NEVADA EXPLORATION INC.
Management Discussion and Analysis – Form 51-102F1
For the Period Ended October 31, 2014

The following Management Discussion and Analysis ("MD&A) prepared as of December 23, 2014 should be read in conjunction with the unaudited consolidated interim financial statements for the period ended October 31, 2014, and the related notes thereto. Those unaudited consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted.

The reader should also refer to the annual audited financial statements and the MD&A for the year ended April 30, 2014. Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Additional information related to Nevada Exploration Inc. (the "Company" or "NGE") is available for view on SEDAR at www.sedar.com.

DESCRIPTION OF THE BUSINESS

Nevada Exploration Inc. is a publicly traded junior mineral exploration company whose shares are traded on the TSX Venture Exchange ("TSX-V"). The Company is engaged in gold exploration in Nevada, USA. The Company was incorporated under the Canada Business Corporations Act on April 6, 2006. On July 14, 2010, the Company amalgamated with its subsidiary 2107189 Ontario Inc. The Company and its wholly owned subsidiary Pediment Gold LLC are referred to herein collectively as "the Company", "NGE", "our", or "we".

NGE is applying the latest in covered deposit exploration technology to identify, acquire, and advance new exploration properties in Nevada's highly prospective, yet underexplored covered basins. Specifically, the Company has developed proprietary hydrogeochemistry (groundwater chemistry) exploration technology to explore for gold in Nevada's covered basins where traditional exploration techniques are challenged. NGE's business model is to create shareholder value by leveraging its properties and technology through generative exploration, joint ventures, and other exploration partnerships.

LAND ACQUISITION AND MAINTENANCE

On an ongoing basis, the Company evaluates the holding costs and results to date at each of its properties to ensure that the Company focuses its resources on land with the highest exploration potential.

As of December 23, 2014, NGE directly holds 712 unpatented mining claims and other mineral interests in the following properties through its wholly owned US subsidiary Pediment Gold LLC:

Project	NGE Claims		OTHER*	Total
	Claims	Area (km^2)	Area (km^2)	Area (km^2)
Grass Valley (GV)	452	37.6	-	37.6
South Grass Valley (SGVA)	185	15.4	-	15.4
Kelly Creek (KC)	-	-	16.6	16.6
Hot Pot (HP)	3	0.2	8.8	9.0
Awakening (AW)	72	4.5	-	4.5
TOTAL	712	57.7	25.4	83.1

*Leased private lands and interest in claims on BLM land held by third parties.

EXPLORATION RISK MANAGEMENT STRATEGY

NGE manages exploration risk by focusing exploration resources in specific, planned stages on each property. If the results from one stage are positive, then NGE allocates funds to the next stage. If at any stage, results are negative, NGE drops the property from further consideration. NGE's staged exploration strategy assures that properties showing positive results move aggressively through the exploration pipeline.

NGE's exploration stages include:

- Hydrogeochemistry: NGE first uses its proprietary hydroprobe sampling technology to collect regularized hydrogeochemistry samples across areas already shown to be prospective based on samples collected from existing springs and wells. NGE uses the data to develop a computerized hydrogeochemistry model of each target.

- Acquisition: NGE acquires the mineral rights covering prospective targets showing large areas of highly anomalous hydrogeochemistry. If a target of exploration interest is on BLM land that is open to location (available), NGE locates mineral claims. If a target lies on private land, NGE completes a title review to determine mineral title ownership, and then endeavours to negotiate an agreement with the owner.

- Surface Geochemistry: NGE completes detailed soil, vegetation, and/or soil gas sampling across areas demonstrating prospective hydrogeochemistry to detect the possible vertical migration of gold and trace-elements from the underlying bedrock into the soils above. The use of surface geochemistry allows NGE to confirm the presences of anomalous levels of gold and other trace elements in a secondary medium in addition to in the groundwater.

- Gravity Geophysics: NGE uses detailed gravity geophysics to provide valuable information about the depth to bedrock across a property. Gravity data can suggest areas of strong changes in the relief or composition of the underlying bedrock, which can be indicative of underlying fault zones and alteration that often control the location of gold mineralization.

- Air Magnetics: NGE uses detailed air magnetic geophysics to provide information on the locations and types of rocks, fault zones, and hydrothermal alteration that generally accompany large gold deposits.

