

EQUITAS RESOURCES

*The following discussion and analysis of the financial position and results of operations for EQUITAS RESOURCES CORP. (the "Company" or "EQT") should be read in conjunction with the condensed interim financial statements for the **six months ended August 31, 2015**, which are prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard 34 ("IAS 34"). All dollar amounts are in Canadian dollars unless otherwise specified.*

The effective date of this report is October 28, 2015.

The Company is subject to the specific risks inherent in the mineral exploration business as well as general economic and business conditions. For more information on the Company, readers should review the Company's disclosure that is available on their website at www.equitasresources.com as well as at www.sedar.com.

DESCRIPTION OF BUSINESS

The Company was incorporated under the *Company Act* (British Columbia) in 1994, and is a reporting issuer in British Columbia and Alberta. The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol *EQT*, and classified as a junior natural resource company.

The Company's primary business is to identify, explore and develop opportunities in the resource sector through acquisition or joint venture. The Company owns interests in various properties in Labrador, British Columbia and the Northwest Territories, as described below.

MINING PROPERTIES

Garland Property: On July 10, 2014, the Company entered into an agreement with Zimtu Capital Corp. (a company with common directors and significant shareholdings), DG Resource Management Ltd., and Ridge Resources Ltd. (owned by the Company's president), collectively the "Vendors", to acquire a 100% interest in the Garland Property, located in Labrador, Canada. The property encompasses 25,050 hectares and is less than 30 kilometres southeast of Vale's Voisey's Bay Nickel/Copper/Cobalt mine. A review of historical exploration work shows the Garland Property to be within an environment favorable for magmatic nickel-copper sulphide deposits; and which also possess features strikingly similar to those of the Voisey's Bay deposit(s).

In consideration, the Company was to issue 7,999,998 shares over a 36 month period of which 2,666,666 were due upon exchange approval of the agreement (issued with a fair value of \$93,333); pay \$80,000 over a 1 year period (\$15,000 paid during the six months

ended August 31, 2015 and \$65,000 paid subsequent to the six months ended August 31, 2015), and grant DG Resource Management a 2% Gross Overriding Royalty (GORR) in the Property. The transaction acceptance by the TSX-V on November 17, 2014.

During the six months ended August 31, 2015, \$nil in acquisition costs (February 28, 2015 - \$123,333) were incurred and \$512,452 (February 28, 2015 - \$2,121) in exploration expenditures were spent on the Garland Property.

Exploration Update:

On February 3, 2015 the Company announced that it had commenced its nickel exploration program on the Garland Property in Labrador, Canada. The work encompassed a VTEM Plus airborne survey. On March 27, 2015 the Company completed the VTEM survey and final results were to be analyzed.

On April 16, 2015 Equitas provided an update on the VTEM analysis: it was being interpreted and refined by Geophysicist Alan King of Geoscience North. May 13, 2015 the Company announced the VTEM survey resulted in identifying nine Nickel/Copper sulphide targets at the Garland Property, and that the overall nature of the anomalies highlighted the potential for discovery of buried Voisey's Bay analogues at the Garland Property and that the Company had begun preparing for a 2015 summer exploration program which would include mapping and prospecting, 30 line-km of large loop EM survey, and up to 4000m of diamond drilling.

On May 13, 2015 Equitas issued the final results from the VTEM Plus airborne survey at the Garland Property. The interpretation identified significant new areas of conductivity. A total of nine areas of conductivity prospective for nickel-copper sulphides were the result of the VTEM interpretation. The Company planned for the exploration on the target areas to commence by late June which would include mapping and prospecting, 30 line-km of large loop EM survey, and up to 4000m of diamond drilling.

On July 30, 2015 the Company announced it commenced mobilization of crew and equipment for the exploration and drill program at the Garland Property. The exploration program was to have been managed by Dahrouge Geological Consulting Ltd., a mineral exploration, consulting, and project management group based in Edmonton, Alberta.

