OBAN MINING CORPORATION

# MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2015 and 2014

*The following discussion and analysis is management's assessment of the results and financial condition of Oban Mining Corporation, ("**Oban**" or the "**Corporation**") and it should be read in conjunction with the Corporation's unaudited condensed interim consolidated financial statements for the three-month period ended March 31, 2015 and 2014 and the notes thereto. The financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and all dollar amounts are in Canadian dollars, unless otherwise noted. The date of this management's discussion and analysis (**"MD&A")** is May 7th, 2015. This MD&A and the related financial statements are available under the Corporation's issuer profile on SEDAR at www.sedar.com and on the Corporation's website at www.obanmining.com.*

*Certain scientific and technical information in this MD&A was derived from the technical report titled "NI 43-101 Technical Report for the Antamayo Copper Skarn Project, Department of Ancash, Peru" dated February 21st, 2014 and effective January 15th, 2014 (the "**Antamayo Technical Report**"), from the technical report titled "NI 43-101 Technical Report for the Marcahui Porphyry Copper Project, Province of Caraveli, Department of Arequipa, Peru" dated March 19th, 2014 and effective August 3rd, 2012 (the "**Marcahui Technical Report**"), and from the technical report titled "NI 43-101 Technical Report for the Huancavelica Lithocaps Project, Department of Huancavelica, Peru", dated January 31, 2013 and effective January 14, 2013 (the "**Lithocaps Technical Report**" and together with the Antamayo Technical Report and the Marcahui Technical Report, the "**Technical Reports**"). Each of the Technical Reports was prepared by Dr. Stewart D. Redwood, BSc (Hons), PhD, FIMMM, FGS, Consulting Geologist. The Technical Reports are available on SEDAR at www.sedar.com, and on the Corporation's website at www.obanmining.com.*

*Dr. Stewart D. Redwood, a "Qualified Person" within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("**NI 43-101**"), has reviewed and approved the technical information in this MD&A with respect to the Antamayo Copper Skarn Project, Peru (the "**Antamayo Project**"), the Marcahui Copper Project, Peru (the "**Marcahui Project**") and the Huancavelica Lithocaps Gold Project, Peru (the "**Lithocaps Project**"). Mr. Gernot Wober, B.Sc., P.Geol. Vice President - Exploration of the Corporation, a resident of Ontario and a Professional Geologist registered with the Professional Engineers and Geoscientists of British Columbia and a "Qualified Person" within the meaning of NI 43-101, has reviewed and approved the technical information in this MD&A with respect to properties other than the Antamayo Project, the Marcahui Project and the Lithocaps Project.*

*Unless otherwise indicated herein, references to "$" are to Canadian dollars, and references to "USD$" are to United States dollars.*

## FORWARD-LOOKING INFORMATION

*This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation ("**forward-looking information**") which may include, but is not limited to, information with respect to the future financial or operating performance of the Corporation, the Corporation's mineral projects, the future price of metals, the estimation of mineral resources, the realization of mineral resource estimates, the timing and amount of estimated future production (if any), capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations and mineral exploration activities, environmental risks, reclamation expenses, title disputes or claims and limitations of insurance coverage. Often, but not always, forward-looking information can be identified by the use of words and phrases such as "plans," "expects," "is expected," "budget," "scheduled," "estimates," "forecasts," "intends," "anticipates," or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may," "could," "would," "might" or "will" be taken, occur or be achieved.*

*Forward-looking information is based on the opinions and estimates of management as of the date such information is given and is based on various assumptions such as but not limited to continued political stability in certain countries in which the Corporation operates, that permits required for the Corporation's operations will be obtained in a timely basis in order to permit the Corporation to proceed on schedule with its planned drilling programs, that skilled personnel and contractors will be available as the Corporation's operations continue to grow, that the price of gold will exceed levels that will render the project economical, or that the Corporation will be able to continue raising the necessary capital to finance its operations and realize on its mineral resource estimates.*

*Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; possible variations of grade or recovery rates; failure of plant and equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability; delays in obtaining governmental approvals or financing or in the completion of development or construction activities.*

*Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is given as of the date of this MD&A and the Corporation disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.*

## UPDATES DURING THE QUARTER ENDED MARCH 31, 2015

On January 22, 2015, the Corporation announced that it will focus its exploration plan for the 2015 year in Canada. The Corporation has staked approximately 70,000 hectares ("ha") in the Urban Barry area of Quebec. Oban is currently working with historical data in order to help plan an initial exploration program for the area. The Corporation intends to begin systematic sampling and mapping in early spring followed by further work as warranted.

On February 2, 2015, the Corporation signed an option agreement with Ashley Gold Mines Ltd. for 100% of their Hunter Property, located on the Catharine Township, south of Kirkland Lake. The option agreement outlines payments over 3 years totalling $150,000, with a residual 2% NSR that is purchasable for $1 million per 1% NSR. Early stage exploration work is expected to commence on the property during 2015.

On February 4, 2015, the Corporation signed an option agreement with Golden Dawn Minerals Inc. for 100% of their Kirkland Lake Property, located on the Catharine and Pacaud Townships, south of Kirkland Lake. The options terms call for total payments of $130,000 in two tranches over 12 months. Early stage exploration work is expected to commence on the property during 2015.

On February 23, 2015, the Corporation announced that it has entered into an agreement (the "Agreement") with Northstar Gold Corp. ("**Northstar**") to acquire up to a 70% interest on the Miller Gold Property just south of Kirkland Lake, Ontario (the "Property"). Under the terms of the Agreement, the Corporation can earn up to a 51% interest in the Property by subscribing for $300,000 in common shares of Northstar at $0.10 per share, and making payments and incurring expenditures of $3 million over three years. The Corporation can earn a further 9% interest by making a payment of $300,000 and incurring expenditures equal to $1,700,000 by the fifth anniversary, and a further 10% by the sixth anniversary for payment of $700,000 and expenditures equal to a further $1,300,000 and at the option of the Corporation, make either a $1,300,000 payment or commitment to fund the Miller property through to completion of a pre-feasibility study.

On February 23, 2015, the Corporation signed a purchase agreement with a private owner for two 64 hectare patent lots on the Pacaud Township, south of Kirkland Lake. A single payment of $50,000 was made for these 2 patents referred to as the Olsen Property.

On March 10, 2015, the Corporation signed a purchase agreement for a 64 hectare patent lot referred to as the Roach Property, for a single payment of $45,000. The patent lot is on the Catharine Township, south of Kirkland Lake.