- Seismic Geophysics: NGE uses seismic geophysics, where appropriate, to identify deep-seated, steeply-dipping fault zones that can be projected into the near surface environment. Major, high-angle structures are important since they provide a potential conduit or 'plumbing' system for potential gold-bearing, hydrothermal fluids to access near-surface areas and deposit gold.

Drilling: where properties successfully pass through the above exploration stages, NGE uses drilling to test for: (1) shallow bedrock (< 1,000ft beneath the surface); (2) structures or faults in bedrock that may source potential mineralization; (3) bedrock that has been altered by hydrothermal fluids; (4) anomalous concentrations of gold and associated trace-elements in bedrock; and (5) sufficiently sized target to reasonably contain an economic resource. NGE evaluates drilling results based on these criteria to determine whether or not to continue to maintain each property and commit further exploration expenditures towards them.

MINERAL EXPLORATION PROPERTIES

Grass Valley (GV)

The Grass Valley Project is located 90 km (55 miles) southwest of Carlin in Lander County, Nevada, along the western side of Grass Valley, approximately 16 kilometres (10 mi) south of Barrick Gold Corp.'s Cortez Pipeline property, one of the world's largest and lowest cost gold mines. The Company has a 100% interest in 452 claims (37.6 km^2) at Grass Valley.

The Grass Valley project was identified and acquired in 2012 as a result of a hydrogeochemistry sampling program completed as part of a generative Exploration Agreement with McEwen Mining Inc. For the first two years of the project McEwen Mining Inc. controlled the project and advanced it by: collecting rock, soil, and vegetation geochemistry samples; mapping the exposed range front geology in the context of the regionally important structural controls; completing a detailed gravity geophysics survey; acquiring and reprocessing historic seismic geophysical data; and drilling one stratigraphic test drill hole.

The combined exploration dataset has confirmed that this Project represents a compelling new gold exploration target with significant upside in a region of Nevada known for large, world class gold deposits.

In the summer of 2014, McEwen Mining Inc. elected to withdraw from the Exploration Agreement, and NGE now holds a 100% interest in the Project.

South Grass Valley (SGV)

NGE established the South Grass Valley Project in 2013 by staking 185 unpatented mining claims (approx. 15.4 km^2). The Project is located in Lander County, north-central Nevada, approximately 50 kilometres (32 miles) south southwest of Barrick Gold Corp.'s Cortez Pipeline property.

Kelly Creek (KC)

The Kelly Creek Project is located in Humboldt County, Nevada, approximately 40km north-northwest of Battle Mountain, Nevada. On January 1, 2009, the Company entered into a Mining Lease and Option to Purchase Agreement with Genesis Gold Corporation ("Genesis") to acquire a 100% interest of Genesis's Hot Pot Claims, which consist of 254 unpatented mineral claims (20.2km^2). Under the Agreement, the Company is the Operator and has the option to purchase 100% of the Genesis claims for USD$1,500,000, subject to a 1.5% Net Smelter Return Royalty ("Royalty"). The Company also has the option to purchase one half of the royalty (0.75%) for USD$750,000.

The Kelly Creek project area is located in the prolific Kelly Creek Basin, between multi-million ounce gold deposits on the north (Twin Creeks, Getchell, Turquoise Ridge and Pinson) and south (Lone Tree, Marigold, Converse, Trenton Canyon and Copper Canyon). With the addition of Genesis's Hot Pot claims, NGE is now one of the largest property holders in the Kelly Creek Basin, along with Newmont Mining Corporation, which controls the majority of the alternating sections. However, despite its close proximity to world class gold deposits, the Kelly Creek project area has seen very limited historic exploration activity because the Basin's bedrock is largely covered by syn- to post-mineral volcanic units and post-mineral alluvium.

During 2007 and 2008, NGE completed a large scale reconnaissance hydrogeochemistry sampling program across the Kelly Creek Basin and successfully delineated a significant area of anomalous hydrogeochemistry similar to that surrounding the adjacent gold mines. A detailed gravity geophysical survey was completed in 2010 with positive results confirming the presence of shallow bedrock over the large area.

