



**NEVADA SUNRISE GOLD CORPORATION**  
**MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)**  
**For the six months ended March 31, 2015**

## INTRODUCTION

Nevada Sunrise Gold Corporation (“Nevada Sunrise” or the “Company”) is an exploration stage company whose common shares are listed for trading on the TSX Venture Exchange under the symbol NEV. The Company’s business is the acquisition, exploration and evaluation of mineral properties located in the State of Nevada, USA. The Company has a wholly-owned Nevada subsidiary, Intor Resources Corporation, through which it conducts business in Nevada. Nevada Sunrise holds interests in three principal properties. Firstly, the Company holds a 20.94% participating interest in Kinsley Gold LLC at the Kinsley Mountain property with Pilot Gold Inc. (“Pilot Gold”) holding the other 79.06% interest. Secondly, the Company holds a 100% interest in 374 mining claims at the Golden Arrow property. Thirdly, the Company holds a 100% interest in 105 mining claims and an option to earn a 100% interest in an additional 15 mining claims at the Roulette property. The properties are subject to certain royalties held by the property vendors.

This discussion and analysis of financial position, results of operations and cash flows of Nevada Sunrise Gold Corporation for the six months ended March 31, 2015 includes information up to and including May 27, 2015 and should be read in conjunction with the Company’s unaudited condensed interim consolidated financial statements for the six months ended March 31, 2015 and the Company’s audited annual consolidated financial statements for the years ended September 30, 2014 and 2013. All the consolidated financial statements were prepared using International Financial Reporting Standards. All dollar figures are in Canadian dollars unless otherwise stated.

The reader is encouraged to review the Company’s statutory filings on [www.sedar.com](http://www.sedar.com) and to review other information about the Company on its website at [www.nevadasunrise.ca](http://www.nevadasunrise.ca)

## PRESIDENT’S MESSAGE

*In 2014, Nevada Sunrise made great strides thanks to the strength of its exploration properties and to the team of people that provide their experience to guide the Company. Nevada Sunrise implemented a number of cost reduction measures which resulted in annual cost savings of approximately \$500,000 in operating costs, and in a difficult junior equity market the Company raised gross proceeds from the issuance of its common shares of \$3.9 million. In February 2015, Nevada Sunrise was named to the TSX Venture 50, in recognition of the achievements made by the Company during 2014.*

*The Company has a strong portfolio of exploration properties in one of the best mining jurisdictions in the world. The discovery of high-grade gold mineralization at Kinsley Mountain in late 2013 in northeastern Nevada is a credit to the technical expertise of the Pilot Gold exploration team and we look forward to the continued development of that project. Our other exploration projects show promise: Nevada Sunrise has entered into a letter agreement with a private mineral exploration company as a potential exploration partner at Golden Arrow, and the Company recently completed a leading-edge geophysical survey at the Roulette Gold Project located in the southeastern Carlin Trend.*

*We believe Nevada Sunrise is on a path to success, and we thank our shareholders for their continued support.*

Sincerely,

“Warren Stanyer”

Warren Stanyer, President and CEO

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A includes certain forward-looking statements or information. All statements other than statements of historical fact included in this MD&A including statements relating to the potential mineralization or geological merits of the Company's mineral properties and the future plans, objectives or expectations of the Company are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include among other things, statements regarding future commodity pricing, estimation of mineral reserves and resources, timing and amounts of estimated exploration expenditures and capital expenditures, costs and timing of the exploration and development of new deposits, success of exploration activities, permitting time lines, future currency exchange rates, requirements for additional capital, government regulation of mining operations, environmental risks, anticipated reclamation expenses, timing and possible outcome of pending litigation, timing and expected completion of property acquisitions or dispositions, and title disputes. They may also include statements with respect to the Company's mineral discoveries, plans, out-look and business strategy. The words "may", "would", "could", "should", "will", "likely", "expect", "anticipate", "intend", "estimate", "plan", "forecast", "project" and "believe" or other similar words and phrases are intended to identify forward-looking information.

Forward-looking statements are predictions based upon current expectations and involve known and unknown risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

Important factors that could cause actual results to differ materially from the Company's plans or expectations include risks relating to the actual results of exploration programs, fluctuating commodity prices, the possibility of equipment breakdowns and delays, the availability of necessary exploration equipment including drill rigs, exploration cost overruns, general economic or business conditions, regulatory changes, and the timeliness of government or regulatory approvals to conduct planned exploration work, political events, fluctuations in mineralization grade, geological, technical, mining or processing problems, future profitability on production, the ability to raise sufficient capital to fund exploration or production, litigation, legislative, environmental and other judicial, regulatory, political and competitive developments, inability to obtain permits, environmental liability for work programs, general volatility in the equity and debt markets, accidents and labor disputes and the availability of qualified personnel. Additionally, the Company is not the operator of the Kinsley Mountain joint venture and factors that could affect the Kinsley Mountain joint venture and the Company's interest therein include: the Company does not control the timing, cost or nature of the work programs; the Company may be subject to unexpected cash calls relating to the operation of the Kinsley Mountain joint venture; if the Company is unable to fund its share of the work programs it will suffer dilution to its interest; and the Company cannot guarantee that the operator will conduct successful work programs or further develop the Kinsley Mountain property.

Although the Company has attempted to identify all of the factors that may affect our forward-looking statements or information, this list of the factors is not exhaustive. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks and uncertainties detailed throughout this MD&A. The Company disclaims any intention or obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise, except where required by applicable securities laws.

## OVERALL PERFORMANCE

### *Kinsley Mountain*

The Kinsley Mountain property (“Kinsley Mountain” or the “Property”) is located in eastern Nevada in Elko County between the towns of Ely and Wendover, Nevada. The Company’s Nevada subsidiary has the rights to a mining lease covering 141 unpatented lode mining claims on U.S. Bureau of Land Management (“BLM”) land covering an area of approximately 2,807 acres (1,136 ha). New staking has increased the size of the Property to 475 claims plus 6 leased patents totaling 9,575 acres (3,875 hectares). Kinsley Mountain lies roughly 75 kilometres (45 miles) southeast of the Long Canyon property where the geological/technical team of Pilot Gold, then part of Fronteer Gold Inc., defined a significant gold resource in what is now recognized as an emerging gold district.

On October 28, 2013, Nevada Sunrise announced the signing of the Kinsley Mountain joint venture agreement between the Company and Pilot Gold. A Delaware limited liability company, Kinsley Gold LLC, was formed to manage the joint venture with Pilot Gold as the operator.

Pilot Gold has conducted exploration programs on the property from 2011 to 2014, and has earned a 79.06% interest in the property. On January 6, 2015, the Company announced its election to contribute to the 2015 exploration program to maintain its 20.94% interest in Kinsley Mountain.

### History of Exploration

Gold mineralization was discovered on Kinsley Mountain in 1984. Subsequent exploration defined sediment-hosted gold mineralization concentrated in the Kinsley trend, and includes at least five distinct deposits hosted in strata ranging from middle-to-late Cambrian in age. Gold mineralization occurs within a stratigraphic section of Middle to Upper Cambrian-age sedimentary rock units including limestone, dolomite and shale. This mineralization exhibits characteristics similar to other sedimentary rock-hosted “Carlin-type” gold deposits in Nevada. Gold enrichments occur in both preferred bedding strata and structurally-controlled zones as disseminated mineralization within altered sedimentary rocks.

Between 1994 and 1999, Alta Gold Co. (“Alta Gold”) produced approximately 138,000 ounces of gold at .042 opt gold (1.4 grams/tonne gold) from oxide ore in a heap leach operation at Kinsley Mountain. Mining by Alta Gold was restricted to a cluster of deposits aligned along a northwest-oriented fault zone. Exploration drilling has identified several other mineralized centres which are yet to be developed. Mining by Alta Gold ceased during a period of low gold prices.

Gold mineralization at Kinsley Mountain consists both of shallow low-grade oxide ore, which was mined and produced by Alta Gold, and deep higher-grade sulphide mineralization. This deeper mineralization was tested by a limited number of drill holes. The Company has assembled a substantial historical archive for the Kinsley Mountain property, including records for 1,156 drill holes, with a total length of 244,900 feet (74,700 metres) or an average depth of only 212 feet (64.7 metres).