On April 9, 2015, the Corporation announced the intention to complete a non-brokered private placement (the "Offering") of up to 5,000,000 common shares of the Corporation ("Common Shares") at a price of $0.10 per Common Share and up to an additional 15,000,000 Common Shares to be issued as "flow-through shares" within the meaning of the Income Tax Act (Canada) ("FlowThrough Shares") at a price of $0.10 per Flow-Through Share for aggregate gross proceeds of up to $2,000,000 . The Corporation intends to use the proceeds from the Offering to fund the continued exploration of its Canadian mineral exploration projects. The Offering closed on April 24, 2015.

## 1. DESCRIPTION OF BUSINESS

The Corporation was incorporated on February 26, 2010 under the *Business Corporations Act* (Ontario). The Corporation's focus is the exploration and development of precious metals resource properties in the Americas. Currently, the Corporation is exploring in Canada, and looking for new opportunities.

### *Acquisition of Oban Exploration Limited*

On April 14, 2014 the Corporation completed the acquisition (the "**Acquisition**") of Oban Exploration Limiited ("OEL"), by way of a three-cornered amalgamation, whereby OEL amalgamated with a wholly owned subsidiary of the Corporation. In connection with the Acquisition, the Corporation amended its articles to consolidate the Common Shares on the basis of one post-consolidation Common Share for every 3.14 pre-consolidation Common Shares and changed its name to "Oban Mining Corporation". The Common Shares commenced trading on the Toronto Stock Exchange ("**TSX**") on a consolidated basis under the new symbol "OBM" on April 22, 2014.

Under the terms of the Acquisition, the holders of the Common Shares of OEL received 0.914 of a Common Share (on a post-consolidation basis) for each common share of OEL so held, for an aggregate of 70,019,208 Common Shares. Upon completion of the Acquisition, including the consolidation, the Corporation had 99,881,561 Common Shares issued and outstanding on an undiluted basis, approximately 70% of which were held by former shareholders of OEL and approximately 30% of which were held by former shareholders of the Corporation immediately prior to the effective time of the Acquisition.

This Acquisition has been accounted for as an acquisition of assets and liabilities as neither the Corporation nor OEL meets the definition of a business under IFRS 3. The acquisition of the assets of OEL was recorded at the fair value of the assets acquired of $25,280,459, plus directly attributable transaction costs of $505,577. Additional transaction costs incurred by the Corporation in the amount of $160,373 were also incurred, which have been capitalized to the exploration and evaluation assets acquired from OEL.

The following table describes the estimated fair value of assets acquired and liabilities assumed as at the date of the Acquisition:

| **Net Assets Acquired** | |
|---|---|
| Cash | 4,904,270 |
| Current Assets | 79,387 |
| VAT Receivable | 1,148,186 |
| Plant and Equipment | 59,167 |
| Exploration and Evaluation Assets | 19,875,430 |
| Current Liabilities | (280,404) |
| **Total Net Assets acquired** | **25,786,036** |

| **Consideration** | |
|---|---|
| Share Capital | 25,280,459 |
| Transaction Costs | 505,577 |
| **Total Net Assets acquired** | **25,786,036** |

Prior to entering into the Business Combination Agreement, the Board of Directors and the Special Committee of the board of directors of the Corporation were provided with a formal valuation by Klein Farber Corporate Finance Inc., setting out the range of values representing the fair market value of the OEL common shares to be acquired by the Corporation.

### *Exploration Strategy*

The Corporation is a mineral exploration Corporation focused on the acquisition, exploration, and development of base and precious metal resource properties in Canada. The Corporation is actively engaged in the identification, acquisition, evaluation and exploration of mineral properties, and holds options to acquire a 70% interest in mining concessions covering a total surface area of 1,070 hectares ("ha") in the Northstar Project, and options to acquire an interest in the Ogima Project, Golden Dawn and Ashley Gold Projects. The Corporation also has mineral title for the Urban Barry property all of which are in Canada. The Corporation has decided to switch focus to Canada and has started the process of shutting down the Peruvian and Mexican operations. As a result of the decision, the Corporation has classified the Peruvian properties into discountinued operations.

The Corporation is conducting an exploration program divided into four phases. The four phases are defined from the very beginning of the exploration process. The first phase ("**Phase I**") consists of identifying areas that comprise geological potential. The second phase ("**Phase II**") consists of systematic geochemical sampling and geophysics if necessary to define drilling targets. The third phase ("**Phase III**") includes the first drilling campaign in order to identify and quantify the extension of the deposit. The forth phase ("**Phase IV**") includes work involved to reach a preliminary economic assessment ("PEA").

## 2. SUMMARY OF MINERAL PROPERTIES

The Corporation's various mineral properties are summarized below:

| Continuing Exploration Properties | Mineral Resource | Location | Status |
|---|---|---|---|
| Urban Barry Project | Gold | Quebec - Canada | Owned 100% |
| Catherine Fault – Ogima Project | Gold | Ontario - Canada | Claims under option |
| Catherine Fault – Northstar Miller Project | Gold | Ontario - Canada | Claims under option |
| Catherine Fault – Golden Dawn Project | Gold | Ontario - Canada | Claims under option |
| Catherine Fault – Ashley Gold Project | Gold | Ontario - Canada | Claims under option |
| **Discontinued Exploration Properties** | **Mineral Resource** | **Location** | **Status** |
| Marcahui Project | Copper | Peru | Terminated |
| Arcopunco Project | Gold | Peru | Terminated |
| Magdalena Project | Copper | Peru | Terminated |
| Low Capital Cost Prospects | Copper/Gold | Peru | Terminated |
| Lithocaps Prospects | Copper/Gold | Peru | Terminated |

## 3. MINERAL PROPERTY ACTIVITIES

### a) Canadian properties

### *3.1 Urban Barry*

As of March 31, 2015, the Corporation had staked claims in the Urban Barry area of Quebec. The exploration expenditures on the property were for the cost of staking the land and data compilation. In order to maintain the claims, the Corporation is required to spend $1,504,800 within two years from the date of staking, which is due November of 2016.

### *3.2 Catherine Fault*

#### i) Ogima Project

On November 28, 2014 the Corporation signed a letter of agreement with a non-related titleholder to acquire the undivided 100% interest of the Cote property, located in northern Ontario. The final option agreement was executed on December 23, 2014, with an option payment of $60,000 paid on signing. Additional option payments of $75,000 are due upon the first anniversary date after signing, $85,000 on the second anniversary date after signing, $100,000 on the third anniversary date after signing and $140,000 upon the fourth anniversary date after signing. The agreement is also subject to a 2% net smelter royalty ("NSR"), which can be purchased for $1,000,000 per 1% NSR.

