Management's Discussion and Analysis
For the Year Ended November 30, 2014

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ALBERTA STAR DEVELOPMENT CORP.

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ALBERTA STAR DEVELOPMENT CORP.

Management's Discussion and Analysis

For the Year Ended November 30, 2014

This management's discussion and analysis ("MD&A") of Alberta Star Development Corp. ("Alberta Star" or "the Company"), dated February 25, 2015 should be read in conjunction with the accompanying audited financial statements and notes for the year ended November 30, 2014. The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as noted, all financial amounts are expressed in Canadian dollars. Additional information relating to the Company is available on SEDAR and may be accessed at www.sedar.com.

OVERVIEW AND OVERALL PERFORMANCE

Alberta Star Development Corp. is a Canadian resource exploration and development company that identifies, acquires and finances mineral exploration in Canada.

On October 24, 2014, the Company entered into an agreement with NioCorp Developments Ltd. ("Niocorp"), pursuant to which the Company can earn up to a 60% interest in NioCorp's wholly-owned Archie Lake project in Saskatchewan by subscribing for 2,800,000 special warrants of NioCorp (the "Special Warrants") at $0.55 per Special Warrant for gross proceeds of $1,540,000. On January 19, 2015, NioCorp obtained a receipt from the Canadian securities regulators that qualified each Special Warrant to be exchanged for no additional consideration into one unit of NioCorp ("Unit"). Each Unit consists of one common share and one share purchase warrant, with each warrant entitling the holder to purchase an additional common share at an exercise price of $0.65 per common share exercisable until November 10, 2016. As of the date of this report, the shares of NioCorp are trading on the TSX Venture Exchange at approximately $0.91 per share.

The Archie Lake Property consists of one claim located approximately 50 km west of Uranium City and approximately 5 km north of Lake Athabasca, in the Province of Saskatchewan.

In order to exercise the Option, the Company must incur an aggregate of $1,750,000 in exploration expenditures prior to October 20 2017. The expenditures include completion of a minimum of $250,000 prior to October 20 2015, a further $500,000 on or before October 20 2016 and a further $1,000,000 on or before October 20, 2017. The Property is subject to a 2% net smelter return ("NSR") royalty in favour of past owners.

On June 24, 2014, the Company received shareholder approval of a proposed change of business to a Tier 2 investment company on the TSX Venture Exchange and a change of its name to "**Elysee Capital Corp.**" on completion of that change of business.

On September 17, 2014, the Company announced that, due to unforeseen regulatory complications in the United States, where Alberta Star is a reporting foreign private issuer under United States federal law, it has elected not to proceed with its change of business to an investment issuer. The Company will remain a mineral exploration issuer listed on the TSX Venture Exchange and will continue to pursue and evaluate opportunities to enhance shareholder value.

On February 28, 2014, the Company entered into an agreement with TerraX Minerals Inc. ("TerraX"), a company with a director and officer in common, pursuant to which the Company can earn up to a 60% interest in TerraX's wholly-owned Central Canada gold project (the "Central Canada Gold Property") in Ontario (the "Option") and subscribed for 1,300,000 units of TerraX (the "Units") at $0.45 per Unit for gross proceeds of $585,000 (the "Private Placement"). Each Unit consists of one common share and one-half of one share purchase warrant, with each full warrant entitling the holder to purchase an additional common share at an exercise price of $0.57 per common share exercisable until February 28, 2016.

In order to exercise the Option, the Company was to make cash payments to TerraX totaling $85,000 over a three year period, with $10,000 due upon execution of a definitive option agreement (the "Option Agreement"), $25,000 due on the second anniversary of the execution of the Option Agreement (the "Anniversary Date") and a further $50,000 due on the third Anniversary Date. The Company was to also incur an aggregate of $500,000 in exploration expenditures over a three year period, with $100,000 incurred by March 31, 2015, $150,000 incurred by March 31, 2016 and a further $250,000 incurred by March 31, 2017. The Company was also responsible for payment of the annual pre-production royalty of $10,000 to the original vendors of the Central Canada Property due annually in December beginning with the next payment due on December 11, 2014.