***Kinsley Mountain – (cont'd)***

*Development of Kinsley Gold LLC Joint Venture*

On April 8, 2010, the Company announced that it had entered into an option agreement (the Kinsley Option”) with Animas Resources Ltd. (“Animas”) on Kinsley Mountain which gave Animas the right to earn a 51% interest in Kinsley Mountain by spending US\$1.5 million in exploration expenditures over three years. Animas agreed to spend US\$200,000 in exploration expenditures during 2010 to maintain the Kinsley Option, and would act as operator of exploration at Kinsley Mountain.

Nevada Sunrise and Animas agreed to form a joint venture upon Animas earning its 51% interest in Kinsley Mountain for further exploration work to be carried out on the property. After earning its 51% interest in Kinsley Mountain, Animas had the right to earn an additional 14% interest by spending US\$3.0 million in exploration expenditures within five years, which would bring its interest in Kinsley Mountain to 65%.

On September 21, 2011, Nevada Sunrise announced the purchase by Pilot Gold of the Kinsley Option from Animas. Pursuant to the amended terms of the Kinsley Option, Pilot Gold would have the exclusive right to earn a 51% undivided interest in Kinsley Mountain by incurring US\$1.18 million in exploration expenditures by March 30, 2013 (incurred). Pilot Gold could earn an additional undivided 14% interest in Kinsley Mountain by incurring an additional US\$3.0 million in exploration expenditures within five years of meeting the initial earn-in.

On April 10, 2013, Nevada Sunrise announced that Pilot Gold had completed US\$3,000,000 in eligible expenditures at Kinsley Mountain to increase its participating interest to 65%. In addition, the Company received an exploration program proposal for 2013 for Kinsley Mountain from Pilot Gold, which included diamond drilling, a resource estimate as drilling progressed, and metallurgical studies planned in connection with the resource estimate.

On August 15, 2013, the Company announced that it had elected not to finance its 35% portion of the 2013 Kinsley Mountain budget. As a result, Pilot Gold solely financed a modified US\$3,400,000 exploration program. Pilot Gold's interest in Kinsley Mountain therefore increased to approximately 79% and the Company's interest in the joint venture was diluted to approximately 21%.

The decision not to participate in the 2013 work program was made after careful assessment of numerous factors including the state of the capital markets in the junior mining sector. In conjunction with that decision, the Company implemented a number of cost reduction measures including terminating the lease on the Pinnacle property and closing of its California office. These measures were taken to ensure the continued viability of the Company and to enable the Company to participate in future work programs at Kinsley Mountain.

## ***Kinsley Mountain – (cont'd)***

### **2012 Exploration**

Over the course of the 2012 program, approximately 12,000 metres of infill and step-out core and reverse circulation drilling were completed to define and expand the mineralized zones identified by previous operators. In conjunction with drilling, a comprehensive regional effort to identify new targets was completed, encompassing both the original 141 claims, as well as 128 claims staked by Pilot Gold to the north in a largely unexplored area. Through this work, a new mineralized zone was intersected in drilling (Candland Canyon) and the Western Flank Zone was expanded to now cover an area 600 metres by 100 metres.

Drill highlights included:

- 6.03 g/t Au over 13.7 metres, including 15.18 g/t over 4.6 metres in hole PK06;
- 5.48 g/t Au over 20.4 metres, including 16.43 g/t over 5.5 metres in hole PK014C;
- 2.30 g/t Au over 19.8 metres in hole PK057.

Pilot Gold developed a three-dimensional model of geology and mineralization, in order to aid in the selection of new, high-grade drill targets. Surface soil and rock samples show anomalous pathfinder geochemistry extending seven kilometres to the north of the historical open pits. A Plan of Operations was submitted to the U.S. Bureau of Land Management (the “BLM”) to allow for property-wide drilling in 2013 throughout the southern claim block.

### **2013 Exploration**

In July 2013, Pilot Gold commenced a drill program, following up on targets delineated from the 2012 campaign. This program defined and expanded gold mineralization over a 2.2 kilometre-long strike length. Pilot Gold tested high-priority targets within a core group of claims including the Western Flank, Candland Canyon, and the Main pit areas, testing extensions trending north-northeast and southwest of the historical pits. Pilot Gold drilled approximately 14,200 metres in 58 holes in the 2013 Kinsley Mountain exploration program.

The 2013 drilling showed that significant gold also occurs within a lower zone of silty limestone below the Candland Shale. This host horizon was neither identified nor tested by previous operators. Recent core drilling suggests that the tabular zones of mineralized and favorable host rock are cut by one or more high-angle structures causing collapse breccia zones where the mineralization becomes thicker and higher-grade.

On August 30, 2013, Pilot Gold obtained a key permit for Kinsley Mountain allowing it to initiate drilling on high-priority targets across a core group of claims. The approved Plan of Operations allowed Pilot Gold up to 70 acres for exploration and development drilling on the Western Flank, Candland Canyon and extensions trending north-northeast and southwest of the historical pits.

## ***Kinsley Mountain – (cont'd)***

### 2013 Exploration – (cont'd)

On November 18, 2013, Nevada Sunrise released assay results for the first 30 holes of the 2013 drill program with results pending on the remaining 28 holes. The initial results returned the highest grade intercept in more than 1,300 holes drilled to date at Kinsley Mountain: 8.53 grams per tonne gold over 36.6 metres including 29.43 grams per tonne gold over 7.6 metres in HQ core drill hole PK091CA. This intersection was located in collapse breccias of the Secret Canyon Shale and Clarke Springs Limestone, previously not identified as a potential host for gold mineralization at Kinsley Mountain.

The assay results from the Western Flank target located 550 metres northwest of the past-producing pits at Kinsley Mountain also expanded the area of high-grade gold mineralization and demonstrated the potential for Kinsley Mountain to host significant high-grade gold mineralization.

Drill highlights included:

- 8.53 g/t Au over 36.6 metres, including 29.43 g/t Au over 7.6 metres in hole PK091CA;
- 15.6 g/t Au over 3.0 metres in hole PK083C;
- 2.21 g/t Au over 10.7 metres in hole PK073;
- 1.65 g/t Au over 24.4 metres in hole PK074;
- 2.51 g/t Au over 16.8 metres in hole PK102.

On January 13, 2014, Nevada Sunrise released additional drilling results from the Western Flank target, which showed significant intersections in drill holes spaced over a 500-metre trend that remains open to the north and south. Hole PK091CA, which returned 8.53 g/t gold over 36.6 metres, is at the centre of the Western Flank trend.

Drill highlights along trend included:

- 5.00 g/t Au over 7.6 metres and 4.71 g/t Au over 7.3 metres in hole PK096C;
- 2.50 g/t Au over 24.4 metres in hole PK104C;
- 6.34 g/t Au over 5.9 metres, including 9.91 g/t Au over 3.4 metres in hole PK106C.

### 2014 Exploration

In January 2014, Nevada Sunrise announced the commencement of the 2014 exploration program budgeted at US\$4.47 million and the Company elected to finance its US\$943,936 share of the proposed program. In April 2014, the 2014 budget was subsequently increased to US\$6.04 million, of which the Company's share was US\$1,265,697. A total of 27,191 metres was completed in 81 holes.

Pilot Gold operated under an approved 65 acre (26.3 hectares) Plan of Operations in 2014, and secured 1,080 acre/feet of water rights. The initial winter drilling program focused on infilling and extending the Western Flank in the Secret Canyon Formation toward the Right Spot target, located approximately 1 kilometre to the south. Host rocks at Right Spot returned significant gold values in road cut sampling.

## ***Kinsley Mountain – (cont'd)***

### 2014 Exploration – (cont'd)

Highlights from the 12-hole, 4,229 metre 2014 Phase 1 winter diamond drilling program at the Western Flank included:

- 6.85 g/t Au over 41.7 metres in PK127C;
- 10.5 g/t Au over 42.7 metres in PK131C;
- 7.53 g/t Au over 53.3 metres in PK132C;
- 10.6 g/t Au over 30.0 metres in PK133C;
- 1.44 g/t Au over 12.2 metres and 2.84 g/t Au over 18.9 metres in PK134C;
- 21.3 g/t Au over 29.0 metres in PK137C\*;
- 15.6 g/t Au over 38.7 metres in PK137CA\*.

*\*PK137C was lost in the mineralized zone due to poor ground conditions higher in the hole, and does not represent a complete intercept of the zone. PK137CA was wedged off the same hole from above the mineralized zone using NQ-size tools and was completed through the mineralized zone in a location immediately adjacent to PK137C, effectively representing a twin of PK137C and a complete intercept of the mineralized zone.*

The 2014 drill program resumed in early May 2014. On June 5, 2014, Nevada Sunrise announced that step-out drilling on the Right Spot target yielded significant intersections of gold mineralization in oxidized rock at shallow depths.