On February 23, 2015, the Corporation signed an agreement with a non-related Corporation to acquire the undivided 100% interest of the Olsen property, located in northern Ontario, for an aggregate payment of $50,000, which was completed upon signing. The agreement is also subject to a 1% NSR, which can be purchased for $500,000 for each of the patented land that conforms the property. Given the geographical location of this project, the property has included it within the Ogima project.

#### ii) Northstar Miller Project

On February 22, 2015, the Corporation signed an agreement with Northstar Gold Corporation ("Northstar")to acquire up to 70% undivided interest of the Miller property, located in north-eastern Ontario. Under the terms of the agreement, the Corporation can earn up to a 51% interest in the Property by subscribing for $300,000 in common shares of Northstar at $0.10 per share, and making payments of $510,000 and incurring exploration expenditures of $2,490,000 over three years. The Corporation can earn a further 9% interest by making a payment of $300,000 and incurring expenditures equal to $1,700,000 by the fifth anniversary, and a further 10% by the sixth anniversary for payment of $700,000 and expenditures equal to a further $1,300,000 and at the option of the Corporation, make either a $1,300,000 payment or commitment to fund the Miller property through to completion of a pre-feasibility study. The Corporation can form a joint venture at anytime after it has acquired 51% interest in the Property. Once the joint venture is formed simple dilution will take place until one party has been diluted to 10% or less, at which time the remaining 10% interest will be converted to a 2% NSR of which 1% can be purchased for $2,000,000 and the remaining 1% will have the right of first refusal to purchase. The Corporation completed the acquisition of Northstar common shares on March 03, 2015 (refer to note 7 of the condensed interim consolidated financial statements).

#### iii) Golden Dawn Project

On February 2, 2015, the Corporation signed an agreement with a non-related Corporation to acquire the undivided 100% interest of the Kirkland Lake property, located in northern Ontario, for an aggregate payment of $130,000. The Corporation made a first option payment of $65,000 upon signing, with an additional option payment of $65,000 due on the first anniversary date of signing. The property is also subject to an existing royalty granted to a third party for certain claims, which can be purchased for $500,000, and also a 2% NSR granted to another entity.

#### iv) Ashley Gold Project

On February 4, 2015, the Corporation signed an agreement with a non-related Corporation to acquire an undivided 100% interest in the Hunter property, located in northern Ontario, for an aggregate payment of $150,000. The Corporation made a first option payment of $20,000 upon signing, with additional option payments due of $30,000 on the first anniversary date upon signing, $45,000 on the second anniversary date of signing, and $55,000 on the first anniversary date of signing. The agreement is also subject to a 2% NSR, which can be purchased for $1,000,000 per 1%.

#### v) Roach Property

On March 10, 2015, the Corporation signed a purchase agreement with a non-related private individual for 100% of a 64 hectare patent lot referred to as the Roach Property, for a single payment of $45,000. The patent lot is on the Catharine Township, south of Kirkland Lake with a legal description of PIN 61250-0087, Parcel 3653 SEC NND, N ½ Lot 12 Con 4, Township of Catharine, District of Timiskaming.

### b. Discountinued Operations - Peruvian Properties

During the three months ended March 31, 2015, the Corporation decided to not continue in Peru and refocus its operations in Canada, therefore resulting in a write-off all its Peruvian exploration assets. The Corporation classified the Peruvian subsidiaries as discontinued operations, in accordance with IFRS 5 (refer to note 11 of the unaudited condensed interim consolidated financial statements).

### *3.3 Marcahui Project*

The Marcahui Project is a porphyry copper project located in Peru, 527km south of Lima, in the province of Arequipa, district of Quicacha. The project comprises an area of 1,200 hectares (“ha”), lies at low elevation and is close to infrastructure.

On June 30, 2011, the Corporation entered into an option agreement with a titleholder to earn an undivided 100% interest in the Marcahui property located in Peru. In order to complete the acquisition, the Corporation is required to make payments to the titleholder totalling USD$2,360,000 over three years for an 80% interest and an additional payment of $3,000,000 to earn the remaining 20%. The Corporation was also required to complete a total of 1,000 m of drilling by the second anniversary date after signing, which was fulfilled at the end of June 2012. The Corporation paid USD$30,000 on signing the agreement, and an additional USD$130,000 was paid during 2012. No option payments were made during 2013 nor during the year ended December 31, 2014. If the Corporation decides not to earn the additional 20% interest after the cash payments and expenditures have been completed, a joint venture will be formed with the Corporation as sole operator. Once the joint venture is formed, each participating party can convert 10% of their participating interest into a 1.5% NSR. During the year ended December 31, 2014, the Corporation has amended the agreement with the titleholder to extend the due date of the final USD$2,000,000 payment by one year, to December 31, 2015.

As a result of the Acquisition of the Marcahui property from OEL (refer to section 1 and note 4 of the condensed interim consolidated financial statements), a total of $4,699,755 was added to the book value of this property, to reflect the fair value determined by the independent valuator as well as a portion of the costs directly attributable to this transaction. During the period ended March 31, 2015, the Corporation decided to not to pursue operation in Peru and as a result recognized a write-off of $6,685,987.

### 3.4 Arcopunco

On January 26, 2012, the Corporation signed a letter of intention ("LOI") for 100% of the exploration authorization from Trabante de Huancavelica, Las Anima and Tres Mosqueteros in Peru. On August 2, 2012, the Corporation signed the final agreement with all three parties. The Corporation upon signing paid USD$60,000, and USD$100,000 on February 21, 2014. Additional payments due of USD$200,000 on February 22, 2015 and USD$2,000,000 on February 22, 2016, for 80% interest in the property are also required. An additional payment of USD$3,000,000 can be made within 90 days of the exercise of the first option to earn up to 100% of the property. On August 16, 2013, the Corporation extended the terms of the last option payment of USD$2,000,000 to USD$1,000,000 due on the third anniversary date upon signing and USD$1,000,000 due on the fourth anniversary date upon signing. On February 3, 2015, a new addendum was signed to modify further the option payments now being USD$1,200,000 due on February 22, 2016 and USD$1,000,000 due on February 22, 2017. During the period ended March 31, 2015, the Corporation recognized a write-off of $394,123 due to the Corporation's decision to leave Peru.

### 3.5 Magdalena

On October 31, 2011, the Corporation entered into an option agreement on the Claudias title with a titleholder to earn an undivided 100% interest in the Claudias title located in Peru. Oban was required to make payments to the titleholder totaling USD$605,000 over three years in order to earn the 100% interest. Oban was also required to incur a total of $75,000 of exploration expenditures by the second anniversary date after signing, which had been completed at the end of the first year. The Corporation paid USD$5,000 on signing the agreement and USD$45,000 on April 30, 2012.

