project forward.

Drilling will be concentrated on the 5 km x 3 km "Core Gold Area" of high grade gold mineralization, defined by exploration in 2014, which hosts multiple gold bearing vein sets such as the advanced Crestaurum and Barney shear zones, as noted in large mineralized systems worldwide, and results that included:

- **22.42 m @ 6.35 g/t Au**, inclusive of **5.16 m @ 18.40 g/t Au**, at Barney Shear (the extension of the shear that hosts the Con and Giant Mines)
- **2.85 m @ 33.60 g/t Au, 3.07 m @ 13.84 g/t Au and 5.10 m @ 7.01 g/t Au near surface** at Crestaurum
- Assays of **34.9, 75.8, 346 and 547 g/t Au in grab samples** from the VSB Vein near Crestaurum, and
- Assays **878 and 712 g/t Au in grab samples** from two more new veins near Crestaurum, and
- A grab sample with **126 g/t Au** in veining within a new shear in the Core Gold Area, between Barney and Crestaurum, that is 300 m north of a grab sample grading **44.3 g/t**

To prepare for the 2015 drill program, TerraX has initiated a road repair program on the main access road that extends from the southern property boundary up to the Crestaurum deposit. A contract was awarded through competitive bid to Aurora Telecom Services, again a locally based company. The YCG project has all weather road access from Yellowknife city to the southern boundary of the property. Repairs will take place from that point to the Crestaurum deposit on the access road (approximately 7km). The work will be to repair rutting and culvert washouts that have accumulated over the 70 year life of this road. Following repair the road will be suitable for light vehicle usage into the center of the Core Gold Area, greatly facilitating both winter and summer drill program logistics.

The technical information contained in this disclosure has been approved by Dr. Thomas Setterfield, P. Geo, the Vice-President Exploration of TerraX, who is a Qualified Person as defined in "National Instrument 43-101, Standards of Disclosure for Mineral Projects."

During the three months ended October 31, 2014 the Company incurred \$483,585 in exploration on the Yellowknife City Gold Project, inclusive of geological consulting (\$185,709), drilling and assays (\$211,340), field expenses (\$57,812) and geophysical surveys (\$28,725).

PRIVATE PLACEMENTS

On September 24, 2014 the Company announced a non-brokered private placement of 6,000,000 units at \$0.35 per unit for gross proceeds of \$2,100,000. The first tranche of this private placement was completed on September 30, 2014 with 5,550,000 units being issued at \$0.35 per unit for gross proceeds of \$1,942,500. Each unit consists of one common share and one-half of one share purchase warrant, with each full warrant entitling the holder to purchase an additional common share at an exercise price of \$0.50 per share until September 30, 2017. The shares, warrants and any shares acquired on the exercise of warrants are subject to a hold period expiring on January 31, 2015. Cash finder's fees were payable with respect to a portion of this placement along with the issuance, to certain finders, of 28,000 finders warrants exercisable at \$0.50 until September 30, 2017.

On October 8, 2014 TerraX completed a second closing with the issuance of a further 1,334,500 units at \$0.35 per unit, increasing the aggregate gross proceeds raised in this placement from the \$2.1 Million originally announced to \$2,409,575. Each unit consists of one common share and one-half of one share purchase warrant, with each full warrant entitling the holder to purchase an additional common share at an exercise price of \$0.50 per share until October 8, 2017. The shares, warrants and any shares acquired on the exercise of warrants are subject to a hold period expiring on February 9, 2015. Cash finder's fees were payable with respect to a portion of this placement along with the issuance, to certain finders, of 5,215 finders warrants exercisable at \$0.50 until October 8, 2017.

On October 16, 2014 the Company closed this private placement with the issuance of a further 1,043,286 units at \$0.35 per unit for gross proceeds of \$365,150. With the completion of this final closing, the aggregate gross proceeds raised in this private placement now total \$2,774,725. Each unit consists of one common share and one-half of one share purchase warrant, with each full warrant entitling the holder to purchase an additional common share at an exercise price of \$0.50 per share until October 16, 2017. The shares, warrants and any shares acquired on the exercise of warrants are subject to a hold period expiring on February 17, 2015. Cash finder's fees were payable with respect to a portion of this placement along with the issuance, to certain finders, of 21,630 finders warrants exercisable at \$0.50 until October 16, 2017.