Highlights from the Right Spot area include:

- 3.35 g/t Au over 41.1 metres in PK144, including 5.11 g/t over 4.6 metres;
- 3.08 g/t Au over 19.8 metres in PK138;
- 2.43 g/t Au over 19.8 metres in PK139;
- 1.75 g/t Au over 22.9 metres in PK142.

Mapping and rock sampling at the Right Spot identified a 250 metre northeast trending zone of jasperoids returning 1-5 g/t gold in grab samples and 2.0 g/t gold over 15 metres in road cut samples. This zone of surface mineralization, hosted in the Candland Shale and Big Horse Limestone (the primary ore hosts at the historic Kinsley mine) extends under shallow cover to the northeast.

In July 2014, Nevada Sunrise announced that step-out drilling to the north and west of the high-grade gold mineralization in the Western Flank area at Kinsley Mountain had returned long intercepts of gold mineralization in multiple horizons. Highlights of Western Flank step-out drilling include:

- 5.59 g/t gold over 38.1 metres in PK158C (22m step out), including
  - 9.99 g/t gold over 16.8 metres (Secret Canyon Shale host);
- 1.12 g/t gold over 7.0 metres in PK141C (50m step out) (Candland Shale host), and
  - 2.46 g/t gold over 16.8 metres (Secret Canyon Shale host), and
  - 3.81 g/t gold over 30.5 metres (Secret Canyon Shale host);
- 2.89 g/t gold over 19.1 metres in PK151C (Candland Shale host) and
  - 8.35 g/t over 12.5 metres (Secret Canyon Shale host), including
  - 10.5 g/t over 2.8 metres (Secret Canyon Shale host).



## ***Kinsley Mountain – (cont'd)***

### 2014 Exploration – (cont'd)

In September and December 2014, the Company announced additional results from the Western Flank, the Secret Spot and Racetrack targets.

Highlights from drilling in late 2014 in the Western Flank area include:

- 6.19 g/t (grams per tonne) gold over 45.7 metres in PK175CA, including
  - 13.8 g/t gold over 19.2 metres;
- 3.91 g/t gold over 18.3 metres in PK159C, including
  - 8.15 g/t gold over 7.6 metres;
- 2.89 g/t gold over 19.1 metres in PK162C, including
  - 10.5 g/t over 2.8 metres;
- 10.1 g/t (grams per tonne) gold over 39.6 metres in PK186C, including
  - 17.4 g/t gold over 21.6 metres (Secret Canyon Shale host);
- 6.05 g/t gold over 30.5 metres in PK187C (Secret Canyon Shale host);
- 4.39 g/t gold over 29.2 metres in PK188C (Secret Canyon Shale host);
- 6.88 g/t gold over 6.1 metres in PK177C, including
  - 11.0 g/t gold over 3.0 metres (Candland Shale host);
- 6.15 g/t gold over 7.6 metres in PK200, including 8.73 g/t gold over 4.6 metres (Secret Canyon Shale host).

Drilling at the Secret Spot target, located 2 kilometres to the south of the Western Flank target, resulted in discovery of a wide zone of gold mineralization in the Secret Canyon Shale, which is the same host rock for high-grade mineralization in the Western Flank. The existence of gold mineralization in the same unit two kilometres from the Western Flank suggests that mineralization could be wide-spread in this unit.

Secret Spot highlights include:

- 1.34 g/t gold over 25.9 metres *and* 1.09 g/t over 13.7 metres *and* 3.02 g/t over 6.1 metres in PK153;
- 2.03 g/t gold over 7.6 metres (shallow oxide mineralization in the Candland Shale host) in PK182.

The Racetrack zone is located 1.2 kilometres south of the Western Flank along a parallel north-northeast trending structure where surface mineralization in the Candland Shale was intersected over a 250 metre by 300 metre area by prior operators. Six holes were drilled, with PK180 returning mineralization in both the shallow oxide Candland Shale unit and the deeper Secret Canyon Shale.

Highlights from the Racetrack area include:

- 2.69 g/t gold over 7.6 metres (Shallow oxide mineralization in the Candland Shale host) and
  - 1.25 g/t Au over 10.7 metres (Secret Canyon Shale host) in PK180

## ***Kinsley Mountain – (cont'd)***

### **2014 Exploration – (cont'd)**

The 2014 drill program was designed to extend and delineate the high-grade Western Flank zone and test for mineralization in several stratigraphic horizons along a 2 kilometre-long, north-northeast trending corridor from the Western Flank discovery to the Right Spot and Secret Spot targets. High-grade gold mineralization at the Western Flank is hosted mostly in the Secret Canyon Formation – a newly discovered host horizon not recognized by previous operators - as well as within the previously exploited, variably oxidized, Candland Shale host horizon.

The high-grade Western Flank footprint now covers 250 by 200 metres and remains open to the south, north-northeast and southeast. Mineralization in the Candland Shale trends north-northeast and is open to the south. Pilot Gold reports that drilling at the Western Flank has not encountered any groundwater, which may simplify permitting in a development scenario.

Results from the 2014 drilling in the Western Flank suggest a more complex, structurally-controlled body of mineralization than originally contemplated, with both an east-west and north-south elongation. In addition, a lower zone of mineralization, lying approximately 100 metres below the main high-grade zone was encountered in PK141C and PK158C. As operator at Kinsley Mountain, Pilot Gold continually integrates new data and results into the geologic model, resulting in a refined and evolving understanding of the mineralized systems at the Western Flank.

### **Initial Metallurgy Test Results**

On January 19, 2015, Nevada Sunrise reported results from an initial metallurgical program designed to address the amenability of high-grade mineralization from the Secret Canyon host rock at Kinsley Mountain to produce a high-grade concentrate. Initial metallurgical test results demonstrate that high-grade sulphide mineralization from the Western Flank zone can produce a high-grade concentrate with excellent gold recoveries, at potentially low capital and operating costs.

At Kinsley Mountain, initial geochemical analyses of mineralized intercepts, including characterization of carbon and sulfur, ICP analysis and determination of the solubility of gold in cyanide demonstrated that the concentration of gold relative to sulfur is high, in comparison to other sediment-hosted, Carlin-style gold deposits. As well, petrographic work showed that pyrite, in which the gold is believed to be resident, is relatively crystalline, dense (non-porous) and that there is a very small quantity of sulfides that are <20 microns. These data and observations demonstrate potential for producing a high-grade flotation concentrate, which could then be evaluated for direct sale to commercial smelters or potentially to any one of several Nevada mine operators who can process refractory concentrates via roasting or autoclaving, for final recovery of the gold.

***Kinsley Mountain – (cont'd)***

**Initial Metallurgy Test Results – (cont'd)**

Secret Canyon gold mineralization at Kinsley Mountain, unlike more typical Carlin-style deposits, is unique in several aspects:

- The sulfides at Secret Canyon are crystalline, dense (not porous) and the lack of sulfides <20 microns make them prime candidates for flotation.
- The total sulfide sulfur content of Secret Canyon material averages about 1.0%, which is low for a typical Nevada refractory resource, indicating that flotation concentration ratios can be high and consistently produce high grade concentrates.
- The ratio of gold, in grams/tonne - to sulfide sulfur, in percent (Ratio: Au/S) is very high, ranging from 7.8 to 19.2 for the four master composites. Since refractory gold treatment facility capital and operating cost are most affected by sulfide sulfur content, the low sulfide sulfur feed grade and the high ratio of Au/S are very favorable indicators for low capital cost facilities for on-site treatment and low relative operating cost for concentrate treatment whether processed on or off-site by other commercial entities.
- Concentrate grade ranged from 98.6 to 312 g/t gold. At a US\$1,200 gold price, the contained values of these concentrates range from \$3,800 - \$12,000 per tonne. Therefore, cost for on-site processing or shipping and processing concentrate at a commercial smelter or a local Nevada refractory treatment facility would only represent a small portion of the overall concentrate value.

Concentrates were assayed for deleterious elements and were found to contain arsenic and antimony. Arsenic in the concentrate tested ranged from 0.69% to 1.22% and averaged 1.01% while antimony in the concentrate tested ranged from 0.022% to 1.58% and averaged 0.60%. While arsenic and antimony are elevated, the levels would not preclude direct sale to a smelter, sale to a concentrate blender or to a typical Nevada refractory ore processing facility.