Kelly Creek sits adjacent to NGE's Hot Pot Project and has benefited from the updated and improved understanding of the district geologic controls provided by the Enexco drilling at Hot Pot. Combined with the hydrogeochemistry and gravity geophysics that NGE has collected, and the favorable regional, district and property scale lithology, structure and alteration, NGE believes that it has narrowed the area of exploration focus at Kelly Creek and confirmed the strong potential for covered gold mineralization. NGE is now looking for an exploration partner to work with at Kelly Creek, and expects the next phases of work at Kelly Creek to include detailed air magnetic geophysics, additional groundwater sampling, and seismic geophysics.

Hot Pot (HP)

In 2004, NGE's regional reconnaissance hydrogeochemistry program identified a prospective exploration target near Hot Pot in Humboldt County, Nevada, approximately 30km northwest of Battle Mountain, Nevada. Regional gravity data suggested that the Hot Pot area is underlain by a bedrock high covered by a thin layer of sand & gravel.

On September 16, 2005, the Company entered into a 10 year Mining Lease Agreement on 8.8km^2 at Hot Pot Project, subject to a 3% NSR to the land owner. The Company also controls 3 claims at Hot Pot (20 hectares). The lands within the Mining Lease Agreement and the 6 claims are subject to a 1.25% NSR to Royal Gold, Inc.

In 2005, nine RC drill holes were completed at Hot Pot to depths ranging from 92m (300ft) to 190m (620ft) for a total of 1,195m (3,900ft). The widely-spaced, shallow holes confirmed bedrock to range in depth from 33m (110ft) to 112m (370ft). The bedrock was hydrothermally altered and contained anomalous gold and trace elements similar to that associated with the Lone Tree gold mine. The drilling also confirmed and enlarged the area of anomalous hydrogeochemistry.

In 2007, NGE used its hydroprobe equipment to complete a detailed hydrogeochemistry survey at Hot Pot on a 400m (1/4 mi) grid. The resulting dataset showed highly anomalous gold and trace elements chemistry and further expanded the area of exploration interest. Additionally, in 2007, NGE completed two seismic geophysical lines, which identified several deep, north-trending, steeply-dipping fault zones. In 2008, NGE completed a detailed gravity geophysical survey, which successfully mapped the relative depth to the underlying bedrock by measuring the density contrast between 200m sampling points. The gravity survey delineated sharp changes in the slope of the bedrock that coincided with the fault zones identified by seismic geophysics.

In 2008, NGE completed 10 vertical, RC drill holes to test small segments of the steeply-dipping fault zones identified by the 2007 seismic and gravity geophysics. Three vertical holes were spaced 100m (330ft) apart on each of three lines. The holes ranged in depth from 50m (165ft) to 175m (575ft) for a total of 1,085m (3,565ft). The shallow drill holes encountered hydrothermally altered bedrock containing anomalous gold and trace elements. Deeper, angle drill holes designed to cross cut the areas where the steeply-dipping fault zones had been projected were planned, but the drilling contractor was unable to complete the program.

Also in 2008, an energy company, with business interests separate from NGE, started a deep test drill hole on the Hot Pot property. In exchange for NGE's seismic data, NGE was granted access to drill cuttings from the 1,372m (4,500ft) drill hole. Significantly, the deep drill hole encountered hydrothermally-altered, Paleozoic Rocks underlying the Hot Pot Project. Hydrothermal alteration includes carbon re-mobilization, local bleaching, clay, de-calcification and secondary pyrite.

Although potentially economic quantities of gold mineralization have not yet been encountered at Hot Pot, drilling to date has been wide-spaced and could have easily missed the type of high-angle fault zones that control significant known gold mineralization elsewhere in the region. The widely-distributed, highly anomalous gold in groundwater together with the large area of hydrothermally-altered and geochemically anomalous bedrock strongly suggests that higher values for gold in bedrock than have been discovered to date may still be located nearby. The next step is more closely-spaced, shallow, vertical drill holes and/or deeper, angle holes targeted to intersect steeply-dipping, potentially ore-bearing fault zones and favourable bedrock units.

On September 16, 2009, the Company entered into an Exploration Agreement with International Enexco Ltd. ("Enexco") whereby Enexco can earn a 51% interest in the Hot Pot Property by drilling 6,000 meters (19,600ft) over three years, with the option to earn an additional 19%, for 70% total, by drilling another 3,000 meters (9,800ft) during the fourth year. On July 2, 2009, NGE announced that Enexco had begun drilling at Hot Pot.