On September 23, 2015 Equitas provided an update on its Garland exploration program. The Company acquired 3,311 hectares adjoining the south-western part of the Garland Property. The identified anomalies previously recorded increased to twelve but due to ongoing ground geophysics work the Company had stated that anomalies A and B were of no further interest. Springdale Forest Products commenced drilling starting at anomaly D.

On October 20, 2015 the Company provided an update on the exploration program at the Garland Property. A total of 1515m of diamond drilling was completed within four NQ diamond drill holes. These four holes have tested anomalies D, C, J and Q. A total of 173 samples have been sent to Activation Laboratories in Ancaster, ON for chemical analysis, and samples are being selected for petrographic study,

Tom Gold Mine claims: During 2010, the Company acquired a 100% interest in the Tom Gold Mine claims located near Yellowknife, Northwest Territories, in consideration for \$100,000 cash (paid) and 2,000,000 common shares of the Company (issued). No finder's fee was paid in connection with the property acquisition.

The Tom Gold Mine Project includes five mineral claims totaling 650 acres (263 hectares) situated approximately 10 km northeast of Yellowknife, NWT and is accessible year round via an all-weather road. The Tom Mine Property was first worked by Cominco in the early 1940's in tandem with bringing the Ptarmigan Mine, located approximately 1.5 km to the south, into production. The Ptarmigan Mine was closed in 1942, shortly after it opened, because of the war. The Tom Property and Ptarmigan Mine were then acquired by Treminco Resources Ltd. in 1985 and both put into production from 1986 to 1997. Low gold prices forced Treminco to close operations in 1997 (gold traded within the range of \$283 to \$362.15 per ounce in 1997).

In the later years of production, the Tom Mine had represented a growing percentage of Treminco's overall gold production and represented approximately 1/3 of its total production in 1997. From February 1986 to July 1987, 19,000 tonnes of ore were extracted from the Tom Mine producing approximately 4,083 ounces of gold. Between 1987 and 1995 production from Tom was not recorded as it was grouped with Ptarmigan's production. However, another 2000 ounces of gold were produced from Tom from 1995 to 1997.

The Tom Property is underlain by amphibolite-grade metaturbidites of the Burwash Formation. According to NWT MIR 1986-97, four quartz veins on the Property were drilled by historic operators. The primary producer was the Tom No. 3 vein, with the C-vein becoming the major producer by 1991-1992. The Tom No. 3 vein ranged from discontinuous to 8 m wide, over a strike length of about 365 m. The quartz vein contained less than 1% other minerals, including pyrite, sphalerite, galena and lesser amounts of other sulphides.

During the six months ended August 31, 2015, \$140 (February 28, 2015 - \$79) in exploration expenses was spent on the Tom Mine claims.

Sickle Claims: The Company acquired, by staking, the Sickle, Snow and Bella gold claims:

The Sickle Claims are situated along the eastern margins of the Yellowknife Greenstone Belt and are underlain by low-grade metamorphic argillites and turbidites of the Walsh and Burwash Formations, and felsic volcanics of the Prosperous Formation. All units are Archean, near vertical, and become younger to the east. Historic gold exploration has focused on a calcareous black argillite unit near the contact of the Prosperous and Burwash formations. The Sickle claims encompass three main historic gold showings termed the 'Drag Lake', 'Anne' and 'Arseno'. The Drag Lake Showing has received the most attention, with drilling occurring in 1988 and 1990. Surface results include chip samples of 3.43 g/t gold across 6.71 m, within sheared and silicified andesites from the Anne trenches, located directly adjacent to the property. A grab sample on the property from the nearby Len Trench returned 7.23 g/t gold. In addition, pit samples from the Arseno Showing, located approximately 2 km to the south, returned 5.6 g/t Au over 5 m. Drill hole 90-7 targeted this showing and returned 5.9 g/t Au over 0.8 m.

During the six months ended August 31, 2015, \$192 (February 28, 2015 - \$nil) in exploration expenses was spent on these claims for geological expenses.

