

NEVADA EXPLORATION INC.

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED APRIL 30, 2015 AND 2014

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Nevada Exploration Inc.

We have audited the accompanying consolidated financial statements of Nevada Exploration Inc. and its subsidiary, which comprise the consolidated statements of financial position as at April 30, 2015 and April 30, 2014 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Nevada Exploration Inc. and its subsidiary as at April 30, 2015 and April 30, 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes material uncertainties that cast significant doubt about Nevada Exploration Inc.'s ability to continue as a going concern.

Collins Barrow Toronto LLP

Licensed Public Accountants
Chartered Accountants
August 26, 2015
Toronto, Ontario

NEVADA EXPLORATION INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

	April 30, 2015	April 30, 2014
ASSETS		
Current assets		
Cash	\$ 29,674	\$ 22,603
Accounts receivable (Note 3)	4,649	2,131
Prepaid expenses (Note 4)	7,948	17,735
Short term investments (Note 5)	<u>5,102</u>	<u>3,401</u>
Total current assets	<u>47,373</u>	<u>45,870</u>
Non-current assets		
Equipment (Note 7)	138,643	144,860
Exploration and evaluation assets (Note 8)	3,442,023	4,359,925
Deposits and bonds (Note 9)	<u>28,894</u>	<u>87,321</u>
Total non-current assets	<u>3,609,560</u>	<u>4,592,106</u>
Total assets	<u>\$ 3,656,933</u>	<u>\$ 4,637,976</u>
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Notes 10 and 6)	\$ 448,578	\$ 272,045
Short term demand loan (Note 12)	30,000	-
Current portion of finance lease obligations (Note 11)	<u>10,630</u>	<u>9,381</u>
Total current liabilities	<u>489,208</u>	<u>281,426</u>
Non-current liabilities		
Finance lease obligations (Note 11)	<u>28,855</u>	<u>35,870</u>
Total liabilities	<u>518,063</u>	<u>317,296</u>
Equity		
Capital stock (Note 13)	16,368,731	16,122,776
Reserves (Note 13)	1,163,289	1,286,854
Deficit	<u>(14,393,150)</u>	<u>(13,088,950)</u>
Total equity	<u>3,138,870</u>	<u>4,320,680</u>
Total liabilities and equity	<u>\$ 3,656,933</u>	<u>\$ 4,637,976</u>

Nature of operations and going concern (Note 1)

Commitments (Note 19)

Subsequent events (Note 20)

Approved and authorized on behalf of the Board on August 26, 2015:

<u>“Wade Hodges”</u>	Director	<u>“Cyrus Driver”</u>	Director
Wade Hodges		Cyrus Driver	

The accompanying notes are an integral part of these consolidated financial statements.

NEVADA EXPLORATION INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
FOR THE YEAR ENDED APRIL 30,

	2015	2014
INCOME		
Project management and consulting	\$ -	\$ 154,964
Option payments	-	103,992
Interest	-	109
Total income	<u>-</u>	<u>259,065</u>
EXPENSES		
Amortization (Note 7)	19,832	49,563
General exploration costs	7,078	146,015
Interest and bank charges	1,841	1,814
Investor relations	3,796	23,600
Office expenses and other	71,735	68,120
Professional fees and consulting (Note 6)	111,980	131,413
Project management and consulting	-	39,460
Rent	55,964	49,768
Salaries (Note 15)	122,724	402,405
Share-based payments	-	235,483
Travel	1,994	21,127
Total operating expenses	<u>(396,944)</u>	<u>(1,168,768)</u>
Loss from operations	<u>(396,944)</u>	<u>(909,703)</u>
OTHER INCOME (LOSS)		
Gain on sale of equipment	6,473	28,743
Gain on settlement of debt (Note 13)	93,768	-
Unrealized gain (loss) on marketable securities	1,701	(18,708)
Write-off of exploration and evaluation assets (Note 8)	(1,349,346)	(2,632,919)
Total other income (loss)	<u>(1,247,404)</u>	<u>(2,622,884)</u>
Net income (loss) for the year	(1,644,348)	(3,532,587)
OTHER COMPREHENSIVE INCOME		
Currency translation adjustment	297,274	404,156
Comprehensive income (loss) for the year	<u>\$ (1,347,074)</u>	<u>\$ (3,128,431)</u>
Basic and diluted loss per common share	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>
Weighted average number of common shares outstanding	130,863,011	128,065,900

The accompanying notes are an integral part of these consolidated financial statements.

NEVADA EXPLORATION INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Capital Stock		Reserves				Total Reserves	Deficit	Total Equity
	Shares (Note 13)	Amount (Note 13)	Options (Note 13)	Warrants (Note 13)	Currency Translation				
Balance, May 1, 2013	128,065,900	\$ 15,965,009	\$ 884,585	\$ 286,143	\$ (86,168)	\$ 1,084,560	\$ (9,835,941)	\$ 7,213,628	
Share-based payments	-	-	235,483	-	-	235,483	-	235,483	
Options expired	-	-	(279,578)	-	-	(279,578)	279,578	-	
Warrants expired	-	157,767	-	(157,767)	-	(157,767)	-	-	
Currency translation adjustment	-	-	-	-	404,156	404,156	-	404,156	
Net loss for the period	-	-	-	-	-	-	(3,532,587)	(3,532,587)	
Balance, April 30, 2014	128,065,900	\$ 16,122,776	\$ 840,490	\$ 128,376	\$ 317,988	\$ 1,286,854	\$ (13,088,950)	\$ 4,320,680	
Balance, May 1, 2014	128,065,900	\$ 16,122,776	\$ 840,490	\$ 128,376	\$ 317,988	\$ 1,286,854	\$ (13,088,950)	\$ 4,320,680	
Private placement	2,830,100	141,505	-	-	-	-	-	141,505	
Share issuance costs	-	(4,741)	-	-	-	-	-	(4,741)	
Relative fair value of unit warrants issued	-	(46,892)	-	46,892	-	46,892	-	-	
Share issuance costs - finders' warrant	-	(793)	-	793	-	793	-	-	
Options expired	-	-	(340,148)	-	-	(340,148)	340,148	-	
Warrants expired	-	128,376	-	(128,376)	-	(128,376)	-	-	
Shares issued for property (Note 8)	800,000	8,000	-	-	-	-	-	8,000	
Shares issued for debt (Note 13)	2,050,000	20,500	-	-	-	-	-	20,500	
Currency translation adjustment	-	-	-	-	297,274	297,274	-	297,274	
Net loss for the period	-	-	-	-	-	-	(1,644,348)	(1,644,348)	
Balance, April 30, 2015	133,746,000	\$ 16,368,731	\$ 500,342	\$ 47,685	\$ 615,262	\$ 1,163,289	\$ (14,393,150)	\$ 3,138,870	

The accompanying notes are an integral part of these consolidated financial statements.