In 2009 and early 2010, Enexco completed an 11 hole, 3,462 metre (11,360 ft) core drilling program at Hot Pot to collect stratigraphic information and test for mineralized structures beneath the alluvial cover. Enexco's drilling successfully encountered weak, but widespread anomalous gold values in all 11 holes. Importantly, the results showed that the anomalous gold values at Hot Pot are associated with increased copper values, an association that is related to ore-grade gold mineralization within the Marigold mine complex 9 km (6 miles) to the south-southwest. In addition, the results included anomalous silver concentrations, including one 4.57 metre (15 ft) interval averaging 15.5 gpt silver, as well as several other trace element distribution patterns indicative of a large hydrothermal system. Enexco engaged Doug McGibbon, an economic geologist with over 25 years of exploration experience in the Battle Mountain area and responsible for major discoveries at the Marigold and Pinson mines, to review the drilling results and the exploration data, and to put the Hot Pot property into regional context (taken from January 25, 2010, Enexco news release):

"Mr. McGibbon's study has confirmed that the hydrothermally altered and mineralized lithologies at Hot Pot are similar if not stratigraphically equivalent to those hosting orebodies at the Marigold mine. Although gold values only ranged up to 66 parts per billion, the mineralized zones encountered were up to 149 metres in length beneath overburden cover that was between 40 to 152 metres in all but two of the holes, with the spacing between holes still leaving sufficient room to host a significant gold deposit. Drilling also identified zones of oxidation to depths of 300 metres, significant intervals of brecciated material indicative of several major fault zones and an apparent horst block with similarities to the geologic setting at the Lone Tree mine. Structural analysis is currently under way, and additional geochemical and geophysical work are being considered to focus further drilling."

On August 16, 2011, NGE reported that Enexco withdrew from the Exploration Agreement at Hot Pot, and that as a result, Enexco retained no interest in the project. NGE has updated the exploration model for the project based on Enexco's drilling, and NGE believes that the combined dataset confirms that the project represents a compelling exploration target in an important part of Nevada.

Awakening (AW)

The Awakening Project is located in Humboldt County, Nevada, approximately 50km north-northwest of Winnemucca, Nevada, and directly north of the Sleeper Gold Mine. The Company has a 100% interest in 72 claims (4.5 km^2) at Awakening. The Awakening gold property is largely covered by syn- to post-mineral volcanic units and post-mineral alluvium and as a result, has seen little historic exploration activity. Projections of favourable lithology, structure, and alteration at regional, district and property scales suggest that potentially important gold-silver mineralization may be located within economic depths beneath the cover at Awakening.

In 2007 and 2008, NGE completed a detailed hydrogeochemistry program at Awakening. The groundwater samples contained high levels of gold and other trace elements in concentrations similar to those found at the adjacent Sleeper mine. During April and June, 2008, the Company's field crews completed soil sampling programs across the property and successfully confirmed the presence of anomalous gold and gold-related trace elements.

Also in 2008, NGE acquired approximately 85km^2 (33mi^2) of high quality gravity geophysics data and approximately 173 km^2 (67 m^2) of air magnetic data. The gravity geophysical survey was collected to delineate depth to metasedimentary and granitic bedrock, potential thickness of preserved rhyolitic volcanic rocks, and the location and orientation of prominent lithologic offsets that might be indicative of major fault zones. The detailed air magnetic survey was completed to be used in conjunction with the gravity data to define magnetically anomalous volcanic lithologies and zones of hydrothermal and/or structural magnetite destruction that might be indicative of major fault zones and possible hydrothermal alteration.

The results of the geochemistry and geophysical programs combined to improve NGE's exploration model and demonstrated that Awakening is a compelling target. In 2008, NGE commenced a Phase I RC drilling program at the Awakening property but drilling was suspended due to drilling difficulties.

During 2009, NGE completed detailed geologic mapping at a scale of 1:10,000 in the northern-most Slumbering Hills along the eastern edge of Awakening. In March, 2010, the Company completed a 258 page technical report summarizing all work completed on the property and began discussions with potential JV partners.