Due to the continuing weakness in the junior gold exploration sector, the Company elected not to make the Option payment due in December 2014 and terminated the agreement, with associated costs of $12,600 related to the Central Canada Gold Property written off during the year ended November 31, 2014.

On May 1, 2013, the Company received approval from the TSX Venture Exchange (the "Exchange") for its normal course issuer bid (the "Bid"). Pursuant to the Bid, the Company may purchase for cancellation, from time to time, as it considers advisable, up to 1,800,000 of its issued and outstanding common shares, being approximately 8.4% of the Company's currently outstanding common shares and approximately 9.5% of the Company's Public Float (as that term is defined in the policies of the Exchange). The price which the Company will pay for any shares purchased by it will be the prevailing market price of such common shares on the Exchange at the time of such purchase. The Bid commenced on May 3, 2013 and terminated on May 3, 2014.

On May 6, 2014, the Company received approval from the Exchange to renew the Bid. Pursuant to the Bid, the Company may purchase for cancellation, from time to time, as it considers advisable, up to 1,700,000 of its issued and outstanding common shares. The price which the Company will pay for any shares purchased will be the prevailing market price of such common shares on the Exchange at the time of such purchase. The Bid commenced on May 7, 2014 and will terminate on May 6, 2015, or such earlier time as the Bid is completed or at the option of the Company. Jordan Capital Markets of Vancouver, British Columbia will conduct the Bid on behalf of the Company. As at November 30, 2013, the Company purchased 290,000 shares at a cost of $47,554 which were returned to treasury. From December 1, 2013 to November 30, 2014, the Company purchased 345,000 shares at a cost of $60,544. From December 1, 2014 to February 25, 2015 the Company purchased a further 92,500 shares at a cost of $16,188.

The Company's shares are listed on the TSX Venture Exchange under the symbol "ASX" and on the Frankfurt Exchange under the symbol "QLD". Due to the additional time and expense associated with maintaining the registration of its common shares under the U.S. Securities Exchange Act of 1934 in the United States, management of the Company has elected to file a Form 15-F with the U.S. Securities and Exchange Commission to voluntarily terminate its registration. Once filed, the Company expects the termination of its registration under the 1934 act to take effect no later than 90 days following the filing of the Form 15-F. As a result of this filing, the Company will immediately stop filing certain reports with the SEC, including Form 20-F and Form 6-K, and the shares of Alberta Star will no longer be quoted on the OTC QB.

OUTLOOK

At November 30, 2014 the Company's financial position includes working capital of $7,400,602 inclusive of $3,890,409 of cash and cash equivalents and $3,527,786 in marketable securities. As of February 25, 2015 the Company had approximately $3,900,000 in cash.

Management believes the Company's financial position remains strong and is sufficient to cover planned exploration expenditures, additional property acquisitions and administration costs for at least a twelve month period.

SELECTED ANNUAL INFORMATION

The following table sets forth selected financial information of the Company for the last three fiscal years. This financial information is derived from the audited financial statements of the Company and have been prepared using IFRS.

Item	For the Years Ended November 30 **2014**	**2013**	**2012**
Total Petroleum Revenue	$Nil	$267,535	$2,422,266
Total Earnings (Loss) from Continuing Operations	$1,804,549	($309,219)	($1,274,999)
Total Earnings (Loss) from Discontinued Operations	$Nil	$982,288	($2,200,614)
Operating basic and diluted Earnings (Loss) per Share	$0.084	$0.031	($0.162)
Net Earnings (Loss) in Total	$1,804,549	$673,069	($3,475,613)
Net basic and diluted Earnings (Loss) per Share	$0.084	$0.031	($0.162)
Total Assets	$7,458,526	$6,738,829	$8,638,833
Total Non-current Financial Liabilities	$Nil	$Nil	$Nil
Return of Capital Declared per Share	$Nil	$0.08	$Nil
Cash Dividends Declared per Share	$Nil	$Nil	$Nil

Net earnings of $673,069 were realized during fiscal 2013 compared to a net loss of $3,475,613 incurred during fiscal 2012 primarily due to the sale of the Company's petroleum and natural gas properties that resulted in a capital gain of $1,098,679.

Net earnings of $1,804,549 were realized during fiscal 2014 compared to net earnings of $673,069 during fiscal 2013 primarily due to a $1,065,716 gain on the reversal of the provision for flow-through shares and a $1,143,514 unrealized gain on marketable securities.