The metallurgical program was conducted at Hazen Research, Inc. in Golden, Colorado under the direction of consulting metallurgist Gary Simmons. Mr. Simmons has more than 35 years of experience with mining companies in project management, process development, mill operations, design engineering, research and development and corporate due diligence. He played key roles with Frontier Gold on the Long Canyon and Northumberland projects, and was Senior Technical Director, Metallurgy and Technology for Newmont Mining Corporation. Mr. Simmons is the Qualified Person, within the meaning of National Instrument 43-101 ("NI 43-101") Standards of Disclosure for Mineral Projects ("NI 43-101" and is independent of Nevada Sunrise.

## ***Kinsley Mountain – (cont'd)***

### ***2015 Planned Exploration***

In January 2015, the Kinsley Gold LLC joint venture approved the 2015 exploration program and budget for Kinsley Mountain at US\$2.0 million. Nevada Sunrise has elected to fund its US\$418,800 share of the exploration program. Positive results from early drilling may generate budget amendments to the exploration program later in 2015.

Drilling commenced in late March 2015 and is planned to consist of approximately 10,000 metres of reverse-circulation drilling and 1,000 metres of diamond drilling.

The focus of the 2015 program will be to test a number of high-priority targets, primarily defined by intersections of northwest and north-northeast trending structures that would lead to discovery of additional mineralization similar in nature to the high-grade Western Flank zone. Targets range from early stage tests in the Kinsley North area to fan drilling of the area between the Western Flank zone and the historic pits. Exploration of this nature is drill intensive and sequential; the program will be continually evaluated in light of data and interpretations from each and every drill hole.

Given the high gold grades and positive metallurgical results of the Secret Canyon shale-hosted mineralization in the Western Flank zone, the aim of the 2015 program is to identify other zones of mineralization along similar structural settings across the property. Further drilling of the Western Flank target is also planned to fully define its extents, with an emphasis on possible extensions of the mineralization to the east toward the historical Kinsley mine.

Key targets are the Secret Canyon shale-hosted horizon along the western side of the Kinsley Mountains, the Kinsley North claims, north and south of the Western Flank target, the Racetrack and Secret Spot targets, along the Kinsley trend, and at the Keneroid target.

An induced polarization (“I.P.”) geophysical test survey was carried out in early 2015 to investigate a chargeability correlation to sulphide content associated with strong gold mineralization over the known mineralized zones at the Western Flank. The deeper mineralization at the Western Flank zone is associated with pyrite, ranging up to 10% content, and Nevada Sunrise believes that this content of pyrite could be interpreted from the I.P. orientation survey. Nevada Sunrise awaits a final interpretation of the 2015 I.P. survey from Pilot Gold.

For further information about Kinsley Mountain please refer to a technical report entitled "Technical report on the Kinsley project, Elko county, Nevada, USA," effective Feb. 15, 2012, and dated March 26, 2012, prepared by Michael M. Gustin, CPG, of Mine Development Associates, and Moira Smith, Ph.D., P.Geo., and Kent Samuelson of Pilot Gold, filed on May 9, 2012, under the Company's issuer profile on SEDAR and also available for viewing on the Company's website at [www.nevadasunrise.ca](http://www.nevadasunrise.ca)

## **Golden Arrow**

The Golden Arrow property (“Golden Arrow”) is located in the high desert in Nye County, Nevada and consists of 357 unpatented lode mineral claims subject to a mining lease and 17 patented lode mineral claims owned by the Company. In total, Golden Arrow covers an area of 5,684 acres. Golden Arrow has a number of favorable attributes for exploration: gentle topography, mild climate, available ground water and close proximity to highways and towns. Historical exploration has resulted in the discovery and subsequent drill-definition of two centers of gold-silver mineralization. A large exploration database shows exceptional exploration potential.

Golden Arrow is situated along the eastern margin of the Walker Lane structural zone and along the western margin of the Kawich volcanic caldera. The Walker Lane has past production and defined resources of more than 30 million ounces of gold and 400 million ounces of silver. Notable districts include the Comstock Lode, Rawhide, Paradise Peak, Santa Fe, the historic Tonopah and Goldfield districts, and Round Mountain, one of the most significant gold mines in Nevada.

Gold and silver mineralization at Golden Arrow includes mineral zones typical of both low-sulphidation quartz-adularia veins and high-sulphidation hot-spring type mineralization. Historic production was realized from discrete high-grade ore shoots within larger fault-controlled quartz-adularia-gold veins in andesite of the volcanic basement. More recent exploration has mainly focused upon definition of large-tonnage disseminated mineralization, with the discovery and delineation of two centers of mineralization – the Gold Coin and Hidden Hill deposits. The Gold Coin deposit outcrops and extends northwestward from the Confidence Mountain rhyolite flow dome. The Hidden Hill deposit, located approximately 300 metres northwest from Gold Coin, is largely hosted in silicified rhyolite-arkose maar sediments deposited in a basin extending away from the rhyolite center. Much of the higher grade mineralization is spatially associated with pepperite breccia at the margin of latite dikes.

A considerable array of geophysical information has been collected on Golden Arrow over the years using various methods of measurement, including gravity, ground and aeromagnetic surveys, airborne EM, IP-resistivity, and radiometrics. During 2007, the Company reprocessed most of the original digital geophysical data to complete three-dimensional interpretive geophysical models for the Golden Arrow district. The known deposits occur in distinct geologic settings, with discernable geophysical signatures. The geophysical models define additional exploration targets for drill testing.

The historical archive that has been assembled by the Company includes drill core and cuttings, as well as technical data, for 291 drill holes – 281 reverse-circulation percussion holes and 10 diamond core holes – for a total of 45,141 metres of drilling. Of this, approximately 90% of the drilling has been concentrated within the Gold Coin and Hidden Hill deposits. All of the available core and cuttings were re-logged in a consistent format by the Company’s geologists; the resulting geologic model formed the foundation for a Mineral Resource estimate.

Mine Development Associates of Reno, Nevada completed a NI 43-101 compliant Mineral Resource Estimate for the Golden Arrow property in a report entitled “Updated Technical Report on the Golden Arrow Project, Nye County, Nevada, USA”, co-authored by Steve Ristorcelli, C.P.G., and Odin Christensen, Ph.D., C.P.G. dated May 1, 2009. Geo-statistical modeling was completed by zones for the Hidden Hill and Gold Coin deposits. This defined the deep high-grade structurally-controlled mineralization from the near-surface horizontal disseminated mineralization. Geologically-defined mineral zones separated the gold and silver resource blocks.

**Golden Arrow – (cont'd)**

In the table below are the Mineral Resources estimated and effective May 1, 2009, as contained in the Technical Report, republished for the convenience of investors. Investors are requested to refer to the Technical Report for a fulsome discussion of the Mineral Resource estimates along with all assumptions, parameters and methods used to prepare the Mineral Resource estimates and risk associated with relying on the Mineral Resource estimates.

**Golden Arrow Project Total Gold and Silver Resources**

<b>Oxidized</b>						
Cutoff oz AuEq/ton		AuEq	Au	Au	Ag	Ag
	Tonnes	oz/t	oz/t	Ozs	oz/t	Ozs
Measured						
Variable	1,099,000	0.029	0.024	26,600	0.26	291,000
Indicated						
Variable	5,637,000	0.022	0.018	102,600	0.22	1,263,000
Measured and Indicated						
Variable	6,736,000	0.023	0.019	129,200	0.23	1,554,000
Inferred						
Variable	2,040,000	0.013	0.009	17,700	0.25	510,000

<b>Un-Oxidized</b>						
Cutoff oz AuEq/ton		AuEq	Au	Au	Ag	Ag
	Tonnes	oz/t	oz/t	Ozs	oz/t	Ozs
Measured						
Variable	751,000	0.047	0.034	25,800	0.67	505,000
Indicated						
Variable	4,685,000	0.038	0.030	141,500	0.42	1,949,000
Measured and Indicated						
Variable	5,436,000	0.039	0.031	167,300	0.45	2,454,000
Inferred						
Variable	1,750,000	0.026	0.019	32,700	0.42	739,000

<b>Total (Revised)</b>						
Cutoff oz AuEq/ton		AuEq	Au	Au	Ag	Ag
	Tonnes	oz/t	oz/t	Ozs	oz/t	Ozs
Measured						
Variable	1,850,000	0.036	0.028	52,400	0.43	796,000
Indicated						
Variable	10,322,000	0.029	0.024	244,100	0.31	3,212,000
Measured and Indicated						
Variable	12,172,000	0.030	0.024	296,500	0.33	4,008,000
Inferred						
Variable	3,790,000	0.019	0.013	50,400	0.33	1,249,000

Note: Silver to gold ratio is 55; variable cut-off grades are 0.01 oz/t gold for oxide and 0.015 oz/t gold for un-oxidized. The technical information related to and including the reported Mineral Resources for the Golden Arrow Project was reviewed and approved by Steven Ristorcelli, C.P.G., a qualified person as defined by NI 43-101.