On June 4, 2010, Northgate Minerals Corp. ("Northgate") (TSX: NGX, NYSE Amex: NXG) and NGE announced the completion and execution of an Exploration and Option to Enter Joint Venture Agreement ("Agreement") on NGE's Awakening Gold Project ("Property"), in Humboldt County, Nevada. The Agreement granted Northgate the option to earn an initial 51% interest in the Property by spending USD$4,100,000 in exploration and making additional cash payments totaling USD$436,000 over five years. If Northgate completed the initial 51% earn-in, it had the option to earn an additional 14%, for a total of 65%, by completing a feasibility report on the Property.

During 2011, Northgate completed a seven hole core drilling program totalling 2,194 metres (7,198 feet). In January, 2011, Northgate was acquired by AuRico Gold Inc. ("AuRico"). AuRico indicated to NGE that Northgate's drilling results at Awakening were not encouraging enough to warrant AuRico's continuation of the Agreement, and during the year ended April 30, 2012, AuRico elected to terminate the Agreement. AuRico retains no interest in the project.

On July 1, 2008, the Company entered into a Mining Lease agreement with DIR Exploration Inc. on 15 claims (1.2km^2) contained within NGE's larger claim block known as the Shine Claims. In early 2011, NGE completed a 10 hole, 1,573 metre (5,160 feet), Phase I drilling program on the Shine Claims. Based on the results of the drilling at the Shine Claims in the context of the other data collected elsewhere at the Awakening Project, the Company decided to focus its exploration on areas within the claims controlled directly by NGE; and accordingly, NGE terminated the Mining Lease on the Shine Claims during the year ended April 30, 2013.

NGE's management believes that the results of NGE's integrated exploration program at Awakening have delineated a focused pediment target along a structural zone extending north from Paramount Gold & Silver Corp.'s Sleeper Gold Project.

Fletcher Junction (FJ)

The Fletcher Junction Project is located in Mineral County, Nevada, approximately 30km southwest of Hawthorne, Nevada. The Fletcher Junction Project was identified as part of NGE's ongoing hydrogeochemistry reconnaissance program.

NGE and an exploration partner advanced the Project by completing additional surface geochemistry, VTEM geophysics, and both reverse circulation and core drilling. The results confirmed the presence of a large, potentially, gold-bearing hydrothermal system, and have demonstrated the effectiveness of using groundwater chemistry to identify important, previously unknown gold exploration targets.

Unfortunately, while the Fletcher Junction Project contains large volumes of hydrothermally-altered volcanic rock reporting highly-anomalous gold-associated trace elements consistent in size, shape, and geology with the adjacent Aurora Mining District, the exploration dataset suggested that the primary zone of potential mineralization lies beneath a relatively deep layer of basalt, alluvium, and other material measuring approximately 600 metres (2,000 feet). At this depth, the economics of a deposit of this size become less attractive, and for this reason, in September 2014, NGE chose to stop advancing the Project in order to focus its resources on the projects demonstrating the highest potentials.

For a summary of NGE's property expenditures to date, please refer to Note 8 in the associated condensed consolidated interim financial statements.

RESULTS OF OPERATIONS

Operating Expenses

During the period ended October 31, 2014, NGE's net losses were $1,573,770 compared to $2,976,858 for the period ended October 31, 2013. The significant decrease in net losses for the period ended October 31, 2014 was primarily as a result of a lower write-off of exploration and evaluation assets of $1,349,346 (2013 - $2,632,919).

General exploration costs during the period ended October 31, 2014, were $1,209 compared to $143,810 for the period ended October 31, 2013. The decrease is a result of decreased reconnaissance groundwater sampling during the period. Because the expenditures are not related to any specific property, they have been expensed.

Professional fees and consulting costs during the period ended October 31, 2014, were $54,409 compared to $74,931 for the period ended October 31, 2013. The decrease is primarily as a result of decreased accounting and filing fees during the period due to cost-saving initiatives of the Company.

Salaries and related expenses during the period ended October 31, 2014, were $95,823 compared to $202,838 for the period ended October 31, 2013. Included in salaries is compensation of key management personnel which is described below under the subheading "Key Management Compensation".

Selected Annual Information

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the financial statements.