NEVADA EXPLORATION INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year Ended April 30, 2015	Year Ended April 30, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	\$ (1,644,348)	\$ (3,532,587)
Items not affecting cash:		
Amortization	19,832	49,563
Share-based payments	-	235,483
Gain on sale of equipment	(6,473)	(28,743)
Write-off of exploration and evaluation assets	1,349,346	2,632,919
Unrealized loss (gain) on marketable securities	(1,701)	18,707
Gain on settlement of debts	(93,768)	-
Option income received in excess of property carrying value	-	(100,000)
Changes in non-cash working capital items:		
Accounts receivable	(2,517)	47,672
Prepaid expenses	9,787	(2,141)
Accounts payable and accrued liabilities	<u>273,815</u>	<u>141,797</u>
Net cash used in operating activities	<u>(96,027)</u>	<u>(537,330)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of equipment	-	(9,756)
Proceeds from sale of equipment	5,922	47,884
Proceeds from exploration and evaluation option	-	122,348
Exploration and evaluation expenditures	<u>(116,857)</u>	<u>(194,198)</u>
Net cash provided by (used in) investing activities	<u>(110,935)</u>	<u>33,722</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placement (Note 13)	141,505	-
Short term demand loan	30,000	-
Share issuance cost - finders' fee (Note 13)	(4,741)	-
Redemption of bonds (Note 9)	55,190	-
Repayment of finance lease obligations	<u>(9,909)</u>	<u>(3,821)</u>
Net cash provided by (used in) financing activities	<u>212,045</u>	<u>(3,821)</u>
Effect of foreign exchange	<u>1,988</u>	<u>6,416</u>
Change in cash for the year	7,071	(568,457)
Cash, beginning of year	<u>22,603</u>	<u>591,060</u>
Cash, end of year	<u>\$ 29,674</u>	<u>\$ 22,603</u>

Supplemental cash flow information (note 17)

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Nevada Exploration Inc. (the “Company” or “NGE”) was incorporated on April 6, 2006 under the Canada Business Corporations Act and is in the business of acquiring and exploring mineral properties. On July 14, 2010, the Company amalgamated with its subsidiary 2107189 Ontario Inc. The Company has not yet determined whether its properties contain reserves that are economically recoverable. The amounts shown for mineral properties and related deferred exploration costs represent costs incurred to date and do not reflect present or future values. The recoverability of these capitalized costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves, and future profitable production.

The Company is listed on the TSX Venture Exchange (“TSX-V”) under the trading symbol “NGE” and the Company’s head office is located at Suite 1500 - 885 West Georgia Street, Vancouver, BC V6C 3E8. The Company’s registered and records office is located at 25th Floor, 700 W. Georgia St., Vancouver, BC V7Y 1B3.

These consolidated financial statements are authorized for issue on behalf of the Board of Directors on August 26, 2015.

Going concern

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) on a going concern basis that presumes the realization of assets and discharge of liabilities in the normal course of business. There are material uncertainties related to adverse conditions and events that cast substantial doubt on the Company’s ability to continue as a going concern.

During the year ended April 30, 2015, the Company incurred a comprehensive loss of \$1,347,074 (2014 – \$3,128,431) and as at that date, the Company had accumulated deficit of \$14,393,150 (April 30, 2014 – \$13,088,950), a working capital deficiency of \$441,835 (April 30, 2014 - \$235,556) and negative cash flows from operations of \$96,027 (2014 - \$537,330). 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.

These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments would be material.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"), effective for the Company's reporting for the years ended April 30, 2015 and 2014.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary Pediment Gold LLC. The financial statements of the Company's subsidiary have been consolidated from the date that control commenced. All inter-company balances and transactions, and income and expenses have been eliminated upon consolidation.

The financial statements include the financial statements of Nevada Exploration Inc. and its subsidiary listed in the following table:

Name of Subsidiary	Country of Incorporation	Functional Currency	Ownership Interest	Principal Activity
Pediment Gold LLC	USA	US dollar	100%	Exploration company

Use of judgments and estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year.

Significant assumptions about the future and other sources of estimated uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that the actual results differ from assumptions made, relate to, but are not limited to, the following:

- i) the carrying value and the recoverability of exploration and evaluation assets;
- ii) the estimated useful lives of equipment and the related amortization;
- iii) impairment of equipment; and
- iv) valuation of share-based payments and warrants.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollar, which is the Company's functional currency. The functional currency of the Company's wholly-owned subsidiary Pediment Gold LLC is the US dollar.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Share issuance costs

Professional fees, consulting fees and other costs that are directly attributable to financing transactions are charged to capital stock when the related shares are issued. If the financing is not completed share issue costs are charged to profit or loss.

Equipment

Equipment is recorded at historical cost less accumulated amortization and impairment charges. Equipment is amortized on a straight-line basis over their estimated useful lives as follows:

Exploration equipment	5 to 7 years
Vehicles	5 years
Computer equipment	3 years

The cost of replacing a piece of equipment is recognized in the carrying amount of the equipment if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of the equipment are recognized in profit or loss as incurred.

Mineral properties – exploration and evaluation assets

Pre-exploration costs

Pre-exploration costs are expensed in the period in which they are incurred unless it is considered probable that they will generate future economic benefits. The Company expenses all costs incurred prior to obtaining legal rights to a mineral property.

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of mineral properties are capitalized by property. These direct expenditures include such costs as license and property acquisition costs, materials used, surveying costs, exploratory drilling costs, payments made to contractors and amortization on equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they are incurred. Exploration and evaluation assets are recognized if the rights to the project are current and either (1) the expenditures are expected to be recovered through successful development and exploitation of the project, or alternatively by its sale, and (2) active and significant operations in, or in relation to, the projects are continuing.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss/income.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Mineral properties – exploration and evaluation assets (cont'd...)

Exploration and evaluation expenditures (cont'd...)

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. As the Company acquires more information and data about a project, it may choose to focus its efforts on a smaller area within the project area and in such cases may choose to reduce the size of its land holdings at the project. Focusing efforts on a small area and reducing the size of the project accordingly does not necessarily result in impairment.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction.” Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

Title

Ownership in a mineral property involves certain risk due to the difficulties in determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral interests. The Company has investigated the ownership of its mineral properties and, to the best of its knowledge, ownership of interests are in good standing.

Impairment

At the end of each reporting date, the carrying amounts of the Company’s long-lived assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. In addition, capitalized exploration and evaluation assets are tested for impairment when technical feasibility and commercial viability of the related project is established.

Impairment is determined for an individual asset unless the asset does not generate cash inflows that are independent of those generated from other assets or group of assets, in which case, the individual assets are grouped together into cash generating units (“CGU’s”) for impairment purposes. The recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit and loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Income taxes (cont'd...)

Deferred taxes are recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that do not affect either accounting or taxable loss, or differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not recognize that excess.

Provision for environmental rehabilitation

The Company recognizes the fair value of a liability for the provision for environmental rehabilitation in the year in which it is incurred when a reliable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability.

Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in the consolidated statement of comprehensive loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset. As at April 30, 2015 and 2014, the Company has not recorded any provision for environmental rehabilitation.

Warrants

Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair value. The relative fair value of the share component is credited to capital stock and the relative fair value of the warrant component is credited to warrants reserve. Upon exercise of warrants, consideration paid by the warrant holder together with the amount previously recognized in warrants reserve is recorded as an increase to capital stock. Upon expiration of warrants, the amount applicable to warrants expired is recorded as an increase to capital stock.

Basic and diluted loss per common share

Basic loss per share is calculated by dividing the loss for the year by the weighted average number of common shares outstanding during the year.

Diluted loss per share is determined by adjusting the loss attributable to common shareholders by the weighted average number of common shares outstanding for the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. As at April 30, 2015 and 2014, warrants and options outstanding are anti-dilutive.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of employee stock options are measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be reliably measured, they are measured at the fair value of the share-based payment consideration. Consideration paid for the shares on the exercise of stock options together with the fair value of the stock options previously recognized is credited to capital stock. When vested options are not exercised by the expiry date, the amount previously recognized in share-based payment is transferred to deficit. The Company estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate.