Further information on the Golden Arrow property is available on the Company's website at [www.nevadasunrise.ca](http://www.nevadasunrise.ca)

## **Golden Arrow – (cont'd)**

### 2012 Exploration by Nevada Sunrise

In October 2012, the Company reported the results from a total of 5,570 metres of reverse circulation drilling in 21 holes completed during the 2012 drill campaign. The program was designed primarily to evaluate areas in the vicinity of the previously-defined resources at Hidden Hill and Gold Coin for additional potential centers of gold mineralization. Targets were chosen to be less than 300 metres in depth and were based primarily on the previously completed Orion 3D DCIP/MT geophysical survey over an approximately 8 square kilometre area performed by Quantec Geoscience in November 2011.

Eight holes in two areas about 300 metres west of Hidden Hill defined a new target region with the following highlights:

- Hole GA12-361 intersected 7.6 metres containing 1.00 g/t Au;
- Hole GA12-356 intersected 7.6 metres containing 0.54 g/t Au, including 6.1 metres containing 0.61 g/t Au;
- Hole GA12-355 intersected two separate intervals, 4.7 metres containing 0.42 grams g/t Au and 4.6 metres containing 0.83 g/t Au, the latter includes 3.1 metres of 1.05 g/t Au;
- Hole GA12-363 intersected 4.6 metres containing 0.55 g/t Au.

### 2013 Mining Lease Amendment

On December 30, 2013, Nevada Sunrise announced an amendment to a mining lease on the Golden Arrow property. Several claim blocks at Golden Arrow totalling 185 unpatented lode mining claims are held through a mining lease between Intor and Nevada Eagle Resources LLC, a subsidiary of Newmont Mining Corp. In 2010, the mining lease was extended from its previous expiry date of December 31, 2011, for an additional five years to December 31, 2016, with additional one-year extensions of the mining lease at the option of Nevada Sunrise. The additional one-year extensions under the previous mining lease terms resulted in a doubling of the advance royalty payment for each one-year extension, beginning January 1, 2017. The terms of the amendment to the mining lease were as follows:

- The advance minimum royalty payment is now reduced, from \$50,000 to \$25,000 per year, for the remainder of the term of the mining lease. The mining lease can be extended year to year at the Company's option by making the advance royalty payments, which are capped at \$25,000 per year.
- The advance royalty payment due on Jan. 1, 2014, was deferred to July 1, 2014. Each subsequent annual advance royalty payment of \$25,000 is due and payable on Jan. 1 of each succeeding calendar year.
- The production royalty, currently at 2.0 %, is increased by one percentage point to 3.0 %.
- Nevada Sunrise may purchase one percentage point of the amended production royalty from Nevada Eagle Resources LLC for US\$1,000,000 at any time during the remaining term and any subsequent terms. All other provisions of the mining lease continue in full force and effect.

## **Golden Arrow – (cont'd)**

### 2014 Activities

In 2014, Nevada Sunrise conducted an evaluation program of historical geophysical and drilling data for Golden Arrow. Drilling samples from selected mineralized areas were re-analyzed with the goal of identifying target areas that may contain extensions of known mineralization. Concurrently, biological and cultural surveys were undertaken at Golden Arrow as key components of a Plan of Operations application filed with the BLM in January 2015 in order to permit a future drilling program.

### Atherton Resources Agreement

On November 25, 2014, Nevada Sunrise announced the signing of a letter agreement for Golden Arrow.

Under the terms of the letter agreement, Atherton Resources LLC (“Atherton”), a private Delaware mineral exploration company, has until January 31, 2015 (the “Exclusivity Period”) to conduct due diligence on Golden Arrow, which will include an assessment by Atherton of all historical geoscientific data, and a title opinion. Atherton shall have the right to extend the Exclusivity Period for up to two additional sixty (60) day periods by paying to Nevada Sunrise (a) US\$25,000 on or before January 31, 2015, and (b) an additional US\$25,000 on or before March 31, 2015. The payments made by Atherton to extend the Exclusivity Period shall be applied to a payment of US\$250,000 to be made by Atherton upon signing a definitive agreement (the “Definitive Agreement”).

The terms for the Definitive Agreement described in the letter agreement allow Atherton to initially earn a 65% interest in Golden Arrow by completing eligible expenditures in the amount of US\$4,500,000 during a four-year period with a minimum expenditure in any year of US\$750,000, and making US\$1.6 million in cash payments to Nevada Sunrise described below:

Payments to Nevada Sunrise (*All dollar amounts quoted are in US dollars*)

Upon Signing the Definitive Agreement	\$	250,000
1st Anniversary	\$	250,000
2nd Anniversary	\$	250,000
3rd Anniversary	\$	350,000
4th Anniversary	\$	<u>500,000</u>
Total	\$	1,600,000

Upon completing \$4,500,000 in qualified work expenditures and fulfilling the cash payments, Atherton will have earned a 65% interest in Golden Arrow. If during performance of obligations required to earn a 65% interest in Golden Arrow Atherton completes and presents to Nevada Sunrise a pre-feasibility study for the development of a mine on the Property, then upon completing the \$4,500,000 in qualified work expenditures and completing the payment schedule, Atherton will have earned a 70% interest in the Property instead of a 65% interest. Should Atherton proceed and solely fund a subsequent feasibility study, it may earn an additional 10% interest in Golden Arrow to a maximum of 80%.



***Golden Arrow*** – (cont'd)

*Atherton Resources Agreement* – (cont'd)

After Atherton has earned a 65%, 70% or 80% interest, as applicable, the parties will form a joint venture and each party will be responsible for funding its proportionate share of joint venture expenditures. If through dilution either party's interest becomes less than 10%, its interest shall be converted automatically to a non-executive and nonworking 5% net profits royalty.

Atherton, based in Reno, Nevada, was founded in 2013 with the objective of identifying and joint venturing or acquiring properties with measured and indicated mineral resources (focusing on precious metals), expanding that resource base and completing the requisite assessment (preliminary economic assessment, pre-feasibility and/or feasibility studies), to establish economic viability.

On February 3, 2015, the Company amended the terms of the letter agreement signed with Atherton. The amendment to the letter agreement allowed Atherton to extend the exclusivity period to May 31, 2015 for a payment of US\$8,000 and the completion of a historical geological and geophysical data compilation to be completed at Atherton's cost.

On March 30, 2015, the Company received a payment of US\$25,000 from Atherton to maintain Atherton's right to continue its due diligence on an exclusive basis.

*Plan of Operations Submitted*

Nevada Sunrise has submitted a Plan of Operations (the "Plan") for Golden Arrow to the BLM. The Plan contemplates approximately 73,170 metres (240,000 feet) of drilling in 240 holes to explore for areas of new gold mineralization at Golden Arrow, and to further refine the known gold resources. The submission of the Plan is the culmination of a process initiated by the Company in June 2014, when biological surveys commenced at Golden Arrow. During the summer and fall of 2014, a cultural survey was carried out in conjunction with the biological surveys to meet the requirements for the Plan. A geological review was also initiated by Nevada Sunrise which included the design of the surface drilling program and surface sampling and mapping. Re-sampling of historical drill samples (some of which were never assayed for silver) was completed in early 2015. Obtaining approval of the Plan will command a high priority and be an important step for future exploration of Golden Arrow, by current or future optionees, joint venture partners, or by Nevada Sunrise.

### ***Roulette Gold Project***

The Roulette Gold Project (“Roulette”) consists of 120 unpatented claims covering 2,400 acres (971 hectares) located approximately 30 miles north of Ely, Nevada at the southeast end of the Carlin Trend in an active area of mineral exploration. In November 2014, the Company announced an option agreement to acquire 15 unpatented claims at Roulette and added an additional 105 claims by staking.

To the north of Roulette is McEwen Mining Inc.'s (“McEwen”) Limousine Butte project, which according to McEwen's public disclosure in three deposits hosts a measured resource of 168,350 ounces of gold, and an indicated resource of 72,730 ounces of gold, for a measured plus indicated total resource of 241,080 ounces of gold, and an inferred resource of 50,700 ounces of gold (source: "NI 43-101 Technical Report for the Limousine Butte Project, White Pine County Nevada," dated July 1, 2009, authored by Telesto Nevada Inc.). To the northwest, Freeport-McMoran Inc. (“Freeport”) holds a large claim block (approximately 30,000 acres or 12,000 hectares) prospective for porphyry copper/gold deposits, which encompasses the Butte Valley copper prospect Freeport acquired in 2012 from Quaterra Resources Inc.