RESULTS OF OPERATIONS – YEAR ENDED NOVEMBER 30, 2014

The Company's net and comprehensive earnings for the year ended November 30, 2014 was $1,804,549 ($0.084 per share) compared to net and comprehensive earnings of $673,069 ($0.031 per share) for the year ended November 30, 2013.

The Company sold all its heavy oil operations to Petrocapita Oil and Gas L.P. effective March 1, 2013 for net cash consideration of $1,900,513 after taking into account initial industry standard adjustments to the agreed purchase price of $1,875,000. This resulted in net earnings from discontinued operations of $Nil compared to a net loss from discontinued operations of $982,288 in the prior year. The prior year earnings included a gain on disposition of $1,098,679.

Earnings from continuing operations increased $2,113,768 to $1,804,549 for the year ended November 30, 2014 from a loss of $309,219 for the year ended November 30, 2013.

The significant changes in Earnings (loss) from continuing operations during the current fiscal period compared to the same period a year prior are as follows:

There was an unrealized gain on marketable securities of $1,143,514 for the year ended November 30, 2014 compared to $Nil in the prior year primarily due to the increase in the market value of 2,800,000 special warrants of NioCorp during the current year.

There was a realized gain on the sale of marketable securities of $9,103 for the year ended November 30, 2014 compared to $Nil in the prior year.

There was a $1,065,716 gain on the reversal of a general provision related to flow-through shares as a result of a review of the Company's filings related to prior flow-through transactions.

There was an unrealized foreign exchange gain of $122,392 (2013 – gain of $104,230) for the year ended November 30, 2014 based primarily on the valuation of US$1,479,072 held in U.S. funds. This gain resulted from the Canadian dollar decreasing in value compared to the US dollar over the course of the year.

Interest income decreased $7,058 to $73,518 for the year ended November 30, 2014, compared to $80,576 during the same period a year prior as similar interest rates were being paid on reduced amounts on deposit.

There was a write-down of mineral exploration and evaluation properties of $78,780 (2013 - $Nil) during the current year as various mineral leases in the Northwest Territories were not renewed and the Central Canada Gold Property agreement was terminated.

Advertising and promotion expenses increased $5,067 to $9,011 during the year ended November 30, 2014 from the $3,944 incurred during the same period a year prior. The increase in advertising and promotion is primarily attributable to an increase in expenditures on advertising costs and news release dissemination fees.

Bank charges and interest decreased $29,333 to $1,743 during the year ended November 30, 2014 from $31,076 incurred during the same period a year prior. During the prior year, interest of $29,719 was paid to the Canada Revenue Agency relating to past flow-through share transactions.

Consulting fees decreased to $Nil for the year ended November 30, 2014 from the $12,486 incurred during the year ended November 30, 2013. The decrease was due to the elimination of consulting fees related to completion of prior annual oil and gas reporting requirements.

Director fees decreased $8,000 to $36,000 for the year ended November 30, 2014 from $44,000 for the year ended November 30, 2013. The decrease in director fees was due to one director assuming the role of Chairman and this cost is now included under management fees.

Legal and accounting fees increased $10,238 to $184,838 for the year ended November 30, 2014, from $174,600 for the year ended November 30, 2013. The majority of the legal and accounting fees for the year were incurred to facilitate the proposed change of business to an investment issuer. The previous year fees were mainly incurred to facilitate the sale of our oil and gas assets.

Management fees increased $25,000 to $145,000 for the year ended November 30, 2014 from $120,000 incurred for the year ended November 30, 2013. These fees included the CEO and Chairman billing their services under management fees.

Meals and entertainment expenses for the year ended November 30, 2014 were reduced $6,255 to $2,066 as compared to $8,321 in the prior year. The current year's meal and entertainment expenses were less due to a general reduction in the Company's promotional activities and an effort to reduce costs.

Office rent was reduced $33,861 to $5,656 for the year ended November 30, 2014 from the $39,517 incurred during the year ended November 30, 2013. Effective September 1, 2013, the Company moved its office from #506 – 675 West Hastings Street, Vancouver to #2300 – 1066 West Hastings Street, Vancouver for an estimated monthly savings of $3,500.