Receivables

Receivables are recorded at face value less any provisions for uncollectible amounts considered necessary.

Revenue recognition

Project management and consulting revenue is recognized at the time the service is provided and collection is reasonably assured.

Option payments received by the Company for mineral properties not recorded in exploration and evaluation assets are recorded as income.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency at the transaction date exchange rate. At closing date, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the closing date exchange rate, and non-monetary assets and liabilities, at the historical rates. Exchange differences arising on the settlement of monetary items or on translating monetary items at different rates from those at which they are translated on initial recognition during the period or in previous consolidated financial statements are recognized in profit or loss.

For the purpose of presenting consolidated financial statements, the assets and liabilities of Pediment Gold LLC are expressed in Canadian dollars using the exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during the period, in which case exchange rates at the dates of the transactions are used. Exchange differences are recognized in other comprehensive income and reported as currency translation reserve in equity.

Foreign exchange gains and losses arising from a monetary item receivable or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form a part of the net investment in the foreign operation, are recognized in foreign currency translation in the currency translation reserve.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments

Financial assets

Financial assets are classified as into one of the following categories based on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss ("FVTPL") – This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss.

Loans and receivables ("LAR") - Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Held-to-maturity ("HTM") - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the asset is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of HTM financial assets, including impairment losses, are recognized in profit or loss.

Available-for-sale ("AFS") - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Investments in equity instruments classified as available-for-sale that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment and at disposal, the amount of the cumulative loss is removed from equity and recognized in profit or loss.

Financial liabilities

Financial liabilities are classified into one of two categories, based on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss ("FVTPL") – This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities ("OFL") - This category includes amounts due to related parties, accounts payable and accrued liabilities and finance lease obligations, all of which are recognized at amortized cost.

<u>Financial Instrument</u>	<u>Classification</u>
Cash	LAR
Accounts receivable (excluding GST receivable)	LAR
Deposits and bonds	LAR
Accounts payable and accrued liabilities	OFL
Finance lease obligations	OFL
Short-term demand loan	OFL
Short term investments	FVTPL

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

Impairment

All financial assets except for those at FVTPL, are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that the estimated cash flows of a financial asset or group of financial assets are negatively impacted. Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments by the borrower; or
- it becomes probable that the borrower will enter into bankruptcy or financial reorganization.

The carrying amount of the financial asset is directly reduced by any impairment loss.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are not recognized for future operating losses.

Leases

Leases that transfer substantially all of the benefits and risks of ownership of the assets to the Company are accounted for as finance lease obligations. At the time the finance lease obligation is entered into, an asset is recorded together with the related obligation. Assets under finance lease obligations are depreciated over their estimated useful lives.

New Accounting Standards and Amendments to Existing Standards

New and amended standards adopted by the Company

The following new and amended standards have become effective for the Company's April 30, 2015 reporting period. Adoption of these standards did not result in a significant impact on the Company's financial statements.

- (i) Effective for annual periods beginning on or after January 1, 2014
- Amendments to IAS 32, *Financial Instruments: Presentation*
 - Amendments to IAS 36, *Impairment of assets*
 - Amendments to IFRS 10, *Consolidated Financial Statements*
 - Amendments to IFRS 12, *Disclosure of Interests in Other Entities*
 - Amendments to IAS 27, *Separate Financial Statements*

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

New Accounting Standards and Amendments to Existing Standards (cont'd...)

New or revised standards and amendments to existing standards not yet effective

The Company has not applied the following new or revised standards and amendments that have been issued but are not yet effective for the Company's April 30, 2015 reporting period:

- New standard IFRS 9, *Financial Instruments*, classification and measurement is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, "Financial Instruments: Recognition and Measurement." IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit and loss. This standard is effective for years beginning on or after January 1, 2018. The new standard is expected to have minimal impact on the Company's financial statements.

The Company plans to adopt these standards as soon as they become effective for the Company's reporting period.

3. ACCOUNTS RECEIVABLE

The Company's receivables arise from two main sources: Goods and Services Tax ("GST") receivable due from Canadian government taxation authorities and trade accounts receivable. These are broken down as follows:

	April 30, 2015	April 30, 2014
GST receivable	\$ 4,649	\$ 1,802
Accounts receivable	-	329
Total	\$ 4,649	\$ 2,131

4. PREPAID EXPENSES

The prepaid expenses for the Company are as follows:

	April 30, 2015	April 30, 2014
Security deposit for rental of premises	\$ 7,948	\$ 17,735

NEVADA EXPLORATION INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
April 30, 2015

5. SHORT TERM INVESTMENTS

			April 30, 2015	April 30, 2014
	Number	Cost	Carrying Value	Carrying Value
Spruce Ridge Resources Ltd. - Shares	170,068	\$ 25,000	\$ 5,102	\$ 3,401

During the year ended April 30, 2015, the Company revalued the shares based on the market price at April 30, 2015 resulting in an unrealized gain of \$1,701 (2014 – loss of \$ 18,707).

6. RELATED PARTY TRANSACTIONS

During the year ended April 30, 2015, the Company:

- i) paid or accrued \$47,408 in professional fees to a firm in which the Chief Financial Officer of the Company is a partner;
- ii) issued 250,000 commons shares at a market price of \$0.01 per share to settle \$12,500 of indebtedness to a firm of which the Chief Financial Officer is a partner.

During the year ended April 30, 2014, the Company:

- i) paid or accrued \$51,380 in professional fees to a firm in which the Chief Financial Officer of the Company is a partner.
- iii) granted 950,000 stock options to independent directors of the Company resulting in share-based payments of \$73,347.
- iv) received \$22,348 in option payments from Spruce Ridge on the Company's Fletcher Junction Project (Note 8). At the time the option payments were received, an Officer and Director of Spruce Ridge was also a Director of the Company.

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

	April 30, 2015	April 30, 2014
Due to a firm of which the Chief Financial Officer is a partner	\$ 65,848	\$ 28,598
Due to President of the Company	13,635	-
Due to a director of the Company	<u>\$ 11,660</u>	<u>\$ -</u>
	<u>\$ 91,143</u>	<u>\$ 28,598</u>

NEVADA EXPLORATION INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
April 30, 2015

7. EQUIPMENT

Included in computer equipment as at April 30, 2015 is a database under construction with a cost of \$82,195 (2014 - \$82,195). The database is on hold pending review of costs. No amortization has been taken on this computer equipment in the current year.

During the year ended April 30, 2015, the Company disposed office equipment and exploration equipment that were fully amortized in prior year and recognized gains of \$2,200 (2014 - \$nil) and \$3,722 (2014 - \$nil), respectively.