Virginia Mines Inc. (TSX: VGQ), a current shareholder of TerraX, exercised its right to maintain its equity interest and participated in this third closing by purchasing 714,286 units for net proceeds to the Company of \$250,000.

CURRENT ECONOMIC CONDITIONS

During calendar 2014, the ongoing global credit crisis and economic weakness have made for extremely volatile capital markets characterized by weaker equity prices for mineral exploration companies and an environment in which limited opportunities existed to raise additional capital. While periods of stronger commodity prices have provided financing opportunities which TerraX has capitalized on in the past to augment its working capital, management of the Company remains cautious and will continue to take the necessary precautions to maintain its cash reserves. The Company has commitments in the future (later this fiscal year and beyond) on its mineral properties and the Company may be forced to abandon and write-off one or more of these properties if the Company does not have the means to meet these commitments, or does not feel it is fiscally prudent to do so.

With the completion of a private placement in October, 2014 for gross proceeds of \$2,774,725 (see above), the Company anticipates having sufficient cash to meet all of its obligations through the balance of fiscal 2015 and the first three quarters of fiscal 2016, inclusive of funding further exploration at the Yellowknife City Gold Project. The Company continued to review its mineral property commitments as well as its working capital position on an ongoing basis during fiscal 2015 and, as a result, elected to abandon its Blackfly property when the annual pre-production royalty became due in July 2014, returning the property to the vendors while it was still in good standing, thus avoiding further work obligations. While management does not believe that the abandonment of any of the Company's other mineral properties is required at this time, management may elect to abandon properties when obligations become due if deemed necessary in order to maintain the long-term viability of the Company.

RESULTS OF OPERATIONS-THREE MONTHS ENDED SEPT 30, 2014

Operating expenses for the three months ended October 31, 2014 totaled \$362,261 as compared to \$200,974 incurred during the three months ended October 31, 2013. The significant differences in expenditures were as follows:

Consulting expense increased to \$47,873 during the three months ended October 31, 2014 from \$17,001 incurred during the same period a year prior due to an increase in investor presentations and property tours during the current period to facilitate the completion of private placements in September and October of 2014.

Professional fees increased to \$11,767 during the three months ended October 31, 2014 due to increased expenditures on legal services related to completion of private placement financings during the period. This compares to professional fees of just \$5,524 incurred during the same period a year prior for general legal services.

During the three months ended October 31, 2014 the company incurred \$38,390 for share-based payments (a non-cash item) for stock options granted and vested during the period. This compares to share-based payment expense of \$68,017 incurred during the same period a year prior when there was a larger number of options granted and vested.

The Company spent \$195,878 for transfer agent, filing fees and shareholder communications during the three months ended October 31, 2014, an increase from the \$77,559 incurred during the same period a year prior primarily due to increased expenditures in the current period on investor relations consultants, investor presentations, news dissemination and advertising as well as filing fees for the private placement completed during the period.

Travel expenditures of \$58,041 were incurred during the current period for travel required for trade shows, property tours and for broker presentations. This compares to travel expenses of \$22,781 incurred during the three months ended October 31, 2013.

During the three months ended October 31, 2014 the Company earned interest income of \$3,443 on cash equivalents on hand. This compares to interest income earned during the same period a year prior of \$3,958.

During the three months ended October 31, 2013 the Company recorded an unrealized gain on marketable securities held for sale of \$13,200. There was no comparable transaction during the current period.

As a result of the foregoing, the Company recorded a comprehensive loss for three months ended October 31, 2014 of \$358,818 as compared to a loss of \$183,816 during the same period a year prior.

Summary of Quarterly Results

	Q3-2015	Q2-2015	Q1-2015	Q4-2014	Q3-2014	Q2-2014	Q1-2014	Q4-2013
Net loss (\$)	358,818	257,666	950,374	1,085,611	197,016	293,292	63,633	1,244,736
Per Share (\$)	0.01	0.01	0.02	0.03	0.01	0.01	0.00	0.05

The loss for the fourth quarter of fiscal 2013 increased to \$1,244,736 from the \$56,501 incurred during the prior quarter primarily due to a \$1,162,831 write-off of exploration and evaluation assets related to the Sunbeam-Pettigrew property in Ontario subsequent to the period.