Salaries and benefits for the year ended November 30, 2014 were reduced $120,861 to $Nil as compared to $120,861 for the year ended November 30, 2013 when the former Vice President of Corporate Development was on salary.

Share-based payments expense totalling $57,048, a non-cash item, was incurred during the year ended November 30, 2014 mainly on the granting of 750,000 stock options that vested during the period as compared to $57,760 for the year ended November 30, 2013.

Travel costs for the year ended November 30, 2014 were reduced $15,744 to $10,378 as compared to $26,122 in the prior year. The current year's travel costs were less due to a general reduction in the Company's promotional activities and an effort to reduce costs.

SUMMARY OF QUARTERLY RESULTS

The following information is derived from the Company's quarterly financial statements for the past eight quarters and has been prepared using IFRS:

Quarter Ended	Net Comprehensive Earnings (Loss) before Discontinued Operations	Basic and Fully Diluted Earnings (Loss) per Share before Discontinued Operations	Net Comprehensive Earnings (Loss)	Basic and Fully Diluted Earnings (Loss) per Share
November 30, 2014	$1,919,270	$0.090	$1,919,270	$0.090
August 31, 2014	$(173,539)	$(0.008)	$(173,539)	$(0.008)
May 31, 2014	$(326,735)	$(0.015)	$(326,735)	$(0.015)
February 28, 2014	$385,553	$0.018	$385,553	$0.018
November 30, 2013	$101,900	$0.005	$101,900	$0.005
August 31, 2013	$(124,693)	$(0.006)	$(124,693)	$(0.006)
May 31, 2013	$(230,785)	$(0.011)	$891,945	$0.042
February 29, 2013	$(55,641)	$(0.003)	$(196,083)	$(0.009)

The Company's net comprehensive earnings were $385,553 for the first quarter ended February 28, 2014 and is mainly comprised of a gain of $388,408 on short term investments, $19,522 in interest income, $68,268 in an unrealized foreign exchange gain offset by general and administrative expenses of $90,645.

The Company's net comprehensive loss was $326,735 for the second quarter ended May 31, 2014 and is mainly comprised of $161,498 in general and administrative expenses, $56,810 loss on revaluation of short term investment warrants, $34,884 unrealized foreign exchange loss, and a $91,000 unrealized loss on short term investments offset by $17,458 in interest income.

The Company's net comprehensive loss was $173,539 for the third quarter ended August 31, 2014 and is mainly comprised of $103,886 in general and administrative expenses, $71,052 loss on revaluation of short term investment warrants, $5,208 unrealized foreign exchange gain, and a $17,775 unrealized loss on short term investments offset by $15,583 in interest income.

RESULTS OF OPERATIONS – THREE MONTH PERIOD ENDED NOVEMBER 30, 2014

The Company's net and comprehensive earnings for the three month period ended November 30, 2014 was $1,919,270 or $0.09 per share compared to a net and comprehensive earnings of $101,900 or $0.005 per share for the three month period ended November 30, 2013.

The significant changes in net and comprehensive earnings during the current three month period compared to the same period a year prior are as follows:

There was an unrealized gain on marketable securities of $1,143,514 for the year ended November 30, 2014 compared to $Nil in the prior year primarily due to the increase in the market value of 2,800,000 special warrants of NioCorp.

There was a $1,065,716 gain on the reversal of a general provision related to flow-through shares as a result of a review of the Company's filings related to prior flow-through transactions.

There was a write-down of mineral exploration and evaluation properties of $78,780 (2013 - $Nil) as various mineral leases in the Northwest Territories were not renewed and the Central Canada Gold Property agreement was terminated.

All other general and administrative costs were relatively similar to those incurred in the three month period a year prior.