Day Property: During 2010, the Company purchased the Day Copper-Gold Porphyry Property. The consideration for the acquisition comprised cash payments of \$50,000 (paid) and 5,000,000 common shares (issued). As the acquisition resulted in the Company issuing more than 10% of the current issued and outstanding share capital to non-arm's length parties, shareholder approval of the acquisition was required. A "Calculation, Valuation and Fairness Opinion" was prepared for the Company by RWE Growth Partners Inc. and was presented to the Company's shareholders at its Annual General Meeting, held on September 8, 2010 and disinterested shareholder approval of the acquisition was received. Closing was conditional on approval by the TSX-V, which was received on May 27, 2011. The vendors will retain a 2% net smelter return royalty, half of which may be purchased by the Company for \$1,000,000. The Company also acquired, by staking, 6 additional claims adjacent to the Day Property, known as the Erin Claims.

The Day Property is located in the Toodoggone region of north-central British Columbia and is host to significant porphyry gold-copper mineralization. The occurrence was discovered and previously drilled by Falconbridge. Drilling in the early 1970s produced several significant intersections including 0.67% copper and 0.84 g/t gold across 58.83 m, and Hole 74-4 with 14.94 m of 0.61% copper and 1.92 g/t gold.

The Day Property is approximately 50 km south of Aurico Gold's (formerly Northgate Mineral) Kemess South Mine. The Kemess South Mine was the fifth largest mine in British Columbia producing close to 3 million ounces of gold and over 300 million pounds of copper before it was closed down in April 2011. Aurico is now focused on exploration development of Kemess Underground which is approximately 5.5 km north of the past-producing Kemess South. In 2011, a Preliminary Economic Assessment for the Kemess Underground Project was completed. Highlights of the Study include (employs base case commodity price assumptions of US\$1,100/oz gold; US\$2.80/lb copper, US\$20/oz silver and F/X US\$/Cdn\$1.00): Average annual production of 95,000 ounces of gold; Average annual copper production of 41.4 million pounds and an approximate 12-year mine-life.

The area between the Toodoggone region in the north and the Mt. Milligan region in the south has seen significant increased mineral exploration for copper, gold, and silver deposits in recent years. Notable porphyry projects in the belt include: Aurico Gold's (TSX:AQU) Kemess South and North Projects, Thompson Creek's (TSX:TCM) Mount Milligan Project, and Serengeti Resources Inc's (TSX-V:SIR) Kwanika Project.

During the six months ended August 31, 2015, \$nil was spent (February 28, 2015 - \$222) on exploration on the Day Property. During the year ended February 28, 2014, \$15,396 was received for investment tax credit related to the year ended February 28, 2013, and \$4,841 was received as an investment tax credit related to the year ended February 28, 2011.

Porcupine Property: The Porcupine Showing, located to the west-northwest of the Day Property, consists of stratabound copper/gold mineralization within intermediate to felsic volcanics. The mineralization was traced sporadically over a distance of approximately 3,000 m. In 1991, Skeena Resources reported rock sampling from the exposed margins

of the mineralized horizon with 1 to 5 g/t gold and 1.25 to 5.40% copper. Massive sulfide boulders, located downslope of the occurrence, yielded maximum values of 3.2 g/t gold and 5% copper.

The Company acquired a 100% mineral interest in the Porcupine Property for \$13,000 (paid). There is a NSR of 2% on the Porcupine Property, of which the Company can purchase half (50%) for \$1,000,000. The Porcupine Property is also subject to an advance royalty of \$50,000 per year and a one-time payment of 300,000 common shares upon commencement of commercial production. If the Company exercises the option to acquire 50% of the NSR, then the advance royalty payment shall be reduced to \$25,000 per year, but with a one-time payment of 150,000 common shares.

SELECTED ANNUAL INFORMATION

The following table provides a summary of the Company's financial operations for the last three fiscal years. For more detailed information, refer to the Company's audited financial statements.