For the option to earn up to a 100% interest in Roulette, Nevada Sunrise agreed to pay the following cash payments (the “Option Payments”) to the vendors on the anniversaries of the agreement (all dollar figures are in US dollars) as follows:

- On signing definitive agreement: \$ 7,500 (paid)
- 1st Anniversary: \$ 12,500
- 2nd Anniversary \$ 20,000
- 3rd Anniversary \$ 25,000
- 4th Anniversary \$ 30,000
- 5th Anniversary \$ 35,000 (or a \$200,000 buyout as described below)

Nevada Sunrise can elect to pay 50% of any future Option Payment in common shares of Nevada Sunrise (plus a 20% surcharge in favour of the vendors if common shares of the Company are elected for 50% of the Option Payment), with the exception of the initial down payment. On the fifth anniversary, the Company would have the right to purchase a 100% interest (the “Ownership Interest”) in Roulette for a total of \$200,000 (the “Option Purchase”), subject to a 2.5% net smelter returns royalty (“NSR”). At any time before a decision to commence production, Nevada Sunrise would have the right to purchase 1.0% of the NSR for \$1,000,000, and the remaining 1.5% NSR for \$2,000,000.

### ***Roulette Gold Project – (cont'd)***

In August 2014, John R. Kerr, P. Eng., Nevada Sunrise's Qualified Person, carried out a site visit and collected two chip samples from a jasperoid outcrop on Roulette known as the Parlay showing, which returned the following gold values:

- 4.44 ppm gold over sample length of 3.30 metres (10 feet)
- 1.045 ppm gold over sample length of 2.64 metres (8 feet)

Roulette shows geological similarities to the Alligator Ridge gold deposits located about 24 miles to the west, now part of Barrick Gold's Bald Mountain gold mine. The Alligator Ridge mine was discovered in the mid-1970s in an area of no previous exploration or mining history after a mineralized outcrop was found by a prospector. The area was subsequently mapped, sampled and drilled. Production of approximately 700,000 ounces of gold from three deposits at Alligator Ridge was reported by various operators into the 1990s, until its assimilation into the Bald Mountain mine.

Roulette and Alligator Ridge share certain sedimentary rock formations known to host Carlin-style mineralization, namely a sequence of Devonian/Mississippian limestones and shales, including the Guilmette limestone, Pilot shale, Joana limestone and Chainman shale. Nevada Sunrise believes that the potential exists for undiscovered gold mineralization at Roulette, with Alligator Ridge as a model for future exploration on the project.

Historical exploration on Roulette discovered gold-bearing jasperoids in outcrop in the 1980s. Three to five drill holes are reported from this era, however their location and results are not available. From 2007 to 2009 the original claims at Roulette were held by Columbus Gold Corporation who conducted extensive rock-chip sampling reporting gold and strong arsenic values within and associated with jasperoids.

The conceptual target at Roulette is Carlin-type gold deposits, which are observed to be sediment-hosted with disseminated gold. Gold is commonly micron-sized, and is associated with hydrothermal alteration of carbonate host rocks. Nevada Sunrise believes that Roulette is underexplored. There are no known ground or airborne geophysical surveys in the public record, and any historical drilling is unconfirmed as to drill hole location, footage or results.

In May 2015, Nevada Sunrise completed ground geophysical surveys at Roulette. The 2015 ground geophysical surveys conducted by SJ Geophysics Ltd. consisted of:

- A 17-line-kilometre Volterra 3-D induced polarization survey in the northern part of Roulette, intended to map the geophysical properties, resistivity and chargeability of the subsurface rocks, and an additional 3.4 kilometres of reconnaissance 2-D lines in the southern half of the project;
- A magnetic survey on the same survey lines to assist in the mapping of geological structures that may be present at Roulette.

### **Roulette Gold Project – (cont'd)**

The 2015 ground surveys were focused on an approximate 1,500-metre long area covering two jasperoid outcrops (Parlay and Gambit) known from historical prospecting and mapping, one of which is mineralized.

The receipt of a 3-D model of the survey results is expected by the end of May, 2015. Nevada Sunrise is planning a multi-element geochemical survey over the geophysical survey grid during the second quarter of 2015 to test for gold-in-soil anomalies and other pathfinder elements. Nevada Sunrise will integrate the geochemical and geophysical results and select targets for a future drilling program, if warranted.

***John R. Kerr, P.Eng., is the Company's designated qualified person for this MD&A within the meaning of NI 43-101 and has reviewed and approved the technical information contained in this MD&A for the Kinsley Mountain, Golden Arrow and Roulette projects, with the exception of the mineral resource estimate described for the Golden Arrow project, which was prepared by Steven Ristorcelli, C.P.G., a qualified person as defined by NI 43-101.***

### **SELECTED ANNUAL INFORMATION**

The following table sets out selected annual financial information for the Company for the years ended:

	Sept. 30 2014 \$	Sept. 30 2013 \$	Sept. 30 2012 \$
Revenues	Nil	Nil	Nil
Exploration and evaluation costs	(1,398,464)	(36,372)	(931,582)
Share-based payments	(678,600)	(177,803)	(571,025)
Comprehensive loss	(2,306,738)	(1,124,063)	(2,699,474)
Basic and diluted loss per share	(0.15)	(0.13)	(0.32)
Total assets	4,881,653	2,859,817	3,465,795
Non-current financial liabilities	Nil	Nil	Nil
Dividends	Nil	Nil	Nil

All the consolidated financial statements were prepared using International Financial Reporting Standards. All figures are in Canadian dollars.

## **DISCUSSION OF OPERATIONS**

The Company recorded a comprehensive loss of \$263,870 for the six months ended March 31, 2015 compared to \$630,555 for the six months ended March 31, 2014.

Share-based payments decreased to \$86,000 for the six months ended March 31, 2015 compared to \$132,600 for the six months ended March 31, 2014. The Company granted 200,000 stock options during the 2015 period compared to 820,000 stock options during the 2014 period.

Exploration and evaluation costs increased to \$553,529 for the six months ended March 31, 2015 compared to \$521,197 for the six months ended March 31, 2014. The Company incurred drilling costs of \$363,449 (US\$293,506) on the Kinsley Mountain property during the 2015 period compared to \$520,488 (US\$484,130) during the 2014 period. The Company incurred costs related to its proposed Plan of Operations on the Golden Arrow of \$178,549 during the 2015 period.

The Company recorded a foreign exchange gain of \$121,496 for the six months ended March 31, 2015 compared to \$7,161 for the six months ended March 31, 2014. On October 10, 2014, the Company converted \$1,123,200 into US\$1,000,000 which was the primary cause of the foreign exchange gain as the Canadian dollar has deteriorated significantly in relation to the US dollar during the six months ended March 31, 2015.

The Company received payments of \$40,864 (US\$33,000) from Atherton related to the letter agreement on Golden Arrow. The payments are shown as other income in the consolidated statement of comprehensive loss for the six months ended March 31, 2015.

The Company recorded a foreign exchange translation gain of \$428,148 for the six months ended March 31, 2015 compared to \$173,541 for the six months ended March 31, 2014. The translation gain is due to the deterioration of the Canadian dollar in relation to the US dollar as exploration and evaluation assets which are incurred in US dollars are translated at the current rate and the Company does not have significant US dollar denominated liabilities.

### ***Amendments to Outstanding Warrants and Options***

On April 1, 2015, the Company received TSX Venture Exchange approval to extend the expiry date of 1,500,000 outstanding warrants to March 20, 2017 from March 20, 2016 and to reduce the exercise price to \$0.50 from \$0.55.

On April 8, 2015, the Company received TSX Venture Exchange approval to extend the expiry date of 1,105,000 outstanding warrants to May 13, 2017 from May 13, 2015 and to reduce the exercise price to \$0.50 from \$1.35. The 1,105,000 warrants are subject to an acceleration clause such that, if the closing price of the Company's common shares is \$0.625 or greater for a period of ten consecutive trading days, the warrant-holders will have thirty days to exercise their warrants.

On May 19, 2015, after having received disinterested shareholder approval and TSX Venture Exchange approval, the Company approved the re-pricing of 1,010,000 outstanding stock options granted during the period from July 30, 2010 to May 20, 2014 to an exercise price of \$0.50 per share from exercise prices ranging from \$1.05 to \$2.50 per share.