MINERAL EXPLORATION PROPERTIES

The Company's principal mineral exploration property assets consist of:

1. Archie Lake Property - Saskatchewan

On October 24, 2014, the Company entered into an agreement with NioCorp Developments Ltd., pursuant to which the Company can earn up to a 60% interest in NioCorp's wholly-owned Archie Lake project in Saskatchewan and subscribed for 2,800,000 special warrants of NioCorp (the "Special Warrants") at $0.55 per Special Warrant for gross proceeds of $1,540,000. On January 19, 2015, NioCorp obtained a receipt from the Canadian securities regulators that qualified each Special Warrant to be exchanged for no additional consideration into one unit of NioCorp ("Unit"). Each Unit consists of one common share and one share purchase warrant, with each warrant entitling the holder to purchase an additional common share at an exercise price of $0.65 per common share exercisable until November 10, 2016.

The Archie Lake Property consists of one claim located approximately 50 km west of Uranium City and approximately 5 km north of Lake Athabasca, in the Province of Saskatchewan.

In order to exercise the Option, the Company must incur an aggregate of $1,750,000 in exploration expenditures prior to October 20, 2017. The expenditures include completion of a minimum of $250,000 prior to October 20, 2015, a further $500,000 on or before October 20, 2016 and a further $1,000,000 on or before October 20, 2017. The Property is subject to a 2% NSR royalty in favour of past owners.

2. Central Canada Gold Property - Ontario

On February 24, 2014, the Company entered into an agreement with TerraX Minerals Inc. ("TerraX"), a company with a director and officer in common, pursuant to which the Company can earn up to a 60% interest in TerraX's wholly-owned Central Canada gold project (the "Central Canada Gold Property") in Ontario (the "Option") and subscribed for 1,300,000 units of TerraX (the "Units") at $0.45 per Unit for gross proceeds of $585,000 (the "Private Placement"). Each Unit consists of one common share and one-half of one share purchase warrant, with each full warrant entitling the holder to purchase an additional common share at an exercise price of $0.57 per common share exercisable until February 28, 2016.

In order to exercise the Option, the Company was to make cash payments to TerraX totaling $85,000 over a three year period, with $10,000 (paid on February 28, 2014) due upon execution of a definitive option agreement (the "Option Agreement"), $25,000 due on the second anniversary of the execution of the Option Agreement (the "Anniversary Date") and a further $50,000 due on the third Anniversary Date. The Company was to also incur an aggregate of $500,000 in exploration expenditures over a three year period, with $100,000 due on the first Anniversary Date, $150,000 due on the second Anniversary Date and a further $250,000 due on the third Anniversary Date. The Company was also responsible for payment of the annual pre-production royalty of $10,000 to the original vendors of the Central Canada Property due annually in December beginning with the next payment due on December 11, 2014.

During the year ended November 30, 2014, the Company terminated the agreement and costs of $12,600 related to the Central Canada Property were written off.

The Contact Lake IOCG & Uranium Properties:

The Company's property interests are situated in the Eldorado/Port Radium/Contact Lake area, McKenzie Mining District, NT. The Company is the first mineral exploration company in 75 years to successfully stake and control this large contiguous land package in the Northwest Territories.

3. Contact Lake Mineral Claims – Great Bear Lake, NT

During the year ended November 30, 2005, the Company acquired a 100% undivided right, title and interest, subject to a 1% net smelter return royalty ("NSR"), in five (5) mineral claims, located eight kilometres ("km") southeast of Port Radium on Great Bear Lake, NT for cash payments of $60,000 (paid) and 60,000 common shares (issued and valued at $72,000) of the Company. The Company may purchase the NSR for a one-time payment of $1,000,000. The Company completed additional staking in the area in order to increase the project size to sixteen (16) contiguous claims. Collectively the properties are known as the Contact Lake Mineral Claims.

Expenditures related to the Contact Lake Mineral Claims for the year ended November 30, 2014 consist of claim maintenance and permitting of $5,139 (2013 - $10,120). These costs are initially capitalized and tested for impairment on an annual basis.

4. Port Radium – Glacier Lake Mineral Claims, NT

During the year ended November 30, 2005, the Company acquired a 100% undivided right, title and interest, subject to a 2% NSR in four (4) mineral claims, (the "Glacier Lake Mineral Claims") located 1.6 km east of Port Radium on Great Bear Lake, NT, for cash payments of $30,000 (paid) and 72,000 common shares (issued and valued at $72,000) of the Company. The Company may purchase one-half of the NSR for a one-time payment of $1,000,000.