	Year Ended April 30, 2014	Year Ended April 30, 2013	Year Ended April 30, 2012
Total revenues	$ 259,065	$ 240,710	$ 543,971
Net loss	(3,532,587)	(821,148)	(854,904)
Basic and diluted loss per share	(0.02)	(0.01)	(0.01)
Total assets	4,637,976	7,321,666	7,076,791
Total long-term liabilities	35,870	-	-

Summary of Quarterly Results

	Three Month Period Ended October 31, 2014	Three Month Period Ended July 31, 2014	Three Month Period Ended April 30, 2014	Three Month Period Ended January 31, 2014
Total assets	$ 3,424,458	$ 3,260,932	$ 4,637,976	$ 4,781,464
Exploration and evaluation assets	3,207,458	2,993,997	4,359,925	4,410,525
Working capital (deficiency)	(371,244)	(287,926)	(235,556)	(85,974)
Equity	2,965,948	2,878,357	4,320,680	4,559,258
Revenues	-	-	15,477	40,195
Net loss	(1,573,770)	(1,445,829)	(400,762)	(154,967)
Loss per share	(0.01)	(0.01)	(0.00)	(0.00)

	Three Month Period Ended October 31, 2013	Three Month Period Ended July 31, 2013	Three Month Period Ended April 30, 2013	Three Month Period Ended January 31, 2013
Total assets	$ 4,540,055	$ 4,562,712	$ 7,321,666	$ 7,486,066
Exploration and evaluation assets	4,081,553	3,904,561	6,407,725	6,349,553
Working capital	99,560	295,558	570,528	814,823
Equity	4,418,070	4,435,798	7,213,628	7,385,221
Revenues	203,393	-	-	44,357
Net loss	(75,018)	(2,901,840)	(222,703)	(262,542)
Loss per share	(0.00)	(0.02)	(0.01)	(0.00)

ASSETS & LIABILITIES

Deposits for land reclamation also add to the Company's asset base. Those deposits as at October 31, 2014 are \$21,622 (July 31, 2014 - \$75,821). These deposits (bonds) are required by the U.S Bureau of Land Management (BLM) and US Forest Service (USFS) to ensure that reclamation and clean-up work on NGE's properties will be completed to the satisfaction of the BLM and the USFS.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

The Company has financed its operations primarily through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The 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 continue to raise adequate financing.

Net cash used in operating activities for the period ended October 31, 2014 was \$71,598 compared to \$260,942 during the period ended October 31, 2013 and consists primarily of the operating loss and changes in non-cash working capital items.

Net cash used in investing activities for the period ended October 31, 2014 was \$116,088 compared to \$124,775 during the period ended October 31, 2013, and consists primarily of land holding and exploration expenditures.

Net cash provided by financing activities for the period ended October 31, 2014 was \$189,060 compared to Nil during the period ended October 31, 2013. The difference is attributable to private placement completed during the period ended October 31, 2014.

Capital Resources

During the period ended October 31, 2014, the Company completed the first tranche of its non-brokered private placement by issuing 2,830,100 units at a price of \$0.05 per unit, for gross proceeds of \$141,505. Each unit consists of one common share and one non-transferable common share purchase warrant entitling the holder to purchase one common share at an exercise price of \$0.05 for a period of three years. Fair value allocated in connection to these warrants was \$46,892. In connection with the private placement, the Company paid finders' fee of \$2,000 and issued 40,000 finders' warrants with a fair value of \$793.

As of October 31, 2014, the Company has a finance lease obligation for a leased vehicle, with blended monthly payments of principal and interest of $44,314 (US$39,316) and bearing interest at a rate of 2.90% per annum. The total portion representing interest is $2,567. The total of principal repayments of the finance lease obligations that are due within the next one year is $4,859, and the remaining portion for $36,888 is due between fiscal year 2015 to 2019.

As of October 31, 2014 the Company has the following commitments:

a) The Company has entered into a lease agreement for premises expiring on November 30, 2014. Lease commitments are US$4,769 per month.

b) The Company has various commitments relating to its exploration and evaluation assets as disclosed in Note 8 of its annual financial statements for the year ended April 30, 2014

Off Balance Sheet Arrangements

As at October 31, 2014, NGE had no off balance sheet arrangements such as guaranteed contracts, contingent interests in assets transferred to an entity, derivative instrument obligations or any instruments that could trigger financing, market or credit risk to NGE.