On October 5, 2012, Oban signed an option agreement with Peru Minerals SAC, Peruvian subsidiary of Promesa, an Australian entity, under which Oban optioned-out the rights and obligations on the Magdalena property, including payments due to the titleholder. The optionee is committed to fulfill the remaining USD$520,000 payments due over the three year and is required to pay Oban a total of USD$218,000 either upon execution of the option agreement, or after 2015 (USD$100,000 in 2015 and USD$118,000 in 2016) and by completing a geophysical study. During the year ended December 31, 2013, Oban received a reimbursement of tenement fees capitalized in previous year in the amount of USD$77,100, which resulted in a decrease in the value of the asset net of other additions of $39,876.

On July 11, 2014, the Corporation and the optionee terminated the option agreement with the titleholder with regards to the Claudias concession; and as a result, the commitment for the final payment of USD$295,000 was transferred directly to the Corporation; however, as at December 31, 2014, the Corporation has yet to receive the funds. On December 2nd, 2014, Peru Minerals completed the second option payment of USD$55,900, which resulted in a decrease in the value of the asset of $65,008 as of December 31, 2014.

During the period ended March 31, 2015, the Corporation decided to not to pursue operations in Peru and as a result, recognized a write-off of $256,272.

### 3.6 Low Capital Cost Prospects

The Corporation acquired exploration rights to properties located in Peru by staking claims along the coast. The properties are primarily focused on copper and base metals. During the period ended March 31, 2015, the Corporation completed its exploration program and concluded not to pursue various claims in the region, therefore recognizing a write-off of $133,667.

### 3.7 Lithocaps Prospects

The Corporation acquired exploration rights to properties located throughout Peru by staking claims. The properties are primarily focused on copper-gold and base metals. During the period ended March 31, 2015, the Corporation finished an exploration program and concluded not to pursue various claims in the region, therefore recognizing a write-off of $240,571.

## 4. EXPLORATION AND EVALUATION ASSETS EXPENDITURES AND COMMITMENTS

### *4.1 Exploration and Evaluation Assets Expenditures*

The Corporation's expenditures on exploration and evaluation assets for three-month period ended March 31, 2015 were as follows (in Canadian dollars):

| | December 31, 2014 | Additions in the period | Write offs in the period | March 31, 2015 |
|---|---|---|---|---|
| Canadian properties | | | | |
| Urban Barry | $ 123,611 | $ 23,891 | $ - | $ 147,502 |
| Ogima - Catharine Fault | 98,420 | 236,669 | - | 335,089 |
| Northstar Miller - Catharine Fault | - | 69,797 | - | 69,797 |
| Golden Dawn - Catharine Fault | - | 77,062 | - | 77,062 |
| Ashley Gold - Catharine Fault | - | 32,062 | - | 32,062 |
| Peru properties | | | | |
| Arcopunco | 330,157 | 63,966 | (394,123) | - |
| Marcahui | 6,463,933 | 222,054 | (6,685,987) | - |
| Magdalena | 224,175 | 32,097 | (256,272) | - |
| Generative properties | | | | |
| Peru - Lithocaps | 99,677 | 140,894 | (240,571) | - |
| Peru - Low Capex | 114,351 | 19,316 | (133,667) | - |
| Total exploration and evaluation assets | $ 7,454,324 | $ 917,806 | $ (7,710,619) | $ 661,512 |

Significant additions during the three-month period ended March 31, 2015 are described by category in the following table:

| **As of March 31, 2015** | **Urban Barry** | **Ogima - Catharine Fault** | **Miller - Catharine Fault** | **Golden Dawn - Catharine Fault** | **Ashley Gold - Catharine Fault** | **Peruvian projects** | **Total** |
|---|---|---|---|---|---|---|---|
| Property Acquisition | $ - | $ 59,500 | $ 44,976 | $ 75,000 | $ 30,000 | $ 75,865 | $ 285,341 |
| Geochemical and Geophysical Survey | - | 108,000 | - | - | - | - | 108,000 |
| Geological Reconnaissance | - | - | - | - | - | 242,794 | 242,794 |
| Reporting and GIS | 23,891 | 37,511 | 21,127 | 2,062 | 2,062 | 51,352 | 138,003 |
| Administration | - | - | - | - | - | 9,820 | 9,820 |
| Supplies, Sustenance and Transportation | - | 2,193 | 2,434 | - | - | 54,584 | 59,211 |
| Tenement Fees | - | 29,465 | 1,260 | - | - | - | 30,725 |
| Assays | - | - | - | - | - | 43,911 | 43,911 |
| **Total additions** | **$ 23,891** | **$ 236,669** | **$ 69,797** | **$ 77,062** | **$ 32,062** | **$ 478,325** | **$ 917,806** |

During the three-month period ended March 31, 2015 most of the Corporation's exploration expenses were incurred on the Canadian projects as the Corporation completed the acquisition of the properties, surveys, geological reconnaissance and reporting required to determine the exploration plan for 2015. The Peruvian properties spending related to completion and analysis of exploration results, which were key to determine the discontinuance of these projects.

### *4.2 Option Payments and Acquisition Costs for Exploration and Evaluation Assets Claims*

The following is a summary of the committed option payments and acquisition costs to be made as of March 31, 2015 in respect of the Corporation's exploration and evaluation assets:

| (In CAD$) | Total | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|
| Catharine Fault - Ogima Project | $ 400,000 | $ 160,000 | $ 100,000 | $ 140,000 | $ - | $ - |
| Catharine Fault - Miller Project | $ 510,000 | $ 50,000 | $ 80,000 | $ 380,000 | $ - | $ - |
| Catharine Fault - Golden Dawn Project | $ 65,000 | $ 65,000 | $ - | $ - | $ - | $ - |
| Catharine Fault - Ashley Gold Project | $ 130,000 | $ 30,000 | $ 45,000 | $ 55,000 | $ - | $ - |
| Urban Barry Project - exploration commitment* | $ 1,504,800 | $ 1,504,800 | $ - | $ - | $ - | $ - |
| Catharine Fault - Miller Project, exploration commitment | $ 4,190,000 | $ 650,000 | $ 1,840,000 | $ 1,700,000 | $ - | $ - |
| **Total in CAD** | **$ 6,799,800** | **$2,459,800** | **$2,065,000** | **$2,275,000** | **$ -** | **$ -** |

** Quebec Prospects minimum exploration commitment of $1,200 per claim (1,254) to be made within two years from the date of grant*

## 5. OUTLOOK

The Corporation is finalizing the NI43-101 technical report on the Miller Property which is expected to be complete in early May 2015. The Corporation will then begin conducting Phase 2 work, weather permitting on all the Catherine Fault Properties in order to help define the drill targets for the upcoming drill program. The Corporation is also finalizing the geophysical airborne survey that was flown in April 2015 and expects to have a final report by the end of May 2015. Once Phase 2 work is complete, the Corporation will commence the 4,000 m diamond drill program which is expected to begin in late July, 2015 on the Miller property.