	Vehicles	Exploration equipment	Computer equipment	Total
Cost				
Balance, April 30, 2013	\$ 71,176	\$ 233,766	\$ 105,302	\$ 410,244
Additions	49,081	-	12,474	61,555
Disposal	(40,708)	(85,069)	-	(125,777)
Effect of translation	5,153	18,235	9,515	32,903
Balance, April 30, 2014	\$ 84,702	\$ 166,932	\$ 127,291	\$ 378,925
Disposal	-	(3,722)	-	(3,722)
Effect of translation	8,532	16,677	12,822	38,031
Balance, April 30, 2015	\$ 93,234	\$ 179,887	\$ 140,113	\$ 413,234
Accumulated amortization				
Balance, April 30, 2013	\$ 71,176	\$ 174,707	\$ 23,706	\$ 269,589
Disposal	(40,708)	(65,928)	-	(106,636)
Amortization	4,864	37,894	6,805	49,563
Effect of translation	5,197	14,054	2,298	21,549
Balance, April 30, 2014	\$ 40,529	\$ 160,727	\$ 32,809	\$ 234,065
Disposal	-	(3,722)	-	(3,722)
Amortization	10,297	2,169	7,366	19,832
Effect of translation	4,590	16,159	3,667	24,416
Balance, April 30, 2015	\$ 55,416	\$ 175,333	\$ 43,842	\$ 274,591
Carrying amounts				
As at April 30, 2014	\$ 44,173	\$ 6,205	\$ 94,482	\$ 144,860
As at April 30, 2015	\$ 37,818	\$ 4,554	\$ 96,271	\$ 138,643

NEVADA EXPLORATION INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
April 30, 2015

8. EXPLORATION AND EVALUATION ASSETS

For the year ended April 30, 2015:

	GV	SGV	KC	HP	AW	FJ	TOTAL
Acquisition costs							
Balance – May 1, 2014	\$ -	\$ 67,531	\$ 927,347	\$ 109,247	\$ 239,373	\$ 235,790	\$ 1,579,288
Additions – cash	23,997	33,824	38,211	553	13,166	-	109,751
Additions – shares	-	-	8,000	-	-	-	8,000
Effect of translation	<u>2,405</u>	<u>10,158</u>	<u>97,568</u>	<u>11,004</u>	<u>25,309</u>	<u>(1,203)</u>	<u>145,241</u>
Balance – end of year	<u>26,402</u>	<u>111,513</u>	<u>1,071,126</u>	<u>120,804</u>	<u>277,848</u>	<u>234,587</u>	<u>1,842,280</u>
Exploration costs							
Balance – May 1, 2014	-	-	82,116	875,087	702,957	1,120,477	2,780,637
Geological	-	-	-	5,259	1,556	-	6,815
Travel	291	-	-	-	-	-	291
Effect of translation	<u>28</u>	<u>-</u>	<u>8,205</u>	<u>88,226</u>	<u>70,605</u>	<u>(5,718)</u>	<u>161,346</u>
Balance – end of year	<u>319</u>	<u>-</u>	<u>90,321</u>	<u>968,572</u>	<u>775,118</u>	<u>1,114,759</u>	<u>2,949,089</u>
Write-off of property	-	-	-	-	-	(1,349,346)	(1,349,346)
Total costs – April 30, 2015	\$ 26,721	\$ 111,513	\$ 1,161,447	\$ 1,089,376	\$ 1,052,966	\$ -	\$ 3,442,023

NEVADA EXPLORATION INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
April 30, 2015

8. EXPLORATION AND EVALUATION ASSETS (cont'd...)

For the year ended April 30, 2014:

	AW	FJ	KC	HP	SGV	BU	JU	RP	SP	WF	TOTAL
Acquisition costs											
Balance – beginning of year	\$ 198,809	\$ 221,255	\$ 772,938	\$ 78,902	\$ -	\$ 424,247	\$ 175,991	\$ 207,301	\$ 352,806	\$ 219,903	\$ 2,652,152
Additions - cash	21,715	18,316	81,385	21,742	62,213	-	-	-	-	-	205,371
Option payments received	-	(22,348)	-	-	-	-	-	-	-	-	(22,348)
Effect of translation	<u>18,849</u>	<u>18,567</u>	<u>73,024</u>	<u>8,603</u>	<u>5,318</u>	<u>8,289</u>	<u>3,438</u>	<u>4,050</u>	<u>6,893</u>	<u>4,297</u>	<u>151,328</u>
Balance – end of year	<u>239,373</u>	<u>235,790</u>	<u>927,347</u>	<u>109,247</u>	<u>67,531</u>	<u>432,536</u>	<u>179,429</u>	<u>211,351</u>	<u>359,699</u>	<u>224,200</u>	<u>2,986,503</u>
Exploration costs											
Balance – beginning of year	646,081	1,032,098	75,649	799,528	-	902,446	61,265	65,405	87,396	85,705	3,755,573
Geological	1,522	-	-	6,650	-	-	-	-	-	-	8,172
Travel	-	147	-	-	-	-	-	-	-	-	147
Effect of translation	<u>55,354</u>	<u>88,232</u>	<u>6,467</u>	<u>68,909</u>	<u>-</u>	<u>17,631</u>	<u>1,197</u>	<u>1,278</u>	<u>1,707</u>	<u>1,674</u>	<u>242,449</u>
Balance – end of year	<u>702,957</u>	<u>1,120,477</u>	<u>82,116</u>	<u>875,087</u>	<u>-</u>	<u>920,077</u>	<u>62,462</u>	<u>66,683</u>	<u>89,103</u>	<u>87,379</u>	<u>4,006,341</u>
Write-off	-	-	-	-	-	(1,352,613)	(241,891)	(278,034)	(448,802)	(311,579)	(2,632,919)
Total costs	\$ 942,330	\$ 1,356,267	\$ 1,009,463	\$ 984,334	\$ 67,531	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,359,925

8. EXPLORATION AND EVALUATION ASSETS (cont'd....)

Grass Valley Project (GV)

On February 27, 2012, the Company acquired the Grass Valley Project. Concurrent with the acquisition, the Company announced the signing of agreement with McEwen Mining Inc, (“MMI”), a two-year Exploration Agreement to generate new gold projects in a 25,000 hectare (95 sq mi) study area in north central Nevada (referred to as the Area of Interest or “AOI”) using the Company’s hydrogeochemistry exploration technology.

Under the agreement, if MMI elected to continue maintaining the Designated Property, MMI agreed to pay the Company the following staged payments:

1 st anniversary	US\$ 100,000	(recorded as option income for the year ended April 30, 2014)
2 nd anniversary	100,000	
3 rd anniversary	100,000	
4 th anniversary	100,000	
5 th and each subsequent anniversary	250,000	

During the year ended April 30, 2015, McEwen Mining Inc. elected to withdraw from the Exploration Agreement, and NGE now holds a 100% interest in the project, which consists of 452 claims (approx. 37.6 km²). Accordingly, the Company now bears all cost related to the Grass Valley Project.

South Grass Valley (SGV)

During the year ended April 30, 2014, the Company established the South Grass Valley Project by staking 185 unpatented mining claims (approx. 15.4 km²). 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)

On October 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 209 unpatented mineral claims (20.2km²). Under the Agreement, the Company is the Operator and has the option to purchase 100% of the Genesis claims for 100,000 common shares (50,000 shares issued in 2011, 50,000 shares issued in 2010) and USD\$1,500,000, subject to a 1.5% Net Smelter Return Royalty (“Royalty”).

The Company shall pay to Genesis advance royalty payments as follows:

1 st anniversary	\$ 5,000	(paid)
2 nd anniversary	10,000	(paid)
3 rd anniversary	10,000	(paid)
4 th anniversary	10,000	(paid)
5 th and each subsequent anniversaries	50,000 ⁱ⁾	(paid)

i) During the year ended April 30, 2015, the Company issued 800,000 Common shares, plus \$10,000 USD to be paid on or before September 1, 2015 to satisfy the 2014 annual payment under the Mining Lease and Option to Purchase Agreement with Genesis (Note 13).