## SUMMARY OF QUARTERLY RESULTS

The figures for the quarters ended September 30, 2014 and 2013 are derived from the Company's audited annual consolidated financial statements. All other quarterly figures are derived from the Company's unaudited condensed interim consolidated financial statements. All the financial statements were prepared using International Financial Reporting Standards. All figures are in Canadian dollars.

	March 31 2015 \$	December 31 2014 \$	September 30 2014 \$	June 30 2014 \$
Revenues	Nil	Nil	Nil	Nil
Comprehensive income (loss)	114,820	(378,690)	(566,064)	(1,110,119)
Basic and diluted income (loss) per share	0.00	(0.02)	(0.04)	(0.07)

	March 31 2014 \$	December 31 2013 \$	September 30 2013 \$	June 30 2013 \$
Revenues	Nil	Nil	Nil	Nil
Comprehensive income (loss)	(650,037)	19,482	(539,335)	(143,310)
Basic and diluted income (loss) per share	(0.04)	0.00	(0.06)	(0.02)

Variances in quarterly results can be due to higher than normal exploration and evaluation costs incurred in a quarter, large fluctuations in the Canadian dollar versus the US dollar in a quarter or share-based payments incurred in a quarter as the Company's stock options generally vest on the grant date and therefore are fully expensed in the quarter in which they are granted.

In the quarter ended March 31, 2015, the Company recorded a foreign exchange gain of \$82,675 and a foreign currency translation gain of \$303,277.

In the quarter ended June 30, 2014, the Company recorded exploration and evaluation costs of \$312,408 and recorded share-based payments of \$546,000.

In the quarter ended March 31, 2014, the Company recorded exploration and evaluation costs of \$520,488 and recorded share-based payments of \$129,600.

## LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations and mineral property exploration and evaluation programs to date primarily through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity, debt financing and the sale or joint venture of its assets.

The Company's consolidated financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to obtain the necessary financing to meet its ongoing commitments and further its exploration programs. The continued uncertainty in the capital markets, especially as it relates to the speculative junior mining industry may make it difficult to raise capital through the private placement of shares. While the Company is using its best efforts to achieve its business plans by examining various financing alternatives, there is no assurance that the Company will be successful with any financing ventures.

Some of the Company's property interests are acquired by way of option or lease agreements with ongoing cash obligations. At present, the Company has commitments under the Golden Arrow lease agreements of US\$50,000 per year. In addition, the Company estimates the annual claim maintenance fees on the Golden Arrow property to be approximately US\$60,000.

The Company has an option payment commitment of US\$12,500 on the Roulette property in 2015. In addition, the Company estimates the annual claim maintenance fees on the Roulette property to be approximately US\$30,000.

Kinsley Gold LLC joint venture company has approved a 2015 exploration program and budget for the Kinsley Mountain project. The 2015 Kinsley Mountain exploration program is currently budgeted at US\$2.0-million and Nevada Sunrise has elected to finance its US\$418,800 share of the program.

The Company estimates that the administration of its corporate affairs will cost in the order of \$420,000 for the year ended September 30, 2015.

During the six months ended March 31, 2015, the Company's working capital decreased by \$643,242 to \$1,236,487.

The Company believes that it has sufficient working capital to sustain itself for fiscal 2015 and intends to complete equity financings to meet its future exploration and administrative commitments.

## **LIQUIDITY AND CAPITAL RESOURCES** – (cont'd)

### **Financing Activities During the Six Months Ended March 31, 2015:**

The Company issued 37,500 common shares pursuant to the exercise of 37,500 warrants at \$0.15 per share for proceeds of \$5,625.

### **Financing Activities During the Year Ended September 30, 2014:**

On January 10, 2014, the Company issued 5,400,000 common shares pursuant to the private placement of 5,400,000 units at \$0.10 per unit for proceeds of \$540,000. Each unit contained one common share and one share purchase warrant entitling the holders to purchase an additional common share at \$0.15 until January 10, 2016.

On January 13, 2014, the Company issued 800,000 common shares pursuant to the private placement of 800,000 units at \$0.10 per unit for proceeds of \$80,000. Each unit contained one common share and one share purchase warrant entitling the holders to purchase an additional common share at \$0.15 until January 13, 2016. In connection with the private placements, the Company paid finder's fees of \$21,000 and issued 294,000 finder's warrants exercisable at \$0.10 per warrant.

On March 20, 2014, the Company issued 3,000,000 common shares pursuant to the private placement of 3,000,000 units at \$0.35 per unit for gross proceeds of \$1,050,000. Each unit consisted of one common share and one-half of one warrant. Each whole warrant entitles the holder to purchase one common share at \$0.55 until March 20, 2016. In connection with the private placement, the Company paid finder's fees of \$36,000 and issued 144,200 finder's warrants exercisable at \$0.35 per warrant.

On May 13, 2014, the Company issued 2,210,000 common shares pursuant to the private placement of 2,210,000 units at \$0.90 per unit for gross proceeds of \$1,989,000. Each unit consisted of one common share and one-half of one warrant. Each whole warrant entitles the holder to purchase one common share at \$1.35 until May 13, 2015 or until the day which is 30 days after the date that the volume weighted average trading price of the Company's common shares exceeds \$1.65 per share over a period of 10 consecutive trading days. In connection with the private placement, the Company paid finder's fees of \$13,500 and issued 21,000 finder's warrants exercisable at \$0.90 per warrant.

### ***Options and Warrants Exercised During the Year Ended September 30, 2014:***

The Company issued 1,262,500 common shares pursuant to the exercise of 1,262,500 warrants at \$0.15 per share for proceeds of \$189,375.

The Company issued 50,000 common shares pursuant to the exercise of 50,000 options at \$0.50 per share for proceeds of \$25,000 and 100,000 common shares pursuant to the exercise of 100,000 options at \$0.19 per share for proceeds of \$19,000.

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.



## TRANSACTIONS BETWEEN RELATED PARTIES

### *Management Changes*

On October 8, 2014, Charles Roy was appointed to the Board of Directors. Mr. Roy was employed by Cameco Corporation (“Cameco”) for 33 years in various capacities beginning as a project geologist and subsequently managing exploration programs, negotiating new exploration opportunities and streamlining Cameco’s worldwide exploration portfolio.

Mr. Roy was granted 200,000 stock options to purchase one common share for each option held at \$0.50 per share until October 8, 2019.

### *Directors and Officers*

At May 27, 2015, the directors of the Company are Warren Stanyer, Cory Kent, Michael Sweatman, Suraj Ahuja and Charles Roy. The officers of the Company are Warren Stanyer, President and Chief Executive Officer, Michael Sweatman, Chairman of the Board, Brent Petterson, Chief Financial Officer and Christina Boddy, Corporate Secretary.

Warren Stanyer receives a management salary of \$8,000 per month, Brent Petterson receives accounting fees of \$3,000 per month, Christina Boddy receives management fees of \$1,800 per month, Michael Sweatman receives director’s fees of \$1,500 per month and Suraj Ahuja and Charles Roy each receive director’s fees of \$1,250 per month. Cory Kent is a partner at McMillan LLP, who is the Company’s corporate lawyer.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of its Chief Executive Officer, Chief Financial Officer and Corporate Secretary.

Remuneration attributed to key management personnel or companies controlled by key management personnel during the six months ended March 31, 2015 and 2014 is summarized as follows:

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		2015		2014
Accounting fees	\$	18,000	\$	16,500
Management fees and salaries		58,800		39,000
Share-based payments		-		56,000
	\$	76,800	\$	111,500

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## TRANSACTIONS BETWEEN RELATED PARTIES – (cont'd)

The Company incurred the following charges by directors of the Company and by a law firm in which a director of the Company is a partner during the six months ended March 31, 2015 and 2014:

		2015		2014
Director's fees	\$	24,000	\$	12,000
Legal		12,006		24,580
Legal – share issue costs		-		23,267
Share-based payments		86,000		62,400
	\$	122,006	\$	122,247

At March 31, 2015, due to related parties includes \$7,676 for fees and expenses (September 30, 2014: \$1,220) due to directors of the Company and to a law firm in which Cory Kent, a director of the Company, is a partner.

The amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

## PROPOSED TRANSACTIONS

On November 25, 2014, Nevada Sunrise announced the signing of a letter agreement for Golden Arrow property.