RELATED PARTY TRANSACTIONS

During the period ended October 31, 2014, the Company:

i) paid or accrued $22,325 in professional fees to a firm in which the Chief Financial Officer of the Company is a partner.

During the period ended October 31, 2013, the Company:

i) paid or accrued $28,130 in professional fees to a firm in which the Chief Financial Officer of the Company is a partner.

The amounts of due to related parties included in accounts payable and accrued liabilities are as follows:

	October 31, 2014	April 30, 2014
Due to a firm of which the Chief Financial Officer is a partner	$ 52,186	$ 28,598

KEY MANAGEMENT COMPENSATION

Remuneration of key management of the Company was as follows:

	Six Months Ended October 31, 2014	Six Months Ended October 31, 2013
Salaries	$ 91,626	$ 162,306

The amount included in accounts payable and accrued liabilities which is due to key management personnel is as follows:

		October 31, 2014		April 30, 2014
Due to key management personnel	$	269,378	$	174,020

DISCLOSURE OF OUTSTANDING SHARE DATA

As at December 23, 2014, the Company has 130,896,000 common shares issued and outstanding and has the following stock options and warrants outstanding:

	Number of Options	Exercise Price	Expiry Date
Stock options			
	2,950,000	0.10	December 31, 2015
	400,000	0.10	August 9, 2016
	100,000	0.11	September 25, 2017
	500,000	0.12	December 4, 2017
	3,050,000	0.10	March 2, 2019
	7,000,000		
Warrants	5,000,000	0.15	December 24, 2014
	2,870,100	0.05	August 19, 2017
	7,870,100		

Fully diluted: 145,766,100

FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

Risk Management Policies

The Company is exposed to risk due to the nature of its financial instruments. Risk management is the responsibility of management and the Company did not use derivative instruments.

Fair Value

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.

Short term investments are measured at level 1 of the fair value hierarchy. The fair value of short term investments is measured at the market price of the common shares held at the measurement date. The carrying value of cash, accounts receivable (excluding GST receivable), deposits and bonds, finance lease obligations and accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments.

Financial Risk Factors

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

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Management believes that the credit risk concentration with respect to cash is remote as it maintains accounts with highly-rated financial institutions.

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 manages liquidity risk through the management of its capital structure and financial leverage, as outlined in the discussion on capital management. It also manages liquidity risk by continuously monitoring actual and projected cash flows. The Board of Directors reviews and approves the Company's operating and capital budgets, as well as any material transactions out of the normal course of business.

As at October 31, 2014, the Company had a cash balance of $25,792 (April 30, 2014 - $22,603) to settle current liabilities of $421,622 (April 30, 2014 - $281,426). The Company will require financing from lenders, shareholders and other investors to generate sufficient capital to meet its short term business requirements.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to floating rate of interest. The interest rate risks on cash, deposits, and bonds, and on the Company's finance lease obligations are not considered significant.

(b) Foreign currency risk

The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates. A significant portion of the Company's expenses is denominated in US dollars. Consequently, certain assets, liabilities and operating expenses are exposed to currency fluctuations. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

Net assets denominated in foreign currency and the Canadian dollars equivalent at October 31, 2014 are as follows:

		CDN		USD
Current assets	$	44,469	$	39,454
Non-current assets		3,368,330		2,988,493
Current liabilities		(270,793)		(240,256)
Non-current liabilities		(36,888)		(32,729)
	$	3,105,118	$	2,754,962

Net exposure

Based on the above net exposures as at October 31, 2014, and assuming all other variables remain constant, a 1% change in the value of the US dollar against the Canadian dollar would result in an increase/decrease of $31,051 in profit or loss.

CAPITAL DISCLOSURES

In order to maintain its capital structure, the Company, is dependent on equity funding and when necessary, raises capital through the issuance of equity instruments, primarily comprised of common shares and incentive stock options. In the management of capital, the Company includes the components of equity as well as cash.

The Company prepares annual estimates of exploration expenditures and monitors actual expenditures compared to the estimates to ensure that there is sufficient capital on hand to meet ongoing obligations. The Company's investment policy is to invest any excess cash in highly liquid short-term deposits with terms of one year or less and which can be liquidated after thirty days without interest penalty. The Company currently has insufficient capital to fund its exploration programs and is reliant on completing equity financings to fund further exploration. The Company is not subject to any externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the period ended October 31, 2014.