Hot Pot (HP)

On September 16, 2005, the Company entered into a Mining Lease Agreement on 8.8 km² at the Hot Pot Project located in Humboldt County, Nevada, approximately 30 km northwest of Battle Mountain, Nevada. Under the terms of the agreement, the Company is required to make annual payments of US\$20,000 on each anniversary, and the agreement is subject to a 3% NSR to the property owner. The Company also controls 3 (2014 – 6) claims (approx. 25 hectares) at Hot Pot. All of the Company’s mineral interests at Hot Pot are subject to a 1.25% NSR.

8. EXPLORATION AND EVALUATION ASSETS (cont'd....)

Awakening (AW)

The Awakening Project is located in Humboldt County, Nevada, approximately 50 km north-northwest of Winnemucca, Nevada. The Company has a 100% interest in 72 (2014 – 117) claims (approx. 4.5 km²) at Awakening.

Fletcher Junction (FJ)

During the year ended April 30, 2015, the Company decided to drop the Fletcher Junction Project in order to focus its resources on the projects demonstrating the highest potential. Accordingly, the Company has written off this project to \$Nil as at April 30, 2015.

Bull Creek (BU)

The Bull Creek Project is located in Humboldt County, Nevada, approximately 60 km west-northwest of Winnemucca, Nevada. In the prior fiscal year, the Company held a 100% interest in 108 claims (approx. 8.7 km²) at Bull Creek. During the year ended April 30, 2014, the Company realigned its land holdings in Nevada and decided to drop its land position in the Bull Creek Project. The Company wrote off all associated costs of \$1,352,613 during the year ended April 30, 2014.

Jungo (JU)

The Jungo Property is located in both Humboldt and Pershing Counties, Nevada, approximately 60 km west of Winnemucca, Nevada. In the prior fiscal year, the Company held a 100% interest in 108 claims (approx. 8.7 km²) at Jungo. During the year ended April 30, 2014, the Company realigned its land holdings in Nevada and decided to drop its land position in the Jungo Property. The Company wrote off all associated costs of \$241,891 during the year ended April 30, 2014.

Rye Patch (RP)

The Rye Patch Project is located in Pershing County, Nevada, approximately 30 km northeast of Lovelock, Nevada. In the prior fiscal year, the Company held a 100% interest in 41 claims (approx. 3.3 km²) at Rye Patch, as well as Mining Lease Agreements covering another 70 hectares.

During the year ended April 30, 2014, the Mining Lease Agreements expired and the Company dropped its claims at the Rye Patch Project. The Company wrote off all associated costs of \$278,034 during the year ended April 30, 2014.

Sand Pass (SP)

The Sand Pass Project is located in Humboldt County, Nevada, approximately 10 km north of Winnemucca, Nevada. In the prior fiscal year, the Company held a 100% interest in 89 claims (approx. 16.6 km²) at Sand Pass, as well as a Mining Lease Agreement covering another 940 hectares. During the year ended April 30, 2014, the Company terminated the Mining Lease Agreement, and dropped all its claims at Sand Pass. The Company wrote off all associated costs of \$448,802 during the year ended April 30, 2014.

Whiskey Flats (WF)

The Whiskey Flats Project is located in Mineral County, Nevada, approximately 20 km south of Hawthorne, Nevada. In the prior fiscal year, the Company held a 100% interest in 99 claims (8.0 km²) at Whiskey Flats. During the year ended April 30, 2014, the Company realigned its land holdings in Nevada and decided to drop its land position in the Whiskey Flats Project. The Company wrote off all associated costs of \$311,579 during the year ended April 30, 2014.

NEVADA EXPLORATION INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
April 30, 2015

9. DEPOSITS AND BONDS

	April 30, 2015	April 30 2014
Security deposits ⁽¹⁾	\$ 5,750	\$ 11,500
Reclamation bond deposits ⁽²⁾	<u>23,144</u>	<u>75,821</u>
	<u>\$ 28,894</u>	<u>\$ 87,321</u>

⁽¹⁾ Security deposits consist of \$5,750 guaranteed investment certificate ("GIC") and bearing interest at prime less 2%. The GIC is used to secure the credit limit on a credit card.

⁽²⁾ Reclamation bond deposits are required by the U.S. Bureau of Land Management ("BLM") and the U.S. Forest Service ("USFS") to ensure that any reclamation and clean-up work required on the Company's properties will be completed to the satisfaction of the BLM and the USFS. The Company did not have any asset retirement obligations as of April 30, 2015 and April 30, 2014.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the Company are as follows:

	April 30, 2015	April 30, 2014
Trade payables	\$ 111,693	\$ 25,918
Due to related parties (Note 6)	91,143	28,598
Due to key management personnel (Note 15)	208,268	174,020
Accrued liabilities	<u>37,474</u>	<u>43,509</u>
Total	<u>\$ 448,578</u>	<u>\$ 272,045</u>

11. FINANCE LEASE OBLIGATIONS

The Company has a finance lease obligation for a leased vehicle, with blended monthly payments of principal and interest totaling \$41,616 (US\$34,495) and bearing interest at a rate of 2.90% per annum.

	April 30, 2015	April 30, 2014
Finance lease obligations	\$ 41,616	\$ 48,375
Deduct: amount representing interest	<u>(2,131)</u>	<u>(3,124)</u>
Present value of minimum lease payments due	39,485	45,251
Less: current portion	<u>(10,630)</u>	<u>(9,381)</u>
Non-current portion	<u>\$ 28,855</u>	<u>\$ 35,870</u>

The total of principal repayments of the finance lease obligations that are due within the next one year is \$10,630, and the remaining portion for \$28,855 is due between fiscal years 2016 to 2019.

12. SHORT-TERM DEMAND LOAN

	April 30, 2015	April 30, 2014
Loan payable on demand, with no interest and no fixed term	\$ 30,000	\$ -
	\$ 30,000	\$ -

During the year ended April 30, 2015, the Company entered into a loan, payable on demand, with no interest and no fixed term with a shareholder of the Company. The Company may repay all or part of this loan through the issuance of Units at a price of \$0.05 per Unit. Each Unit is comprised of one common share of the Company and one non-transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.10 for a term of three years after the closing of the Proposed Financing and Reorganization. See Note 20.

13. CAPITAL STOCK

a) Authorized share capital:

As at April 30, 2015, the authorized share capital of the Company was:

- Unlimited number of common shares without par value;
- Unlimited number of preferred shares without par value;
- All issued shares are fully paid.

b) Issued share capital:

During the year ended April 30, 2015, the Company:

- i) issued 2,050,000 common shares at a market price of \$0.01 per common share to settle a total of \$114,268 in accrued salaries with management and a non-arms length party. The Company recognized a gain on debt settlement of \$93,768.
- ii) issued 800,000 common shares at a market price of \$0.01 per common share to satisfy part of the 2014 annual payment due to Genesis Gold Corporation under a Mining Lease and Option to Purchase Agreement; and
- iii) 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 \$3,530 to an arm's length party and issued 40,000 finders' warrants with a fair value of \$793.

During the year ended April 30, 2014, the Company did not have any share activities.

NEVADA EXPLORATION INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
April 30, 2015

13. CAPITAL STOCK (cont'd...)

c) Options

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price, minimum price or a discounted price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of five years, and generally vest over a 3 year period, or as determined by the Company's directors.