The property contains an all-season airstrip situated at Glacier Lake. The Port Radium uranium belt was formerly one of Canada's principal producers of uranium during the 1930s and 1940s with the Echo Bay claim area having produced 23,779,178 ounces of silver and the Port Radium – Eldorado claim having produced 15 million pounds of uranium and 8 million ounces of silver.

Expenditures related to the Glacier Lake Mineral Claims for the year ended November 30, 2014 consist of claim maintenance and permitting of $6,227 (2013 - $6,227) and camp removal costs of $52,833 (2013 - $Nil).

The Company did not renew these leases and all associated costs have been written off. During the year ended November 30, 2014, the Company recorded provision for write-down of $65,287 (2013 - $Nil) related to the Glacier Lake Property.

MINERAL PROPERTY EXPENSES

Mineral property expenses comprise (1) exploration expenses, (2) acquisition costs, and (3) write-downs. Total expenditures for the years ended November 30, 2014 and 2013 are summarized below:

For the Year Ended November 30, 2014:	Exploration Expenses $	Acquisition Costs $	Write-downs $	Total $
Central Canada Gold Property – Ontario	2,600	10,000	(12,600)	-
Contact Lake Mineral Claims – Contact Lake, NT	9,498	-	-	9,498
Port Radium – Glacier Lake Mineral Claims, NT	59,060	-	(65,287)	-
Longtom Property – Longtom Lake, NT	-	-	(893)	-
	71,158	10,000	(78,780)	9,498

For the Year Ended November 30, 2013:	Exploration Expenses $	Acquisition Costs $	Write-downs $	Total $
Contact Lake Mineral Claims – Contact Lake, NT	10,120	-	-	10,120
Port Radium – Glacier Lake Mineral Claims, NT	6,227	-	-	6,227
Longtom Property – Longtom Lake, NT	893	-	-	893
	17,240	-	-	17,240

Additional particulars of expenditures on mineral properties are provided in Note 8 to the audited financial statements for the year ended November 30, 2014.

LIQUIDITY AND CAPITAL RESOURCES

The Company began recognizing and receiving revenue from its heavy oil resource properties as of August 1, 2010 but sold all its heavy oil resource properties effective March 1, 2013. The Company relies on equity financing to fund its exploration and administrative costs.

As at November 30, 2014, the Company had cash and cash equivalents of $3,890,409, marketable securities of $3,527,786 and working capital of $7,400,602 as compared to $6,700,938 of cash and cash equivalents and working capital of $5,600,849 at November 30, 2013.

Total assets at November 30, 2014 increased to $7,458,526 from $6,738,829 at November 30, 2013, primarily as a result of the Company's fair value adjustments to marketable securities.

The Company believes that this is sufficient to fund its currently planned exploration and administrative budget through the balance of fiscal 2015.

CONTINGENCIES

As at November 30, 2014 the Company had recognized a general provision of $Nil (2013 - $1,065,716) related to prior flow-through transactions and supplementary tax filings. Management of the Company is of the opinion that a present obligation no longer exists as at November 30, 2014 and, accordingly, the Company recognized a gain on reversal of the previously recorded provision in the current year. However, there is no certainty that additional amounts related to the prior flow-through transaction and tax filing will not be assessed or deemed payable in future periods.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Company's Board of Directors consists of Guido Cloetens, Tom Ogryzlo, Stuart Rogers, Martin Burian and Erwin Holsters. Stuart Rogers is the Company's Chief Executive Officer, Guido Cloetens is the Company's Chairman and Gord Steblin is the Company's Chief Financial Officer. There were no changes in key management or directors during the year ended November 30, 2014.

The Company paid amounts to related parties as follows:

	For the Year Ended	
	November 30, 2014	November 30, 2013
Management fees paid to a company controlled by Mr. Stuart Rogers	72,500	95,000
Chairman fees paid to a company controlled by Mr. Guido Cloetens	72,500	25,000
Accounting fees paid to a company controlled by Mr. Gord Steblin	60,000	70,500
Director fees paid to Mr. Brian Morrison (resigned June 12, 2013)	-	7,000
Director fees paid to Mr. Edward Burylo (resigned June 12, 2013)	-	7,000
Director fees paid to a company controlled by Mr. Guido Cloetens	-	7,000
Director fees paid to Mr. Tom Ogryzlo	12,000	12,000
Director fees paid to Mr. Martin Burian (appointed June 12, 2013)	12,000	5,500
Director fees paid to Mr. Erwin Holsters (appointed June 12, 2013)	12,000	5,500
Salaries and benefits paid to Mr. Rob Hall*	-	106,666
	$241,000	$341,166

* Resigned November 1, 2013 as Vice President Corporate Development and this amount includes $40,000

paid/accrued as severance.