The Corporation continues to evaluate interests in projects in Ontario and Quebec, in addition to Urban Barry. The Corporation has optioned a number of claims in Ontario to conduct initial exploration, and expects to continue taking early stage interests in prospects, which it hopes, will mature into material properties.

The Corporation has staked approximately 70,000 hectares (“ha”) in the Urban Barry area of Quebec. Oban is currently working with historical data in order to help plan an initial exploration program for the area. The Corporation intends to begin systematic sampling and mapping in early spring followed by further work, as warranted.

## 6. RESULTS OF CONTINUING OPERATIONS

The following table summarizes the Corporation's Consolidated Statement of Operations for the three-month periods ended March 31, 2015 and 2014:

| | Three month period | |
|---|---|---|
| *For the period ended,* | **March 31, 2015** | March 31, 2014 |
| **Compensation expense** | | |
| Stock-based compensation | **$ 124,619** | $ 105,015 |
| Compensation expense | **240,422** | 160,919 |
| Total compensation expenses | **365,041** | 265,934 |
| **General and administration** | | |
| Shareholder and regulatory expense | **8,000** | 27,897 |
| Administrative services | **-** | 30,000 |
| Travel expense | **16,135** | 24,214 |
| Professional fees | **100,210** | 104,332 |
| Office expense | **67,008** | 17,705 |
| Total general and administration expenses | **191,353** | 204,148 |
| **General exploration** | | |
| Latin America | **-** | 4,493 |
| Canada | **49,473** | - |
| Total exploration expenses | **49,473** | 4,493 |
| **Marketable securities gain** | | |
| Realized gain from marketable securities | **(48,776)** | **-** |
| Unrealized gain from marketable securities | **(7,359)** | **-** |
| Total marketable securities gain | **(56,135)** | - |
| **Foreign currency exchange** | | |
| Realized foreign currency exchange loss | **1,174** | 9,418 |
| Unrealized foreign exchange gain | **(81,594)** | (8,640) |
| Total foreign exchange (gain)/loss | **(80,420)** | 778 |
| Finance income | **(17,210)** | (26,183) |
| Finance costs | **2,612** | 2,531 |
| **Net finance income from continuing operations** | **(14,598)** | (23,652) |
| **Loss for the period from continuing operations** | **454,714** | 451,702 |
| **Loss for the period from discontinued operations** | **7,821,314** | 24,410 |
| **Total loss for the period** | **8,276,028** | 476,112 |
| **Other comprehensive income** | | |
| Items that may be reclassified subsequently to profit and loss | **(305,382)** | (8,327) |
| **Comprehensive income for the period** | **(305,382)** | (8,327) |
| **Total comprehensive loss** | **$ 7,970,646** | $ 467,785 |
| **Basic and diluted loss per share** | | |
| From continuing operations | **$ 0.00** | $ 0.02 |
| From discontinued operations | **0.08** | 0.00 |
| **Total loss per share** | **$ 0.08** | $ 0.02 |
| **Basic and diluted weighted average number of shares** | **99,881,561** | 29,862,353 |

## 6.1 THREE-MONTH PERIOD ENDED MARCH 31, 2015 AS COMPARED TO THREE-MONTH PERIOD ENDED MARCH 31, 2014

Loss from continuing operations for the period increased to $454,714 from $451,702 due to an increase in expenses from the prior period as a result of the merger that took place between the Corporation and OEL on April 17, 2014.

Stock-based compensation expense increased by $19,604 in the period ended March 31, 2015 to $124,619, compared with $105,015 in the period ended March 31, 2014 due to 7,040,000 options being issued in connection with the acquisition of OEL.

Compensation expense increased in the period ended March 31, 2015, by $79,504 to $240,422, compared with $160,919 expense in the period ended March 31, 2014, due to an increase in compensation related to the merger that took place between the Corporation and OEL on April 17, 2014.

Shareholder and regulatory expense decreased by $19,897 to $8,000 for the period ended March 31, 2015 compared to $27,897 in the same period for 2014 as the Corporation had less filings during the period compared to the prior year.

Administrative services for the period ended March 31, 2015 were $Nil whereas the Corporation had a $30,000 expense in the same period in 2014 as the Corporation has reduced the consulting fees in the year as a cost cutting measure.

Travel expense decreased for the period ended March 31, 2015 to $16,135 from $24,214 as compared to the same period in 2014. The decrease was a result of less exploration activity in the foreign jurisdictions as the Corporation has began the process to re-focus its operations in Canada.

Professional fees decreased for the period ended March 31, 2015 by $4,122, to $100,210, compared with $104,332 expense for the same period in 2014, due to increased activity in the prior period related to the foreign operations.

Office expense increased for the period ended March 31, 2015 by $49,303, to $67,008, compared with $17,705 for the same period in 2014, due to a increase in office rent and insurance expense related to the merger that took place in the prior year with OEL on April 17, 2014.

General exploration expenses increased by $44,980 to $49,483 during the period ended March 31, 2015, compared with $4,493 for the same period in 2014, due to new exploration prospects in areas for which the right to explore is yet to be obtained. The Corporation is continuing to search for new opportunities.

During the period ended March 31, 2015, the Corporation invested in marketable securities in exploration and development companies as a strategic investment. As a result, the Corporation recognized a realized and unrealized gain in the period related to these investments of $48,776 and $7,359, respectively.

An unrealized gain of $81,594 was recognized during the period ended March 31, 2015, compared with $8,640 for the same period in 2014, as a result of the increased strength of the United States dollar compared to the Canadian dollar.

Net finance income during the period ended March 31, 2015 slightly decreased by $8,972, to $17,210, compared with $26,182 in the period ended March 31, 2014, due to a combination of a lower interest rate as well as a decrease in cash balance.

## 6.2 CASH FLOWS

The Corporation is dependent upon raising funds in order to fund future exploration programs. See "Liquidity and Capital Resources" and "Risks and Uncertainties".

*Operating Activities*

Cash used in operating activities from continuing operations for the three-month period ended March 31, 2015 totalled $304,765 compared to $439,863 used in the same period during 2014. The decreased outflows were primarily attributable to compensation expense, professional fees, and travel expense.

*Financing Activities*

Cash provided by financing activities was $Nil during the three-month period ended March 31, 2015.