During the year ended April 30, 2015, the Company did not grant any stock options.

During the year ended April 30, 2014, the Company:

- i) granted 3,050,000 stock options to directors and management resulting in share-based payments of \$235,483.

A continuity of share purchase options for the year ended April 30, 2015 is as follows:

Expiry date	Exercise price	April 30, 2014	Granted	Expired	Cancelled	April 30, 2015	Exercisable
September 30, 2014	\$ 0.16	250,000	-	(250,000)	-	-	-
September 30, 2014	0.10	900,000	-	(900,000)	-	-	-
November 17, 2014	0.10	600,000	-	(600,000)	-	-	-
December 31, 2015	0.10	2,950,000	-	-	(450,000)	2,500,000	2,500,000
August 9, 2016	0.10	400,000	-	-	(200,000)	200,000	200,000
September 25, 2017	0.11	100,000	-	-	-	100,000	100,000
December 4, 2017	0.12	500,000	-	-	-	500,000	500,000
March 2, 2019	0.10	3,050,000	-	-	(250,000)	2,800,000	2,800,000
Total		8,750,000	-	1,750,000	(900,000)	6,100,000	6,100,000
Weighted average exercise price	\$ 0.10	\$ -	\$ 0.11	\$ 0.11	\$ 0.10	\$ 0.10	\$ 0.10
Weighted average remaining life of options outstanding						2.33 years	

Option pricing models require the use of estimates and assumptions including the expected volatility. Changes in underlying assumptions can materially affect the fair value estimates. The following weighted average assumptions were used for the Black-Scholes valuation of options granted during the year:

	April 30, 2015	April 30, 2014
Share price	-	\$0.10
Risk-free interest rate	-	1.60%
Expected life of options	-	5 years
Annualized volatility based on historical volatility	-	105.68%
Dividend rate	-	0.00%
Forfeiture rate	-	0.00%
Fair value per option	-	\$0.08
Exercise price	-	\$0.10

c) Warrants

During the year ended April 30, 2015, the Company issued 2,870,100 (2014 - nil) warrants as part of its private placement.

NEVADA EXPLORATION INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
April 30, 2015

13. CAPITAL STOCK (cont'd...)

c) Warrants (cont'd...)

A continuity of share purchase warrants for the year ended April 30, 2015 is as follows:

Expiry date	Exercise price	April 30, 2014	Granted	Expired	April 30, 2015	Exercisable
December 24, 2014	\$ 0.15	5,000,000	-	(5,000,000)	-	-
August 19, 2017	0.05	-	2,830,100	-	2,830,100	2,830,100
August 19, 2017	0.05	-	40,000	-	40,000	40,000
Total		5,000,000	2,870,100	(5,000,000)	2,870,100	2,870,100
Weighted average exercise price		\$ 0.15	\$ 0.05	\$ 0.15	\$ 0.05	\$ 0.05

	April 30, 2015	April 30, 2014
Share price	\$0.04	-
Risk-free interest rate	1.09%	-
Expected life of warrants	3 years	-
Annualized volatility based on historical volatility	85.28%	-
Dividend rate	0.00%	-
Fair value per warrant	\$0.02	-

14. SEGMENTED INFORMATION

The Company operates in one industry segment, being the acquisition, exploration and development of resource properties. Geographic information is as follows:

	April 30, 2015	April 30, 2014
Non-current assets:		
United States		
Equipment	\$ 138,643	\$ 144,860
Exploration and evaluation assets	3,442,023	4,359,925
Deposits and bonds	23,144	75,821
	\$ 3,603,810	\$ 4,580,606

	April 30, 2015	April 30, 2014
Income:		
United States		
Project management and consulting	\$ -	\$ 154,964
Option payments	-	103,992
	\$ -	\$ 258,956

15. KEY MANAGEMENT COMPENSATION

Remuneration of key management of the Company is as follows:

	Year Ended April 30, 2015	Year Ended April 30, 2014
Salaries	\$ 119,351	\$ 335,166
Share-based payments*	<u>-</u>	<u>162,136</u>
	<u>\$ 119,351</u>	<u>\$ 497,302</u>

* Share-based payment is the fair value of vesting options that are granted to key management personnel. During the year ended April 30, 2014, the Company granted 2,100,000 options to key management personnel.

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

	April 30, 2015	April 30, 2014
Due to key management personnel	\$ 208,268	\$ 174,020

16. FINANCIAL RISK MANAGEMENT

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 and deposits and bonds. 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 April 30, 2015, the Company had a cash balance of \$29,674 (April 30, 2014 - \$22,603) to settle current liabilities of \$489,208 (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.

16. FINANCIAL RISK MANAGEMENT (cont'd...)

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 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 dollar equivalents at April 30, 2015 are as follows:

	CDN	USD
Current assets	\$ 37,504	\$ 31,087
Non-current assets	3,603,810	2,987,243
Current liabilities	(264,219)	(219,014)
Non-current liabilities	<u>(28,855)</u>	<u>(23,918)</u>
	<u>\$ 3,348,240</u>	<u>\$ 2,775,398</u>

Based on the above net exposures as at April 30, 2015, 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 \$33,482 in comprehensive profit or loss.

17. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOW

During the year ended April 30, 2015, significant non-cash transactions included:

- i) issued unit warrants in connection with private placement with a fair value of \$46,892;
- ii) reclassified fair value of \$128,376 from reserves to share capital for 5,000,000 warrants expired;
- iii) recognized a gain of \$93,768 through shares for debt settlement;
- iv) issued of finders' warrants in connection with private placement with a fair value of \$793; and
- v) reclassified fair value of \$269,234 from reserves to deficit for 1,750,000 stock options expired.
- vi) issued 800,000 common shares at a fair value of \$0.01/share for the acquisition of mineral interests
- vii) issued 2,050,000 common shares at a market price of \$0.01 per common share to settle a total of \$114,268 in accrued salaries with management and a non-arms length party; and
- viii) reclassified fair value of \$70,914 from reserves to deficit for 900,000 options cancelled

17. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOW (cont'd...)

During the year ended April 30, 2014, the Company had the following significant non-cash transaction:

- i) incurred equipment costs of \$20,518 included in accounts payable and accrued liabilities;
- ii) incurred exploration and evaluation expenditures of \$19,492 included in accounts payable and accrued liabilities.

NEVADA EXPLORATION INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
April 30, 2015

18. INCOME TAXES

	2015	2014
Loss before income taxes	\$ (1,644,348)	\$ (3,532,587)
Expected income tax recovery at average statutory rate of 26.00% for 2015 (2014 – 26.00%)	\$ (427,530)	\$ (918,473)
Share-based payment and other non-deductible expenses	-	66,000
Share issuance costs	-	-
Change in statutory rates and other	(126,470)	(274,527)
Tax benefits not recognized	<u>554,000</u>	<u>1,127,000</u>
	\$ -	\$ -

	2015	2014
Deferred tax assets:		
Non-capital loss carry-forwards	\$ 4,555,000	\$ 3,992,000
Share issue costs and other	15,000	24,000
Deferred tax assets not recognized	<u>(4,570,000)</u>	<u>(4,016,000)</u>
Net deferred tax assets	\$ -	\$ -

The Company has available for deduction against future taxable income non-capital losses of approximately \$4,156,000 and US net operating losses of approximately \$10,217,000 (expressed in Canadian dollars) expiring as follows:

	CDN	US
2025	\$ 33,000	\$ -
2026	266,000	-
2027	858,000	183,000
2028	569,000	680,000
2029	549,000	2,544,000
2030	81,000	826,000
2031	357,000	816,000
2032	591,000	241,000
2033	391,000	364,000
2034	331,000	3,008,000
2035	<u>130,000</u>	<u>1,555,000</u>
	\$ 4,156,000	\$ 10,217,000

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable income will be available against which the Company can utilize the benefits.