Financial liabilities

Accounts payable and accrued liabilities, and finance lease obligations are classified as financial liabilities and are measured at face value. Management has determined that the face value of financial liabilities approximates fair value due to the expected short-term maturity of the debts.

The Company's financial liabilities primarily constitute trade payables owing to both arms' length and related parties. These are unsecured and, excepting normal trade credit terms, are due on demand.

The Company believes the fair value of its financial liabilities approximate their carrying values primarily due to their short-term nature. There are no quoted market prices from active markets for any of the financial liabilities held by the Company and thus fair values were assessed using valuation techniques consistent with International Financial Reporting Standards. The Company intends to reduce its financial liabilities by re-financing through additional share issuances.

RISKS AND UNCERTAINTIES

In conducting its business of mineral exploration, NGE is subject to a wide variety of known and unknown risks, uncertainties and other factors which may affect the results, performance or achievement of the Company. Such risks and factors include, among others: risks related to the actual results of current and future exploration activities; future prices for gold, silver, and other commodities; environmental risks and hazards; the Company's lack of substantial revenue; the Company's ongoing need to raise money through equity financings; increases to operating, labour, and supply costs; and changes to government regulation, taxes, and fees. Although the Company attempts to identify and plan for these important factors that could affect results materially, the Company cautions the reader that the above list of risk factors is not exhaustive there may be other factors that cause results to differ from anticipated, estimated, or intended results. Ultimately, there can be no guarantee that the Company will be successful in making an economic mineral discovery.

LIST OF DIRECTORS AND OFFICERS

Wade A. Hodges, CEO, Chairman and Director
Cyrus Driver, CFO and Director
Kenneth Tullar, COO and Director
Jennifer Boyle, Director
Dr. John E. Larson, Director
James Buskard, President

GOING CONCERN OF OPERATIONS

During the period ended October 31, 2014, the Company incurred a comprehensive loss of $1,494,237 (2013 – $2,976,858) and as at that date, the Company had accumulated deficit of $14,489,449 (April 30, 2014 – $13,088,950), a working capital deficiency of $371,244 (April 30, 2014 - $260,942) and negative cash flows from operations of $71,598 (2013 – negative cash flow of $260,942). These factors create material uncertainties that may cast substantial doubt upon the Company's ability to continue as a going concern.

As is common with junior mining companies, the Company continues to seek capital through various means including the issuance of equity and/or debt to finance its on-going and planned exploration activities and to cover administrative costs.

In order to continue as a going concern and to meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

Recovery of the carrying value of the mining claims and related deferred exploration expenditures are dependent upon the discovery of economically recoverable resources, the ability of the Company to develop necessary financing to continue exploration and development, the ability of the Company to secure and maintain title and beneficial interest in the properties, entering into agreements with others to explore and develop the properties and upon future profitable production or proceeds from disposition of such properties.

CHANGES IN ACCOUNTING POLICIES

New and amended standards adopted by the Company during the current period

There are no IFRS or IFRIC interpretations that are effective May 1, 2014 that are expected to have a material impact on the Company

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52- 109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed consolidated interim financial statements and this accompanying interim MD&A (together the "Interim Filings"). In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at www.sedar.com.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements herein that are not historical facts are forward-looking statements that are subject to risks and uncertainties. Words such as "expects", "intends", "may", "could", "should", "anticipates", "likely", "believes" and words of similar import also identify forward-looking statements.

Forward-looking statements are based on current facts and analyses and other information that are based on forecasts of future results, estimates of amounts not yet determined and assumptions of management, including, but not limited to, assumptions regarding the Company's ability to raise additional debt and/or equity financing to fund operations and working capital requirements and assumptions regarding the Company's mineral properties.

Actual results may differ materially from those currently anticipated due to a number of factors including, but not limited to, general economic conditions, the geology of mineral properties, exploration results, commodity market conditions, the Company's ability to generate sufficient cash flows from operations and financing to support general operating activities and capital expansion plans, and laws and regulations and changes thereto that may affect operations, and other factors beyond the reasonable control of the Company.

Additional information on factors that may affect the business and financial results of the Company can be found in filings of the Company with the British Columbia Securities Commissions on www.sedar.com