	Years Ended		
	February 28, 2015	February 28, 2014	February 28, 2013
	\$	\$	\$
Total revenues	-	-	-
Loss for the year	(638,669)	(597,755)	(508,524)
Comprehensive Loss	(638,669)	(597,755)	(508,524)
Basic and diluted loss per share	(0.03)	(0.04)	(0.01)
Total assets	2,173,615	1,837,008	2,217,147
Long term debt	-	-	-
Dividends declared	N/A	N/A	N/A

The Company has recorded losses in each of its three most recently completed fiscal years and expects to continue to record losses until such time as an economic resource is identified, developed and brought into profitable commercial operation on one or more of the Company's properties, or otherwise disposed of at a profit.

RESULTS OF OPERATIONS

During the six months ended August 31, 2015, the net loss was \$637,067, compared to a net loss of \$140,033 during the six months ended August 31, 2014, for a difference of \$497,034.

The significant differences are:

- increased advertising and promotion to \$136,402 (2014 - \$7,000), investor relations to \$57,500 (2014 - \$nil), and travel expenses to \$21,763 (2014 - \$3,568) as the Company promoted the Garland Property and made significant changes to its promotional strategies,
- increased consulting fees to \$283,435 (2014 - \$14,700) due to a change in management of the Company and increased business activities,

- increased transfer agent and regulatory fees to \$18,272 (2014 - \$11,752) due to an increase in regulatory filings during the current period, and
- increased share-based payments to \$31,949 (2014 - \$22,880) as the Company granted options to a director during the current period.

SUMMARY OF QUARTERLY RESULTS

	August 31, 2015	May 31, 2015	February 28, 2015	November 30, 2014
Total revenues	\$ nil	\$ nil	\$ nil	\$ nil
Loss for the period	(403,910)	(233,157)	(331,913)	(166,723)
Basic and diluted loss per share	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)

	August 31, 2014	May 31, 2014	February 28, 2014	November 30, 2013
Total revenues	\$ nil	\$ nil	\$ nil	\$ nil
Loss for the period	(68,330)	(71,703)	(333,364)	(109,898)
Basic and diluted loss per share	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)

Trends over the last eight quarters:

During the last three quarters, the Company's net loss has increased significantly as the Company acquired a new property and increased its expenses to promote the property in order to raise funds for exploration. Prior to the quarter ended August 31, 2014, the Company was less active and expenses were kept to a minimum to conserve funds. The increase in the loss during the quarter ended February 28, 2014 was caused by due to the granting of options.

Second Quarter

During the three months ended August 31, 2015, the net loss was \$403,910, compared to a net loss of \$68,330 during the three months ended August 31, 2014, for a difference of \$335,580.

The significant differences are:

- increased advertising and promotion to \$98,861 (2014 - \$2,115), investor relations to \$35,000 (2014 - \$nil), and travel expenses to \$11,266 (2014 - \$966) as the Company promoted the Garland Property and made significant changes to its promotional strategies,
- increased consulting fees to \$179,370 (2014 - \$14,700) due to a change in management of the Company and increased business activities, and
- increased share-based payments to \$26,717 (2014 - \$nil) as the Company granted options to a director in the current period.

CAPITAL RESOURCES AND LIQUIDITY

Sources of funds

During the last two fiscal years, and up to the date of this report, the Company has raised gross proceeds of approximately \$5.2 million, as detailed below. The proceeds were all raised for advancing the Company's Garland Property and for general working capital purposes.

In December 2014, the Company closed a private placement with gross proceeds of \$441,200. The Company issued 6,624,000 flow-through units ("FT Units"). Each FT Unit consists of one common share priced at \$0.05 and one half of one share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share at a price of \$0.10, expiring 2 years after closing. The Company also issued 2,200,000 units ("Units"), priced at \$0.05 per Unit. Each Unit consists of one common share and one share purchase warrant, priced at \$0.10 and expiring in 2 years. Finders' fees of \$21,200 and 424,000 share purchase warrants exercisable for 2 years at \$0.10, were paid and issued respectively.

On February 26, 2015, the Company closed a private placement with gross proceeds of \$341,600. The Company issued 5,693,333 units ("Units"), priced at \$0.06 per Unit. Each Unit consists of one common share and one share purchase warrant, priced at \$0.10 and expiring on February 26, 2017.