19. COMMITMENTS

The Company has the following commitments:

The Company has various commitments relating to its exploration and evaluation assets as disclosed in Note 8.

20. SUBSEQUENT EVENTS

Subsequent to the year ended April 30, 2015, the Company announced its intention to complete a share consolidation, a proposed financing, a bridge loan and shares for debt settlement.

Share consolidation

The Company plans to complete a share consolidation on a basis of 1 post consolidation common share for every 10 pre-consolidation common shares.

Proposed financing

Concurrent with the share consolidation, the Company has entered into an agreement to complete a non-brokered private placement of up to \$750,000 in aggregate proceeds. The Company plans to issue up to 15,000,000 post-consolidation units at a price of \$0.05 per unit. Each unit will consist of one post-consolidation common share and one non-transferable post-consolidation common share purchase warrant, with each full warrant entitling the holder to purchase one post-consolidation common share for a period of three years at an exercise price of \$0.10.

Bridge loan

The Company has entered into loan agreements with arm's length parties to provide an aggregate of \$46,958 in the form of non-interest bearing unsecured demand loans to provide bridge financing to the Company as the Company seeks to complete the proposed financing and share consolidation. \$30,000 of this loan was received during the year ended April 30, 2015 (Note 12). Under the terms of the loan agreements, the loans can be repaid at the Company's discretion through the issuance of units with the same terms as the proposed financing.

Subject to the TSX Venture Exchange approval, the Company intends to issue up to 939,150 units, on the same terms as the units in the proposed financing, to settle the amounts due under the Bridge loan concurrent with the proposed financing.

Shares for debt settlement

The Company's management team has agreed to settle the outstanding amounts owing for accrued salaries with a combination of shares and cash. The Company's management team has agreed to settle \$250,000 in accrued salaries by accepting 2,500,000 post-consolidation common shares at a deemed price of \$0.05, for a total deemed value of \$125,000, plus \$50,000 in cash, and by agreeing to forgive \$75,000 in accrued salaries.

NEVADA EXPLORATION INC.
Management Discussion and Analysis – Form 51-102F1
For the Year Ended April 30, 2015

The following Management Discussion and Analysis (“MD&A”) prepared as of August 26, 2015 should be read in conjunction with the audited consolidated financial statements for the year ended April 30, 2015, and the related notes thereto. Those audited consolidated 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 (km²)	Area (km²)	Area (km²)
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.

NEVADA EXPLORATION INC.
Management Discussion and Analysis – Form 51-102F1
For the Year Ended April 30, 2015

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 km²) at Grass Valley.

NEVADA EXPLORATION INC.
Management Discussion and Analysis – Form 51-102F1
For the Year Ended April 30, 2015

Grass Valley (GV) (cont'd...)

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 km²). 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 (20.2km²). 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 Company shall pay to Genesis advance royalty payments as follows:

1 st anniversary	\$	5,000	(paid)
2 nd anniversary		10,000	(paid)
3 rd anniversary		10,000	(paid)
4 th anniversary		10,000	(paid)
5 th and each subsequent anniversaries		50,000	(paid) ⁱ⁾

- i) During the year ended April 30, 2015, the Company agreed to issue 800,000 Common shares (issued), plus \$10,000 USD to be paid on or before September 1, 2015 to satisfy the 2014 annual payment under the Mining Lease and Option to Purchase Agreement with Genesis. (Note 12)

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.

NEVADA EXPLORATION INC.
Management Discussion and Analysis – Form 51-102F1
For the Year Ended April 30, 2015

Kelly Creek (KC) (cont'd...)

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 Enxco 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 8.8km² 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.

NEVADA EXPLORATION INC.
Management Discussion and Analysis – Form 51-102F1
For the Year Ended April 30, 2015

Hot Pot (HP) (cont'd...)

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 Enxco Ltd. (“Enxco”) whereby Enxco 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 Enxco had begun drilling at Hot Pot.

In 2009 and early 2010, Enxco 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. Enxco’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. Enxco 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, Enxco 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 Enxco withdrew from the Exploration Agreement at Hot Pot, and that as a result, Enxco retained no interest in the project. NGE has updated the exploration model for the project based on Enxco’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 km²) 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.

NEVADA EXPLORATION INC.
Management Discussion and Analysis – Form 51-102F1
For the Year Ended April 30, 2015

Awakening (AW)(cont'd...)

Also in 2008, NGE acquired approximately 85km² (33mi²) of high quality gravity geophysics data and approximately 173 km² (67 m²) 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 (1.2km²) 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.

NEVADA EXPLORATION INC.
Management Discussion and Analysis – Form 51-102F1
For the Year Ended April 30, 2015

Fletcher Junction (FJ) (cont'd...)

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

For the three month period ended April 30, 2015

During the three month period ended April 30, 2015, NGE's net losses were \$82,700 compared to \$400,762 for the three month period ended April 30, 2014. The significant decrease in net losses for the quarter ended April 30, 2015 was primarily as a result of a lower share based payments of \$nil (2014 - \$235,483) and lower salaries of \$25,799 (2014 - \$96,886). The decrease is primarily as a result of decreased management fees taken during the period due to cost-saving initiatives of the Company. Included in salaries is compensation of key management personnel which is described below under the subheading "Key Management Compensation".

General exploration costs during the three month period ended April 30, 2015, were \$5,430 compared to \$218 for the three month period ended April 30, 2014. Because the expenditures are not related to any specific property, they have been expensed.

For the year ended April 30, 2015

During the year ended April 30, 2015, NGE's net losses were \$1,644,348 compared to \$3,532,587 for the year ended April 30, 2014. The significant decrease in net losses for the year ended April 30, 2015 was primarily as a result of a lower write-off of exploration and evaluation assets of \$1,349,346 (2014 - \$2,632,919).

General exploration costs during the year ended April 30, 2015, were \$7,078 compared to \$146,015 for the year ended April 30, 2014. 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.

Salaries and related expenses during the period ended April 30, 2015, were \$122,724 compared to \$402,405 for the period ended April 30, 2014. The decrease is primarily as a result of decreased management fees taken during the period due to cost-saving initiatives of the Company. Included in salaries is compensation of key management personnel which is described below under the subheading "Key Management Compensation".