Under the terms of the letter agreement, Atherton Resources LLC (“Atherton”), a private Delaware mineral exploration company, has until January 31, 2015 (the “Exclusivity Period”) to conduct due diligence on Golden Arrow, which will include an assessment by Atherton of all historical geoscientific data, and a title opinion. Atherton shall have the right to extend the Exclusivity Period for up to two additional sixty (60) day periods by paying to Nevada Sunrise (a) US\$25,000 on or before January 31, 2015, and (b) an additional US\$25,000 on or before March 31, 2015. The payments made by Atherton to extend the Exclusivity Period shall be applied to a payment of US\$250,000 to be made by Atherton upon signing a definitive agreement (the “Definitive Agreement”).

The terms for the Definitive Agreement described in the letter agreement allow Atherton to initially earn a 65% interest in Golden Arrow by completing eligible expenditures in the amount of US\$4,500,000 at Golden Arrow during a four-year period with a minimum expenditure in any year of US\$750,000, and making US\$1.6 million in cash payments to Nevada Sunrise described below:

## PROPOSED TRANSACTIONS – (cont'd)

Payments to Nevada Sunrise *(All dollar amounts quoted are in US dollars)*

Upon Signing the Definitive Agreement	\$	250,000
1st Anniversary	\$	250,000
2nd Anniversary	\$	250,000
3rd Anniversary	\$	350,000
4th Anniversary	\$	<u>500,000</u>
Total	\$	<u>1,600,000</u>

Upon completing \$4,500,000 in qualified work expenditures and fulfilling the cash payments, Atherton will have earned a 65% interest in the Property. If during performance of obligations required to earn a 65% interest in Golden Arrow Atherton completes and presents to Nevada Sunrise a pre-feasibility study for the development of a mine on the Property, then upon completing the \$4,500,000 in qualified work expenditures and completing the payment schedule, Atherton will have earned a 70% interest in the Property instead of a 65% interest. Should Atherton proceed and solely fund a subsequent feasibility study, it may earn an additional 10% interest in Golden Arrow to a maximum of 80%.

After Atherton has earned a 65%, 70% or 80% interest, as applicable, the parties will form a joint venture and each party will be responsible for funding its proportionate share of joint venture expenditures. If through dilution either party's interest becomes less than 10%, its interest shall be converted automatically to a non-executive and nonworking 5% net profits royalty.

Atherton, based in Reno, Nevada, was founded in 2013 with the objective of identifying and joint venturing or acquiring properties with measured and indicated mineral resources (focusing on precious metals), expanding that resource base and completing the requisite assessment (preliminary economic assessment, pre-feasibility and/or feasibility studies), to establish economic viability.

On February 3, 2015, the Company amended the terms of the letter agreement signed with Atherton. The amendment to the letter agreement allowed Atherton to extend the exclusivity period to May 31, 2015 for a payment of US\$8,000 and the commissioning of a geological data compilation to be completed at Atherton's cost.

On March 30, 2015, the Company received a payment of US\$25,000 from Atherton to maintain Atherton's right to continue its due diligence on an exclusive basis.

## CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

There were no changes in the Company's significant accounting policies during the six months ended March 31, 2015 that had a material effect on the condensed interim consolidated financial statements. The Company's significant accounting policies are disclosed in Note 3 to its condensed interim consolidated financial statements for the six months ended March 31, 2015.

## **CRITICAL ACCOUNTING ESTIMATES**

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

### Exploration and Evaluation Assets

The carrying amount of the Company's exploration and evaluation assets properties does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

### Share-based Payments

The inputs used in calculating the fair value for share-based compensation included in the comprehensive loss and share-based payments related to share issuance costs included in equity. The share-based payments expense is estimated using the Black-Scholes options-pricing model as measured on the grant date to estimate the fair value of stock options. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate.

### Income Taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets and future income tax provisions or recoveries could be affected.

### Restoration and Environmental Liabilities

The recognition and valuation of liabilities for legal or constructive obligations associated with the retirement of exploration and evaluation assets and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the year incurred. The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures.

## FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The fair values of the Company's receivables, accounts payable and accrued liabilities and due to related parties approximate their carrying values because of the short-term nature of these instruments.

The following table illustrates the classification of the Company's financial instruments within fair value hierarchy as at March 31, 2015 and September 30, 2014:

	March 31, 2015		
	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 1,265,005	\$ -	\$ -
	\$ 1,265,005	\$ -	\$ -

  

	September 30, 2014		
	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 1,796,687	\$ -	\$ -
	\$ 1,796,687	\$ -	\$ -

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

### *Credit risk*

The Company's cash and cash equivalents are held with large financial institutions. The Company's receivables consist primarily of interest receivable on guaranteed investment certificates. Management believes that credit risk concentration with respect to receivables is remote.

### *Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2015, the Company had cash and cash equivalents of \$1,265,005 to settle current liabilities of \$61,529. Management believes the Company has sufficient funds to meet its liabilities as they become due.

## **FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS – (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 commodity and equity prices.

#### a) Interest rate risk

The Company has cash and cash equivalents balances which are not subject to significant risks in fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. At March 31, 2015, included in cash and cash equivalents were a \$200,000 redeemable investment-grade short-term deposit certificate which bears interest at 1.25% per annum and a US\$700,000 redeemable investment-grade short-term deposit certificate which bears interest at 0.20% per annum.

#### b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in US Dollars.

#### c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

### *Sensitivity Analysis*

The Company operates in the United States and is exposed to exchange risk from changes in the US dollar. At March 31, 2015, a 10% fluctuation in the US dollar against the Canadian dollar would affect comprehensive loss by approximately \$93,000.

## **RISKS AND UNCERTAINTIES**

In addition to the risks and uncertainties outlined earlier in this management discussion, the Company is also subject to other risks and uncertainties including the following:

### ***General Risk Associated with the Mining Industry***

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that claims and leases are in good standing and obtaining permits for drilling and other exploration activities. The market prices for gold and other metals can be volatile and there is no assurance that a profitable market will exist for a production decision to be made or for the ultimate sale of the metals even if commercial quantities of precious and other metals are discovered.

Exploration and development activities involve risks which careful evaluation, experience and knowledge may not, in some cases eliminate. The commercial viability of any mineral deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure, government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit. Management attempts to mitigate its exploration risk by maintaining a diversified portfolio of properties and a strategy of possible joint ventures with other companies which balances risk while at the same time allowing properties to be advanced.

### ***Dependence on Key Personnel***

Loss of certain members of the executive team or key operational leaders of the company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and the competition for professionals are intense. The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

### ***Option or Lease Agreements***

The Company is currently earning some of its interests in its mineral properties through option or lease agreements and acquisition of title to the property is only completed when the option or lease conditions have been met. These conditions generally include making property payments and incurring exploration expenditures on the properties and can include the completion of pre-feasibility studies. If the Company does not satisfactorily complete its option conditions in the time frame laid out in the option agreement, the Company's title to the mineral property will not vest and the Company will have to write-down the previously capitalized costs related to that property.

## OUTSTANDING SHARE DATA

**Number of issued and outstanding common shares at May 27, 2015**

22,527,321

### **Options**

At May 27, 2015, there were 1,980,000 stock options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number of options outstanding	Exercise Price	Expiry Date
40,000	\$0.50	July 29, 2015
70,000	\$0.50	March 13, 2017
120,000	\$0.50	May 10, 2017
130,000	\$0.50	December 4, 2017
50,000	\$0.50	August 29, 2018
10,000	\$0.50	October 28, 2018
710,000	\$0.19	January 30, 2019
650,000	\$0.50	May 20, 2019
200,000	\$0.50	October 8, 2019
<u>1,980,000</u>		

### **Warrants**

At May 27, 2015, there were 7,505,000 share purchase warrants outstanding entitling the holders thereof the right to purchase one common share for each warrant held as follows:

Number of warrants outstanding	Exercise Price	Expiry Date
4,100,000	\$0.15	January 10, 2016
800,000	\$0.15	January 13, 2016
1,500,000	\$0.50	March 20, 2017
1,105,000	\$0.50	May 13, 2017
<u>7,505,000</u>		

### **Finder's Warrants**

At May 27, 2015, there were 459,200 finder's warrants outstanding entitling the holders thereof the right to purchase one unit for each finder's warrant held as follows:

Number of finder's warrants outstanding	Exercise Price	Expiry Date
280,000	\$0.10	January 10, 2016
14,000	\$0.10	January 13, 2016
144,200	\$0.35	March 20, 2016
21,000	\$0.90	May 13, 2015
<u>459,200</u>		





## **Corporate Information**

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