*Investing Activities*

Cash used by investing activities from continuing operations for the three-month period ended March 31, 2015 totalled $(675,505) compared to $52,985 in the same period in 2014. The increase was mainly due to the cash used for additions to exploration and evaluation assets associated with the exploration activity completed mostly in Canada and Peru during the period as well as a $300,000 private placement for the purchase of the Northstar shares in relation to the Miller property acquisition.

In management's view, the Corporation has sufficient financial resources to fund current planned exploration programs and ongoing operating expenses. The Corporation will continue to be dependent on raising equity or other capital as required unless and until it reaches the production stage and generates cash flow from operations. See *"Forward-Looking Information"* and *"Risks and Uncertainties"*.

## 7. RESULTS OF DISCONTINUED OPERATIONS

During the three months ended March 31, 2015, the Corporation decided not to continue pursuing the Peruvian properties, and therefore wrote-off all the exploration assets. Further, the Corporation classified the Peruvian subsidiaries as discontinued operations, in accordance to IFRS 5. Accordingly, the following table summarizes the results of discontinued operations for the three-month periods ended March 31, 2015 and 2014.

| *For the period ended* | **March 31, 2015** | **March 31, 2014** |
|---|---|---|
| **Peru** | | |
| Compensation expense | **$ 15,865** | $ 4,357 |
| General administrative expense | **88,243** | 18,311 |
| General exploration expense | **1,492** | 245 |
| Exploration and evaluation assets writen-off | **7,710,619** | - |
| Foreign currency exchange loss | **4,358** | 775 |
| Finance costs | **737** | 722 |
| **Total loss from discontinued operations** | **7,821,314** | 24,410 |

## 8. SUMMARY OF QUARTERLY RESULTS

| *For the period ended* | **March 31, 2015** | **December 31, 2014** | **September 30, 2014** | **June 30, 2014** |
|---|---|---|---|---|
| **Financial Results:** | | | | |
| Interest income | **$ (17,210)** | **$ (25,813)** | **$ (27,398)** | **$ (27,352)** |
| Loss from continuing operations | **$ 454,714** | **$ 883,222** | **$ 610,457** | **$ 1,001,982** |
| Loss/(income) from discontinued operations | **$ 7,821,314** | **$ 174,711** | **$ 14,874,509** | **$ 1,315,541** |
| Loss/(earnings) per share* - basic and diluted | | | | |
| From continuing operations | **$ 0.00** | **$ 0.01** | **$ 0.01** | **$ 0.01** |
| From discontinued operations | **$ 0.08** | **$ 0.00** | **$ 0.15** | **$ 0.01** |
| **Financial Position:** | | | | |
| Working Capital (non-IFRS measurement) | **$ 9,426,857** | **$ 10,681,654** | **$ 11,799,951** | **$ 13,657,328** |
| Exploration and evaluation assets | **$ 661,512** | **$ 7,454,324** | **$ 7,376,114** | **$ 19,617,097** |
| Total Assets | **$ 10,955,876** | **$ 18,818,405** | **$ 19,980,379** | **$ 34,983,445** |
| Share Capital | **$ 52,139,580** | **$ 52,139,580** | **$ 52,139,580** | **$ 52,139,580** |
| Deficit | **$ (45,782,127)** | **$ (37,506,099)** | **$ (36,448,166)** | **$ (20,963,200)** |
| Number of shares issued and outstanding | **99,881,561** | **99,881,561** | **99,881,561** | **99,881,561** |

** Basic and diluted loss per share is calculated based on the weighted-average number of Common Shares outstanding. The number of shares issued and outstanding accounts for the 3.14-to-one consolidation made in connection with the acquisition of OEL, applied retrospectively for all the periods disclosed in the table. The conversion of stock options is not included in the calculation of the diluted loss per share because the conversion would be anti-dilutive.*

| *For the period ended* | **March 31, 2014** | **December 31, 2013** | **September 30, 2013** | **June 30, 2013** |
|---|---|---|---|---|
| **Financial Results:** | | | | |
| Interest Income | $ (26,183) | $ (26,960) | $ (24,866) | $ (25,741) |
| Loss from continuing operations | $ 451,702 | $ 1,739,451 | $ 161,016 | $ 711,119 |
| Loss from discontinued operations | $ 24,410 | $ (650,503) | $ (178,002) | $ 6,327,715 |
| Loss per share* - basic and diluted | | | | |
| From continuing operations | $ 0.02 | $ 0.01 | $ 0.01 | $ 0.02 |
| From discontinued operations | $ 0.00 | $ 0.06 | $ (0.01) | $ 0.21 |
| **Financial Position:** | | | | |
| Working Capital (non-IFRS measurement) | $ 10,575,380 | $ 10,991,897 | $ 10,574,687 | $ 10,591,608 |
| Exploration and evaluation assets | $ 328,184 | $ 196,880 | $ 1,180,946 | $ 1,261,548 |
| Total Assets | $ 11,482,825 | $ 11,751,248 | $ 12,579,792 | $ 12,591,905 |
| Share Capital | $ 26,859,121 | $ 26,859,121 | $ 26,859,121 | $ 26,859,121 |
| Deficit | $(18,645,677) | $ (18,169,566) | $ (17,080,618) | $ (17,097,604) |
| Number of shares issued and outstanding | 29,862,353 | 29,862,353 | 29,862,353 | 29,862,353 |

** Basic and diluted loss per share is calculated based on the weighted-average number of Common Shares outstanding. The number of shares issued and outstanding accounts for the 3.14-to-one consolidation made in connection with the acquisition of OEL, applied retrospectively for all the periods disclosed in the table. The conversion of stock options is not included in the calculation of the diluted loss per share because the conversion would be anti-dilutive.*

The loss from continuing operations in the three month period ended March 31, 2015 was mainly due to an increase in expenses a result from the merger between the Corporation and OEL during the prior period that took place on April 14, 2014. The increase in the discountinued opertions is mainly related to the the write-off of exploration and evaluation assets described in sections 4.1, 6.1 and 6.2 above as a result of the Corporation switching operations from Peru and Mexico to Canada. Total exploration and total assets increased from prior period due to the capitalization of expenditures incurred in the Canadian prospects, net of the write-off of Bermejo and the Generative projects in Peru, during the quarter ended December 31, 2014.