On February 27, 2015, the Company issued 833,333 shares at a deemed price of \$0.06 to settle debt of \$100,000 with Ridge Resources Ltd. ("Ridge"), a company owned by the President of the Company. Ridge entered into an agreement with Zimtu Capital Corp., a related party to the Company, whereby Ridge would purchase \$100,000 of the Company's debt due to Zimtu for \$50,000.

On July 15, 2015, the Company closed a non-brokered private placement of 6,134,918 units ("Units") at a price of \$0.085 per Unit for gross proceeds of \$521,468. Each Unit consists of one common share and one share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.15 per share for a period of 24 months from closing. Finders fees of \$6,599 and 20,705 share purchase warrants exercisable for 2 years at \$0.15, were paid and issued respectively.

During the six months ended August 31, 2015, 749,000 share purchase warrants priced at \$0.10 were exercised for gross proceeds of \$74,900 and 58,332 stock options priced at \$0.10 were exercised for gross proceeds of \$5,833. Subsequent to the six months ended August 31, 2015, 5,105,000 share purchase warrants, priced at \$0.10 were exercised for gross proceeds of \$510,500 and 16,666 stock options priced at \$0.10 were exercised for gross proceeds of \$1,667.

On September 14, 2015, the Company closed the first tranche of a private placement. The Company issued 7,356,600 flow-through units ("FT Units"). Each FT Unit consists of one common share priced at \$0.10 and one half of one share purchase warrant, for gross

proceeds of \$735,660. Each whole share purchase warrant entitles the holder to purchase one common share at a price of \$0.20, expiring 1 year after closing. The Company also issued 3,160,000 units ("Units"), priced at \$0.095 per Unit, for gross proceeds of \$300,200. Each Unit consists of one common share and one share purchase warrant, priced at \$0.20 and expiring in 1 year. Finders' fees of \$34,961 and 350,848 share purchase warrants exercisable for 1 year at \$0.20, were paid and issued respectively.

On September 18, 2015, the Company closed the second and final tranche of a private placement. The Company issued 9,676,600 flow-through units ("FT Units"). Each FT Unit consists of one common share priced at \$0.10 and one half of one share purchase warrant, for gross proceeds of \$967,660. Each whole share purchase warrant entitles the holder to purchase one common share at a price of \$0.20, expiring 1 year after closing. Finders fees of \$80,613 and 806,128 share purchase warrants exercisable for 1 year at \$0.20, were paid and issued respectively.

On October 5, 2015, the Company closed the first tranche of a private placement. The Company issued 8,411,393 units ("Units"), priced at \$0.125 per Unit, for gross proceeds of \$1,051,424. Each Unit consists of one common share and one share purchase warrant, priced at \$0.25 and expiring in 1 year. Finders fees of \$5,500 and 44,000 share purchase warrants exercisable for 1 year at \$0.25, were paid and issued respectively.

As of October 28, 2015 the Company's authorized share capital consisted of unlimited common shares without par value and the Company had 78,174,294 post-consolidated common shares issued and outstanding.

Use of funds

During the six months ended August 31, 2015, cash flows were as follows:

- Cash outflows on Operating activities were \$608,979 (2014 – \$2,737),
- Investing activities consisted of cash outflows on mineral property exploration costs of \$248,002 (2014 - \$22,179), and
- Financing activities provided \$602,201 (2014 - \$nil) in cash from the issuance of shares and \$79,700 (2014 - \$nil) for share subscriptions received, and spent \$6,599 (2014 - \$nil) on share issuance costs.

Since inception, the Company has incurred cumulative losses of \$14,990,750 and had a working capital deficiency at August 31, 2015 of \$49,527 (February 28, 2015 - \$393,073 surplus).

Capital Management

The Company has financed its operations to date primarily through the issuance of common shares for private placements and on the exercise of stock options and warrants. 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 and to have profitable operations in the future.

The Company's future capital requirements will depend on many factors, including costs of exploration and development of the properties, cash flow from operations, costs to complete production if warranted, competition, and global market conditions. The Company's growing working capital needs may require it to obtain additional capital to operate its business.