The loss for the first quarter of fiscal 2014 decreased to \$63,633 from the loss of \$1,244,736 incurred during the fourth quarter of fiscal 2013 primarily due to the elimination of the write-off of \$1,162,831 incurred during the prior period on the abandonment of exploration and evaluation assets.

The loss for the second quarter of fiscal 2014 increased to \$293,292 from the loss of \$63,633 incurred during the first quarter primarily due to share-based payment expense of \$211,216 incurred during the current period for options granted and vested during the period along with additional shareholder communication and travel expenses.

The loss for the third quarter of fiscal 2014 was reduced to \$197,016 primarily because of a reduction in share-based payments expense to \$68,017, a non-cash expense, from the \$211,216 incurred during the second quarter when a larger number of incentive stock options were granted to management, directors and consultants. This reduction was partially offset by increases in shareholder communication and travel expenses during the current quarter.

The loss for the fourth quarter of fiscal 2014 increased to \$1,085,611 from the loss of \$197,016 incurred during the third quarter primarily due to an additional share-based payment expense, a non-cash item, of \$392,189 for options granted and vested during the period and a write-down of \$561,177 with respect to the Blackfly property.

The loss for the first quarter of fiscal 2015 decreased to \$950,374 from the loss of \$1,085,611 incurred during the fourth quarter of fiscal 2014 primarily due to the elimination of the write-off of \$561,177 incurred during the prior period on the write-down of the Blackfly property, offset by an increase in share-base payment expense to \$795,217 during the current period.

The loss for the second quarter of fiscal 2015 was reduced to \$257,666 from the loss of \$950,374 incurred during the first quarter primarily due to a reduction in share-based payment expense from \$795,217 to \$99,594 during the current period.

The loss for the third quarter of fiscal 2015 increased to \$358,818 from the loss of \$257,666 incurred during the second quarter primarily due to increased expenditures in the current period for investor relations presentations, news dissemination and advertising as well as filing fees for the private placement completed during the period.

Liquidity and Solvency

TerraX is in the development stage and therefore has no regular cash flow. As at October 31, 2014 the Company had working capital of \$2,722,282, inclusive of cash and cash equivalents of \$2,863,814. This compares to working capital at January 31, 2014 of \$1,536,910, inclusive of cash and cash equivalents of \$1,655,703.

As at October 31, 2014, the Company had current assets of \$3,025,472, total assets of \$8,081,987 and total liabilities of \$303,190. The Company has no long-term debt. There are no known trends in the Company's liquidity or capital resources.

The principal assets of the Company are its mineral exploration properties, amounting to \$4,986,515 as at October 31, 2014.

The increase in cash and cash equivalents during the nine months ended October 31, 2014 of \$1,208,111 was due to net cash received from completion of private placements and the exercise of warrants and options of \$3,993,610, offset by cash used for security deposits and mineral property acquisition and exploration of \$2,174,580 and cash used for operating activities of \$610,919. During the nine months ended October 31, 2013, cash increased by \$368,035 as a result of net cash received from private placements of \$1,558,378, offset by mineral property acquisition and exploration expenditures of \$969,900 and cash used by operating activities of \$220,443.

In October of 2014 the Company completed a private placement for gross proceeds of \$2,774,725. The net proceeds from this placement, along with cash on hand, will be sufficient to fund the Company's planned exploration activities through the first three quarters of fiscal 2016 (the year ended January 31, 2016) as well as its general and administrative expenses through the same period. As at the date of this report, the Company has approximately \$2.43 Million in cash and cash equivalents.

Cash flow to date has not satisfied the Company's operational requirements. The development of the Company in the future will depend on the Company's ability to obtain additional financings. In the past, the Company has relied on the sale of equity securities to meet its cash requirements. Future developments, in excess of funds on hand, will depend on the Company's ability to obtain financing through joint venturing of projects, debt financing, equity financing or other means. There can be no assurances that the Company will be successful in obtaining any such financing or in joint venturing its property; failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of the Company's properties.