## 9. FOREIGN EXCHANGE

The following table summarizes the Canadian dollar average exchange rate for the periods ended March 31, 2015 and 2014, as well as the spot rate as of May 7, 2015, providing the value of one Canadian dollar in the currencies of the countries in which the Corporation conducted business during the three-month period ended March 31, 2015.

| **Currency** | **Quarter ended** **March 31, 2015** | March 31, 2014 | May 7, 2015 |
|---|---|---|---|
| United States dollar (USD) | **0.808** | 0.907 | 0.831 |
| Peruvian Nuevo Sol (PEN) | **2.434** | 2.512 | 2.557 |
| Mexican Peso (MXN) | **12.067** | 11.999 | 12.728 |

## 11. LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2015, the Corporation had cash of $ $9,716,178 (December 31, 2014 - $10,998,647) and working capital of $ 9,426,857 (December 31, 2014 - $10,681,654). Cash and working capital decreased from December 31, 2014, due to the expenditures incurred mostly in connection with exploration activities in Canda and Peru, and general and administration activities related to the offices in Canada as well as additional costs related to the closing of the foreign operations. The majority of the Corporation's financial liabilities have contractual maturities of less than 30 days, and are subject to normal trade terms.

The Corporation has no history of revenues from its operating activities. The Corporation is not in commercial production on any of its mineral properties and accordingly does not generate cash from operations. During the period ended March 31, 2015, the Corporation had negative cash flow from operating activities, and the Corporation anticipates it will have negative cash flow from operating activities in future periods.

The Corporation has, in the past, financed its activities by raising capital through equity issuances. Until it can generate a positive cash flow position, in order to finance its exploration programs, the Corporation will remain reliant on the equity markets for raising capital, in addition to adjusting spending, disposing of assets or obtaining other non-equity sources of financing.

The Corporation believes it has sufficient cash resources to meet its exploration and administrative overhead expenses and maintain its planned exploration activities for the next twelve months. However, there is no guarantee that the Corporation will be able to maintain sufficient working capital in the future due to market, economic and commodity price fluctuations. See *"Risks and Uncertainties"*.

## 12. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

See section 4.2 for information regarding option payments on the properties for the Corporation's outstanding commitments. In addition to the option payments, on November 6, 2012 the Corporation signed a sublease agreement for office space, under which it is committed to annual payments of approximately $220,000 for a four-year term, which terminates on February 28, 2017. In connection with the sublease agreement, the Corporation signed an $80,000 letter of credit, which is supported by a GIC deposit at a Canadian Chartered Bank disclosed within restricted cash. On March 3, 2015, the letter of credit was reduced to $26,667, upon completion of the second year of the lease agreement.

During the period ended December 31, 2014, the Corporation concluded to terminate the Antamayo option agreement. As a result, the Corporation accrued environmental liabilities relating to the clean up of the drill pads and access roads on the Antamayo project that has amounted to an accrual in the amount of $213,314 (USD$183,429). The Corporation has left the accrual in place until it can finalize the exact amount that would be needed after the environmental officials in Peru have finalized their report. The Corporation does not expect that the full amount will need to be paid.

## 13. OFF-BALANCE SHEET ARRANGEMENTS

The Corporation does not have any off-balance sheet arrangements.

## 14. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Corporation and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of the transactions between the Corporation and other related parties are disclosed below.

During the three month period ended March 31, 2015, consulting fees of $124,153 (2014 – $33,900) were incurred with Talisker Exploration Services Inc., a Corporation related to Mr. Chris Lodder, Mr. Terence Harbort, and Mr. Ruben Padilla, members of the Advisory Committee of the Corporation, out of which an owing balance of $18,812 is included within accounts payable at March 31, 2015 (2014 - $Nil). These consulting fees have been recorded at their exchange amount – being the amount agreed to by the parties and are mostly included within discontinued operations in 2015 and within continuing operations in 2014.

On April 14, 2014, the Corporation completed the Acquisition of Oban Exploration Limited (note 4), which, was a related party to the Corporation due to having common directors and officers with the Corporation, being Mr. Jose Vizquerra, Mr. Blair Zaritsky, Mr. Gernot Wober, and Mr. John Burzynski.

During the three month period ended March 31, 2015, one of the Corporation's directors, Bernardo Alvarez-Calderon staked land in Peru amounting to USD$7,356 that was subsequently transferred into the Corporation's name. The Corporation has accrued this amount as at March 31, 2015.

As of March 31, 2015, there were $30,000 of Directors' fees accrued by the Corporation.

## 15. OUTSTANDING SHARE DATA

As at May 7, 2015 the Corporation had 119,881,561 Common Shares outstanding, as well as 7,040,000 stock options to purchase Common Shares at a weighted average exercise price of $0.22 per share and nil warrants. This amounts to 126,921,561 Common Shares outstanding on a fully diluted basis.

The following table summarizes the options issued and outstanding as at March 31, 2015:

| Exercise Price | Number of Stock Options Outstanding | Weighted-Average Remaining periods of Contractual Life | Number of Stock Options Exercisable | Weighted Average Exercisable Price |
|---|---|---|---|---|
| **$ 0.22** | **7,040,000** | **4.057** | **2,346,663** | **$ 0.22** |

## 16. CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses for the reporting period. The Corporation also makes estimates and assumptions concerning the future. The determination of estimates and associated assumptions are based on various assumptions including historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

### i) Significant judgments in applying accounting policies

The areas that require management to make significant judgments in applying the Corporation's accounting policies in determining carrying values include, but are not limited to:

***Taxes:***

The Corporation is subject to income taxes in various jurisdictions. Significant judgment is required in determining the provision for income taxes, due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

### ii) Significant Accounting Estimates and Assumptions

The areas that require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

***Impairment of non-financial assets:***

The Corporation assesses its cash-generating units at each reporting date to determine whether any indication of impairment exists. Where an indicator of impairment exists, an estimate of the recoverable amount is made, which is the higher of the fair value less costs to sell and value in use. The determination of the recoverable amount requires the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and future operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties.

***Fair value of share-based payments:***

Determining the fair value of share-based payments involves estimates of interest rates, expected life of options, expected forfeiture rate, share price volatility and the application of the Black-Scholes option-pricing model. The Black-Scholes option-pricing model requires the input of highly subjective assumptions that can materially affect the fair value estimate. Stock options granted vest in accordance with the stock option plan. The valuation of stock-based compensation is subjective and can impact profit and loss significantly. The Corporation has applied a forfeiture rate in arriving at the fair value of stock-based compensation to be recognized, reflecting historical experience. Historical experience may not be representative of actual forfeiture rates incurred. Several other variables are used when determining the value of stock options using the Black-Scholes valuation model:

- ***Dividend yield***: the Corporation has not paid dividends in the past because it is in the exploration stage and has not yet earned any significant operating income. Also, the Corporation does not expect to pay dividends in the foreseeable future. Therefore, a dividend rate of 0% was used for the purposes of the valuation of the stock options.
- ***Volatility***: the Corporation uses historical information on the market price of peer companies to determine the degree of volatility at the date when the stock options are granted. Therefore, depending on when the stock options were granted and the period of historical information examined, the degree of volatility can be different when calculating the value of different stock options.
- ***Risk-free interest rate***: the Corporation used the interest rate available for government securities of an equivalent expected term as at the date of the grant of the stock options. The risk-free interest rate will vary depending on the date of the grant of the stock options and their expected term.