The Company will depend partly on outside capital to complete the exploration and development of its resource properties. Such outside capital will include the sale of additional common shares and debt financing. There can be no assurance that capital will be available as necessary to meet these continuing exploration and development costs or, if the capital is available, that it will be on terms acceptable to the Company. The issuances of additional equity securities by the Company may result in a significant dilution in the equity interests of its current shareholders. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the business and future success may be adversely affected.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines the capital that it manages as share capital and cash. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have not been changed over the years presented, and are not subject to any externally imposed capital requirements.

RELATED PARTY TRANSACTIONS

	Six months ended August 31,	
	2015	2014
Key Management Compensation:		
Consulting fees	\$ 64,000	\$ -
Mineral property costs	13,000	-
Office administration and rent	75,000	75,000
Share-based payments	22,499	-
Advertising and promotion	10,313	4,000
Total	\$ 184,812	\$ 79,000
	August 31,	February 28,
	2015	2015
Related Party Balances:		
Director of the Company	\$ 32,141	\$ 1,875
Companies related by common directors	28,299	16,809
Total	\$ 60,440	\$ 18,684

The amounts payable and receivable to/from related parties represent non-interest bearing loans the Company borrowed from or lent to the directors. The loans are uncollateralized and are repayable on demand.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

SEGMENTED DISCLOSURE

The Company has one operating segment, mineral exploration and development. All of the Company's assets are located in Canada.

COMMITMENTS

On June 1, 2010, the Company entered into a management and administration agreement for a 12 month term with Zimtu Capital Corp. ("Zimtu"). Under the terms of the agreement, Zimtu provides the Company with administrative and managerial services, including corporate maintenance, continuous disclosure services, rent, and office space for \$12,500 a month. On June 1, 2013, this agreement was extended for an additional 12 month term. On June 1, 2014, the Company renewed the management and administrative agreement with Zimtu for an additional 6 month term, expiring November 30, 2014. On December 1, 2014, the agreement was extended for an additional 12 month term expiring on November 30, 2015.

On March 26, 2015, the Company entered into an agreement with Performance Capital Advisors Inc. ("PCA") to provide the Company with Investor Relations services. The Company will pay PCA \$7,500 per month for a period of six months and issued 250,000 stock options at \$0.10 per share. The options are to expire after 2 years.

OTHER MD&A REQUIREMENTS

Additional Disclosure for Venture Issuers without Significant Revenue: As the Company has not had significant revenue from operations in either of its last two financial years, the following is a breakdown of the material costs incurred:

	Year Ended February 28, 2015	Year ended February 28, 2014
Capitalized or Expensed Exploration and Development Costs	\$14,491	\$75,154
General and Administration Expenses	\$638,669	\$597,755
Gain on sale of marketable securities	\$Nil	\$Nil

Disclosure of Outstanding Share Capital: The following is a breakdown of the share capital of the Company, on an annual basis, and the date of this report:

	October 28, 2015	August 31, 2015	February 28, 2015
Common shares	78,174,294	41,972,035	35,029,785
Stock Options	2,871,659	2,888,325	2,871,653
Warrants	35,759,925	17,035,956	11,629,333
Fully Diluted Shares	116,805,878	61,896,316	49,530,771

At a Special Meeting of Shareholders held on September 15, 2014, the shareholders approved a share consolidation on the basis of 1 post-consolidated common share for every 3 pre-consolidated common share. For additional details of outstanding share capital, refer to the condensed interim financial statements for the six months ended August 31, 2015.