Risk, Uncertainties and Outlook

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. Other risks facing the Company include competition for mineral properties, environmental and insurance risks, fluctuations in metal prices, fluctuations in exchange rates, share price volatility and uncertainty of additional financing.

Going concern

The Company is in the exploration stage and has no revenue or income from operations. The Company has limited capital resources and has to rely upon the sale of equity and/or debt securities for cash required for exploration and development purposes, for acquisitions and to fund the administration of the Company. Since the Company does not expect to generate any revenues from operations in the near future, it must continue to rely upon the sales of its equity or debt securities or joint venture agreements to raise capital. It follows that there can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required by the Company at any particular time or for any period and that such financing can be obtained on terms satisfactory to the Company.

The Company's financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to obtain the necessary financing to meet its ongoing commitments and further its mineral exploration programs.

The Company may encounter difficulty sourcing future financing in light of the recent economic downturn. The current financial equity market conditions and the inhospitable funding environment make it difficult to raise capital through the private placements of shares. The junior resource industry has been severely affected by the world economic situation as it is considered speculative and high-risk in nature, making it even more difficult to fund. While the Company is using its best efforts to achieve its business plans by examining various financing alternatives, there is no assurance that the Company will be successful with any financing ventures.

Related Party Transactions

During the three months ended October 31, 2014, \$9,000 (2013 - \$9,000) was paid to a private company wholly-owned by Stuart Rogers, a director and officer of the Company, for office rent and administration services provided to the Company.

During the three months ended October 31, 2014, the Company paid \$72,169 (2013 - \$141,963) to a private company in which Joseph Campbell, the President of the Company, and Thomas Setterfield, a director of the Company, are principals for geologic consulting services incurred on the Company's properties during the current period. In addition, a further \$34,830 (2013- \$15,150) was paid to this same private company for management services provided by Joseph Campbell, the President of the Company, during the period.

These transactions were in the normal course of operations and were measured at the exchange amount as agreed to by the related parties.

Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's

cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its other receivables. This risk is minimal as receivables consist primarily of refundable government goods and services taxes.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Foreign exchange risk

The Company's functional currency is the Canadian dollar. All of its major expenses are transacted in Canadian dollars and the Company maintains all of its cash in Canadian dollars. As such, the Company has no immediate exposure to fluctuations in foreign exchange rates at the present time.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash equivalents as these instruments have original maturities of three months or less and are therefore exposed to interest rate fluctuations on renewal. A 1% change in market interest rates would have an impact on the Company's net loss of approximately \$28,600 over the course of a year.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit.

There were no changes in the Company's approach to capital management during the period.

The Company is not subject to any externally imposed capital requirements.

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	October 31, 2014	January 31, 2014
FVTPL:		
Cash and cash equivalents	\$ 2,863,814	\$ 1,655,703

Financial liabilities included in the statement of financial position are as follows:

	October 31, 2014	January 31, 2014
Non-derivative financial liabilities:		
Trade payables	\$ 203,025	\$ 58,303
Due to related parties	100,164	78,477
	\$ 303,189	\$ 136,780

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The following is an analysis of the Company's financial assets measured at fair value as at October 31, 2014 and January 31, 2014:

	As at October 31, 2014		
	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 2,863,814	\$ -	\$ -
	As at January 31, 2014		
	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 1,655,703	\$ -	\$ -

Contingencies

The Company is aware of no contingencies or pending legal proceedings as of December 23, 2014.

Off Balance Sheet Arrangements

The Company has no Off Balance Sheet arrangements.

Equity Securities Issued and Outstanding

The Company had 52,626,826 common shares issued and outstanding as of December 23, 2014. In addition, there were 4,355,000 incentive stock options and 11,486,317 share purchase warrants outstanding as of December 23, 2014.

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company, which can be accessed at www.sedar.com. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

Certain statements contained in this document constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements. Such factors include, among others, the following: mineral exploration and development costs and results, fluctuation in the prices of commodities for which the Company is exploring, competition, uninsured risks, recoverability of resources discovered, capitalization requirements, commercial viability, environmental risks and obligations, and the requirement for obtaining permits and licenses for the Company's operations in the jurisdictions in which it operates.