Selected Annual Information

NEVADA EXPLORATION INC.
Management Discussion and Analysis – Form 51-102F1
For the Year Ended April 30, 2015

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, 2015	Year Ended April 30, 2014	Year Ended April 30, 2013
Total revenues	\$ -	\$ 259,065	\$ 240,710
Net loss	(1,644,348)	(3,532,587)	(821,148)
Basic and diluted loss per share	(0.01)	(0.02)	(0.01)
Total assets	3,656,933	4,637,976	7,321,666
Total long-term liabilities	28,855	35,870	-

Summary of Quarterly Results

	Three Month Period Ended April 30, 2015	Three Month Period Ended January 31, 2015	Three Month Period Ended October 31, 2014	Three Month Period Ended July 31, 2014
Total assets	\$ 3,656,933	\$ 3,828,560	\$ 3,424,458	\$ 3,260,932
Exploration and evaluation assets	3,442,023	3,626,215	3,207,458	2,993,997
Working capital (deficiency)	(441,835)	(361,788)	(371,244)	(287,926)
Equity	3,138,870	3,404,521	2,965,948	2,878,357
Revenues	-	-	-	-
Net income (loss)	(82,700)	12,122	(127,941)	(1,445,829)
Income (loss) per share	(0.00)	0.00	(0.01)	(0.01)

	Three Month Period Ended April 30, 2014	Three Month Period Ended January 31, 2014	Three Month Period Ended October 31, 2013	Three Month Period Ended July 31, 2013
Total assets	\$ 4,637,976	\$ 4,781,464	\$ 4,540,055	\$ 4,562,712
Exploration and evaluation assets	4,359,925	4,410,525	4,081,553	3,904,561
Working capital (deficiency)	(235,556)	(85,974)	99,560	295,558
Equity	4,320,680	4,559,258	4,418,070	4,435,798
Revenues	15,477	40,195	203,393	-
Net income (loss)	(400,762)	(154,967)	(75,018)	(2,901,840)
Loss per share	(0.00)	(0.00)	(0.00)	(0.02)

ASSETS & LIABILITIES

Deposits for land reclamation also add to the Company's asset base. Those deposits as at April 30, 2015 are \$23,144 (April 30, 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

NEVADA EXPLORATION INC.
Management Discussion and Analysis – Form 51-102F1
For the Year Ended April 30, 2015

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 year ended April 30, 2015 was \$96,027 compared to \$537,330 during the year ended April 30, 2014 and consists primarily of the operating loss and changes in non-cash working capital items.

Net cash used in investing activities for the year ended April 30, 2015 was \$110,935 compared to \$33,772 provided during the year ended April 30, 2014, and consists primarily of land holding and exploration expenditures.

Net cash provided by financing activities for the year ended April 30, 2015 was \$212,045 compared to 3,821 used during the year ended April 30, 2014. The difference is attributable to private placement completed and short term loan received during the year ended April 30, 2015.

Capital Resources

During the year ended April 30, 2015, the Company:

- i) 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;
- ii) issued 2,050,000 common shares at a market price of \$0.01 per common share to settle a total of \$114,268 in accrued salaries with management and a non-arms length party; The Company recognized a gain on debt settlement of \$93,768; and
- iii) issued 800,000 common shares at a market price of \$0.01 per common share to satisfy part of the 2014 annual payment due to Genesis Gold Corporation under a Mining Lease and Option to Purchase Agreement.

As of April 30, 2015, the Company has a finance lease obligation for a leased vehicle, with blended monthly payments of principal and interest of \$41,616 (US\$34,495) and bearing interest at a rate of 2.90% per annum. The total portion representing interest is \$2,131. The total of principal repayments of the finance lease obligations that are due within the next one year is \$10,630, and the remaining portion for \$28,855 is due between fiscal year 2016 to 2019.

As of April 30, 2015 the Company has the following commitments:

- a) 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, 2015

Off Balance Sheet Arrangements

As at April 30, 2015, 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.

NEVADA EXPLORATION INC.
Management Discussion and Analysis – Form 51-102F1
For the Year Ended April 30, 2015

RELATED PARTY TRANSACTIONS

During the year ended April 30, 2015, the Company:

- i) paid or accrued \$47,408 in professional fees to a firm in which the Chief Financial Officer of the Company is a partner; and
- ii) issued 250,000 common shares at a market price of \$0.01 per share to settle \$12,500 of indebtedness to a firm of which the Chief Financial Officer is a partner.

During the year ended April 30, 2014, the Company:

- i) paid or accrued \$51,380 in professional fees to a firm in which the Chief Financial Officer of the Company is a partner.
- ii) granted 950,000 stock options to independent directors of the Company resulting in share-based payments of \$73,347.
- iii) received \$22,348 in option payments from Spruce Ridge on the Company's Fletcher Junction Project (Note 8). At the time the option payments were received, an Officer and Director of Spruce Ridge was also a Director of the Company.

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

	April 30, 2015	April 30, 2014
Due to a firm of which the Chief Financial Officer is a partner	\$ 65,848	\$ 28,598
Due to President of the Company	13,635	-
Due to a director of the Company	<u>\$ 11,660</u>	<u>\$ -</u>
	<u>\$ 91,143</u>	<u>\$ 28,598</u>

KEY MANAGEMENT COMPENSATION

Remuneration of key management of the Company was as follows:

	Year Ended April 30, 2015	Year Ended April 30, 2014
Salaries	\$ 119,351	\$ 335,166
Share-based payments	<u>-</u>	<u>162,136</u>
	<u>\$ 119,351</u>	<u>\$ 497,302</u>

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

	April 30, 2015	April 30, 2014
Due to key management personnel	\$ 208,268	\$ 174,020

NEVADA EXPLORATION INC.
Management Discussion and Analysis – Form 51-102F1
For the Year Ended April 30, 2015

DISCLOSURE OF OUTSTANDING SHARE DATA

As at August 26, 2015, the Company has 133,746,000 common shares issued and outstanding and has the following stock options and warrants outstanding:

	Number of Options	Exercise Price	Expiry Date
Stock options			
	2,500,000	0.10	December 31, 2015
	200,000	0.10	August 9, 2016
	100,000	0.11	September 25, 2017
	500,000	0.12	December 4, 2017
	<u>2,800,000</u>	0.10	March 2, 2019
	6,100,000		
Warrants			
	<u>2,870,100</u>	0.05	August 19, 2017
	2,870,100		

Fully diluted: 142,716,100

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

NEVADA EXPLORATION INC.
Management Discussion and Analysis – Form 51-102F1
For the Year Ended April 30, 2015

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 April 30, 2015, the Company had a cash balance of \$29,674 (April 30, 2014 - \$22,603) to settle current liabilities of \$489,208 (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 April 30, 2015 are as follows:

	CDN	USD
Current assets	\$ 37,504	\$ 31,087
Non-current assets	3,603,810	2,987,243
Current liabilities	(264,219)	(219,014)
Non-current liabilities	<u>(28,855)</u>	<u>(23,918)</u>
	<u>\$ 3,348,240</u>	<u>\$ 2,775,398</u>

Net exposure

Based on the above net exposures as at April 30, 2015, 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 \$33,482 in profit or loss.

NEVADA EXPLORATION INC.
Management Discussion and Analysis – Form 51-102F1
For the Year Ended April 30, 2015

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 year ended April 30, 2015.

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
Dr. John E. Larson, Director
James Buskard, President

NEVADA EXPLORATION INC.
Management Discussion and Analysis – Form 51-102F1
For the Year Ended April 30, 2015

GOING CONCERN OF OPERATIONS

During the year ended April 30, 2015, the Company incurred a comprehensive loss of \$1,347,074 (2014 – \$3,128,431) and as at that date, the Company had accumulated deficit of \$14,393,150 (April 30, 2014 – \$13,088,950), a working capital deficiency of \$441,835 (April 30, 2014 - \$235,556) and negative cash flows from operations of \$96,027 (2014 – negative cash flow of \$537,330). 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.

NEVADA EXPLORATION INC.
Management Discussion and Analysis – Form 51-102F1
For the Year Ended April 30, 2015

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