SUBSEQUENT EVENTS

- a. On September 14, 2015, the Company closed the first tranche of a private placement. The Company issued 7,356,600 flow-through units ("FT Units"). Each FT Unit consists of one common share priced at \$0.10 and one half of one share purchase warrant, for gross proceeds of \$735,660. Each whole share purchase warrant entitles the holder to purchase one common share at a price of \$0.20, expiring 1 year after closing. The Company also issued 3,160,000 units ("Units"), priced at \$0.095 per Unit, for gross proceeds of \$300,200. Each Unit consists of one common share and one share purchase warrant, priced at \$0.20 and expiring in 1 year. Finders fees of \$34,961 and 350,848 share purchase warrants exercisable for 1 year at \$0.20, were paid and issued respectively. The share purchase warrants were valued at \$41,130 under the following assumptions and ranges: risk free interest rate – 0.47%; expected life – 1 year; expected volatility – 156%; expected dividend yield – 0%; and weighted average share price - \$0.12.
- b) On September 18, 2015, the Company closed the second and final tranche of a private placement. The Company issued 9,676,600 flow-through units ("FT Units"). Each FT Unit consists of one common share priced at \$0.10 and one half of one share purchase warrant, for gross proceeds of \$967,660. Each whole share purchase warrant entitles the holder to purchase one common share at a price of \$0.20, expiring 1 year after closing. Finders fees of \$80,613 and 806,128 share purchase warrants exercisable for 1 year at \$0.20, were paid and issued respectively. The share purchase warrants were valued at \$85,582 under the following assumptions and ranges: risk free interest rate – 0.47%; expected life – 1 year; expected volatility – 157%; expected dividend yield – 0%; and weighted average share price - \$0.11.
- c) On October 5, 2015, the Company closed the first tranche of a private placement. The Company issued 8,411,393 units ("Units"), priced at \$0.125 per Unit, for gross proceeds of \$1,051,424. Each Unit consists of one common share and one share purchase warrant, priced at \$0.25 and expiring in 1 year. Finders fees of \$5,500 and 44,000 share purchase warrants exercisable for 1 year at \$0.25, were paid and issued respectively.
- d) On October 28, 2015, the Company closed the second and final tranche of a private placement. The Company issued 2,476,000 units ("Units"), priced at \$0.125 per Unit, for gross proceeds of \$309,500. Each Unit consists of one common share and one share purchase warrant, priced at \$0.25 and expiring in 1 year. Finders fees of \$10,625 and 64,000 share purchase warrants exercisable for 1 year at \$0.25, were paid and issued respectively.

- e) Subsequent to the six months ended August 31, 2015, 5,105,000 share purchase warrants, priced at \$0.10 were exercised for gross proceeds of \$498,000 and 16,666 stock options priced at \$0.10 were exercised for gross proceeds of \$1,667.
- f) Subsequent to the six months ended August 31, 2015, the Company paid \$65,000 due to the vendors of the Garland Property.

RISKS AND UNCERTAINTIES

The Company, and the securities of the Company, should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's securities:

There are a number of outstanding securities and agreements pursuant to which common shares of the Company may be issued in the future. This will result in further dilution to the Company's shareholders.

The Company has a very limited history of operations, is in the early stage of development and has received no revenues other than insignificant interest revenues. As such, the Company is subject to many risks common to such enterprises. There can be no assurance that the Company will be able to obtain adequate financing in the future or, if available, that the terms of such financing will be favourable. The Company has no intentions of paying any dividends in the future.

Although the Company has taken steps to verify the title to mineral properties in which it has acquired an interest, no assurance whatsoever can be given that the Company's interests may not be challenged by third parties. If challenged, and if the challenge is sustained, it will have an adverse effect on the business of the Company. Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

Environmental legislation is becoming increasingly stringent and the costs of compliance with environmental legislation are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the properties may be diminished or negated.

The exploration of mineral properties involves significant risks which even experience, knowledge and careful evaluation may not be able to avoid. The price of metals has fluctuated widely, particularly in recent years as it is affected by numerous factors which are beyond the Company's control including international economic and political trends, expectations of inflation or deflation, currency exchange fluctuations, interest rate fluctuations, global or regional consumptive patterns, speculative activities and increased production due to new extraction methods. The effect of these factors on the price of metals, and therefore the economic viability of the Company's interests in the mineral properties cannot be accurately predicted. Furthermore, changing conditions in the financial markets, and Canadian Income Tax legislation may have a direct impact on the Company's ability to raise funds for exploration expenditures. A drop in the availability of equity financings will likely impede spending. As a result of all these significant risks, it is

quite possible that the Company may lose its investments in the Company's mineral property interests.

CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The effect on the financial statements of such changes in estimates in future periods could be material.

In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements includes:

- The recoverability of the carrying value of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest; and
- The inputs used in accounting for share-based payments in the statement of comprehensive loss.

Information about significant areas of critical accounting judgments considered by management in preparing the financial statements includes:

- Management's assessment of the Company's ability to continue as a going concern in relation to its ability to raise funds.

All of the Company's significant accounting policies and estimates are included in Notes 3 and 4 of its audited financial statements for the year ended February 28, 2015.

ACCOUNTING POLICIES ADOPTED

The Company has applied the following new and revised IFRS in the audited financial statements for the year ended February 28, 2015:

- IAS 32 – *Financial Instruments: Presentation*
- IAS 36 – *Impairment of Assets*
- IAS 39 – *Financial Instruments: Recognition and Measurement*

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at August 31, 2015, the Company's financial instruments are comprised of cash, due from related parties, reclamation bonds, and accounts payable and accrued liabilities. The carrying value of cash, due from related parties, reclamation bonds, and accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of these financial instruments.

Financial instruments measured at fair value on the statement of financial position are summarized in levels of fair value hierarchy as follows:

At August 31, 2015

Assets	Level 1	Level 2	Level 3	Total
Cash	\$ 107,638	\$ -	\$ -	\$ 107,638
Reclamation bond	15,000	-	-	15,000
Total	\$ 122,638	\$ -	\$ -	\$ 122,638

At February 28, 2015

Assets	Level 1	Level 2	Level 3	Total
Cash	\$ 289,317	\$ -	\$ -	\$ 289,317
Reclamation bond	15,000	-	-	15,000
Total	\$ 304,317	\$ -	\$ -	\$ 304,317

Financial risk factors

The Company has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk. Management, the Board of Directors and the Audit Committee monitor risk management activities and review the adequacy of such activities.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Management believes that the credit risk concentration with respect to financial instruments included in cash is remote. The Company's receivables are GST receivable from the Canadian Government.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at August 31, 2015, the Company had a cash balance of \$107,638 to settle current liabilities of \$450,579. All of the Company's financial liabilities are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, and commodity and equity prices. These fluctuations may be significant and the Company, as all other companies in its industry, has exposure to these risks.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to maintain cash in its banking institutions. The Company does not believe interest rate risk to be significant.

(b) Price risk

The Company is not a producing entity so is not directly exposed to fluctuations in commodity prices. The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings because of movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

(c) Foreign currency risk

The Company has no assets or liabilities in foreign currencies. Its exposure to foreign exchange risk is minimal.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), on a timely basis so that appropriate decisions can be made regarding public disclosure. As at August 31, 2015, the CEO and the CFO have evaluated the effectiveness of the Company's disclosure controls and procedures as defined in Multilateral Instrument 52-109 of the Canadian Securities Administrators and have concluded that such disclosure controls and

procedures are effective.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Chief Executive Officer, the Chief Financial Officer and an external director of the Company are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles. The Company has determined that the internal disclosure controls and procedures are effective and sufficient to execute its business plan.

FORWARD LOOKING STATEMENTS

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. All such statements, other than statements of historical facts, that address estimated resource quantities, grades, locations, geometry and contained metals, possible future mining, exploration and development activities, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements should not be in any way construed as guarantees of future performance and actual results or developments may differ materially from those in the forward- looking statements.

Readers are cautioned not to put undue reliance on forward looking statements.

DIRECTORS

At the date of this report, the Company has the following directors and officers:

Kyler Hardy - President, Chief Executive Officer, and Director

David Hodge* – Director

Tim Fernback* - Director

Qianjie Wang – Director

Raymond Goldie* - Director

Jody Bellefleur – Chief Financial Officer

Frances Petryshen – Corporate Secretary

**Member of the Audit Committee*

APPROVAL

The Board of Directors of Equitas Resources Corp. has approved the disclosure contained in this MD&A.

Additional information related to the Company is available on SEDAR at www.sedar.com, on the Company's website at www.equitasresources.com.