***Recoverability of VAT receivable:***

Management's assumptions regarding the recoverability of Value Added Tax ("VAT") receivable in Mexico and Peru, at the end of each reporting period, is made using all relevant facts available, such as the development of VAT policies in both jurisdictions, past collectability, and the general economic environment of jurisdictions to determine if a write-off of the VAT is required. All of the non-collectable VAT receivable balances related to the foreign operations has been written off to discountiuned operations at the period ended March 31, 2015.

## 17. CHANGES IN IFRS ACCOUNTING POLICIES AND FUTURE ACCOUNTING PRONOUNCEMENTS

The financial framework and accounting policies applied in preparation of these condensed interim consolidated financial statements are consistent with those as disclosed in its most recently completed audited consolidated annual financial statements for the year-ended December 31, 2014, except for the following new IFRS standards that became effective in the period

### International Accounting Standard 16, "Property, plant and equipment" ("IAS 16") and International Accounting Standard 38, "Intangible assets" ("IAS 38")

In May 2014, the IASB issued amendments to IAS 16 'Property, plant and equipment' ("IAS 16") and IAS 38 'Intangible assets' ("IAS 38"). The amendments are effective for annual periods beginning on or after January 1, 2016 and are to be applied prospectively. The amendments clarify the factors in assessing the technical or commercial obsolescence, to provide a rebuttable presumption for intangible assets and the resulting depreciation period of an asset and state that a depreciation method based on revenue is not appropriate. The Corporation has evaluated the requirements of the new standard and does not expect any material impact from the adoption of this standard.

### International Financial Reporting Standard 11, "Joint Arrangements" ("IFRS 11")

In May 2014, the IASB issued amendments to IFRS 11 'Joint Arrangements' ("IFRS 11"). The amendments in IFRS 11 are effective for annual periods beginning on or after January 1, 2016 and are to be applied prospectively. The amendments clarify the accounting for acquisition of interests in joint operations and require the acquirer to apply the principles on business combinations accounting in IFRS 3 'Business combinations'. The Corporation has evaluated the requirements of the new standard and does not expect any material impact from the adoption of this standard.

## 18. RISKS AND UNCERTAINTIES

The Corporation's business, being the acquisition, exploration, and development of mineral properties in the Americas, is speculative and involves a high degree of risk. Certain factors, including but not limited to the ones described below, could materially affect the Corporation's financial condition and/or future operating results, and could cause actual events to differ materially from those described in forward-looking statements made by or relating to the Corporation. See *"Forward-Looking Information"*. The reader should carefully consider these risks as well as the information disclosed in the Corporation's financial statements, the Corporation's annual information form ("AIF") dated March 10, 2015, and other publicly filed disclosure regarding the Corporation, available under the Corporation's issuer profile on SEDAR at www.sedar.com.

## 19. CORPORATE GOVERNANCE

Management and the Board of Directors (the "**Board**") of the Corporation recognize the value of good corporate governance and the need to adopt best practices. The Corporation is committed to continuing to improve its corporate governance practices in light of its stage of development and evolving best practices and regulatory guidance.

The Board has adopted a Board Mandate outlining its responsibilities and defining its duties. The Board has three committees (the Audit Committee, the Compensation Committee, and the Corporate Governance and Nominating Committee). The Audit Committee has an approved committee charter, which outlines the committee's mandate, procedures for calling a meeting, and provides access to outside resources.

The Board has also approved a Code of Ethics, which governs the ethical behavior of all employees, management and directors. Separate trading blackout and disclosure policies are also in place. For more details on the Corporation's corporate governance practices, please refer to the Corporation's website at www.obanmining.com.

The Corporation's directors have expertise in exploration, metallurgy, mining, accounting, banking, financing and the securities industry. The Board meets at least four times a year and committees meet as required.

## 20. CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

National Instrument 52-109 requires public companies in Canada to disclose in their MD&A any change in Internal Control Over Financial Reporting ("ICFR") during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

There have been no changes in ICFR during the quarter ended March 31, 2015 that materially affected or are reasonably likely to materially affect the Corporation's internal control over financial reporting.

## 23. NON-IFRS MEASURES

The Corporation has included a non-IFRS measure for "working capital" in this MD&A to supplement its financial statements, which are presented in accordance with IFRS. The Corporation believes that this measure provides investors with an improved ability to evaluate the performance of the Corporation. Non-IFRS measures do not have any standardized meaning prescribed under IFRS. Therefore such measures may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

The Corporation determines working capital as follows:

| *Reconciliation for the period ended* | **March 31, 2015** | **December 31, 2014** | **September 30, 2014** | **June 30, 2014** |
|---|---|---|---|---|
| Current Assets | 9,880,173 | 11,168,357 | 12,411,706 | 13,975,890 |
| Less Current Liabilities | 453,316 | 486,703 | 611,755 | 318,562 |
| **Working Capital** | **9,426,857** | **10,681,654** | **11,799,951** | **13,657,328** |

| *Reconciliation for the period ended* | **March 31, 2014** | **December 31, 2013** | **September 30, 2013** | **June 30, 2013** |
|---|---|---|---|---|
| Current Assets | 10,971,265 | 11,293,436 | 10,974,042 | 10,889,388 |
| Less Current Liabilities | 395,885 | 301,539 | 399,355 | 297,780 |
| **Working Capital** | **10,575,380** | **10,991,897** | **10,574,687** | **10,591,608** |

## 24. ADDITIONAL INFORMATION

Additional information regarding the Corporation can be found in the AIF, which is available under the Corporation's issuer profile on SEDAR at www.sedar.com.

## 25. SUBSEQUENT EVENTS

On April 9, 2015, the Corporation announced the intention to complete a non-brokered private placement (the "Offering") of up to 5,000,000 common shares of the Corporation ("Common Shares") at a price of $0.10 per Common Share and up to an additional 15,000,000 Common Shares to be issued as "flow-through shares" within the meaning of the Income Tax Act (Canada) ("FlowThrough Shares") at a price of $0.10 per Flow-Through Share for aggregate gross proceeds of up to $2,000,000. The Offering closed on or before April 24, 2015.