During the year, the Company granted 750,000 (2013 - 1,025,000) options to directors and officers of the Company with a vested estimated fair value of $57,048 (2013 - $57,760).

During the year, the Company paid rent of $3,000 (2013 - $Nil) on an interim basis to Max Resource Corp., a company related by way of an officer and director in common.

During the year, the Company received rent recovery of $Nil (2013 - $4,500) from Arctic Hunter Energy Inc. ("Arctic Hunter"), a company formerly related by way of officers and directors in common. The Company terminated its sub-participation agreements with Arctic Hunter as part of the sale to Petrocapita pursuant to which Arctic Hunter relinquished to the Company its interest in three wells and the Company purchased the interest for $102,000.

These transactions were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the related parties.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and 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. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and share-based payments, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

CHANGE IN ACCOUNTING POLICY

During the year ended November 30, 2014, certain new accounting policies were adopted by the Company, none of which had a significant effect on the financials records or disclosures of the Company. Future accounting policy changes are included in Note 2 of the audited financial statements, and are also not expected to impact the Company in a significant manner.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at November 30	2014	2013
FINANCIAL ASSETS		
Fair Value through profit or loss , at fair value		
Cash and cash equivalents	$ 3,890,409	$ 6,700,938
Marketable securities	3,527,786	-
Loans and receivables, at amortized cost		
Trade and other receivables	4,755	327
Total financial assets	$ 7,422,950	$ 6,701,265
FINANCIAL LIABILITIES		
Other liabilities, at amortized cost		
Trade and other payables	34,174	49,814
Total financial liabilities	$ 34,174	$ 49,814

Fair value - The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

Credit risk - Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Company's cash and cash equivalents and trade receivables. The Company manages its credit risk relating to cash and cash equivalents by dealing only with highly-rated Canadian financial institutions. As at November 30, 2014, trade receivables were comprised of GST/HST receivable of $3,354 (November 30, 2013 - $3,186), trade receivable of $Nil (November 30, 2013 - $327) and interest receivable of $4,755 (November 30, 2013 - $Nil). As a result, credit risk is considered insignificant.

Liquidity risk - Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. As at November 30, 2014 the Company had cash and cash equivalents of $3,890,409 to settle current liabilities of $34,174, therefore liquidity risk is considered insignificant.

Interest rate risk - The Company's interest rate risk is primarily related to the Company's cash and cash equivalents for which amounts were invested at interest rates in effect at the time of investment. Changes in market interest rates affect the fair market value of the cash and cash equivalents. However, as these investments come to maturity within a short period of time, the impact would likely not be significant.

A 1% change in short-term rates would have changed the interest income and net earnings of the Company, assuming that all other variables remained constant, by approximately $21,984 for the year ended November 30, 2014.

Currency risk - The majority of the Company's cash flows and financial assets and liabilities are denominated in Canadian dollars, which is the Company's functional and reporting currency. Foreign currency risk is limited to the portion of the Company's business transactions denominated in currencies other than the Canadian dollar.

The Company's objective in managing its foreign currency risk is to minimize its net exposures to foreign currency cash flows by holding most of its cash and cash equivalents in Canadian dollars. The Company monitors and forecasts the values of net foreign currency cash flow and financial position exposures and from time to time could authorize the use of derivative financial instruments such as forward foreign exchange contracts to economically hedge a portion of foreign currency fluctuations. The Company has not, to the date of these financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

Commodity price risk - The Company is in the exploration stage and is not subject to commodity price risk.

The Company does not have any risk associated with "other instruments"; that is, instruments that may be settled by the delivery of non-financial assets.

RISKS AND UNCERTAINTIES

The Company believes that the following items represent significant areas for consideration.

Cash Flows and Additional Funding Requirements

The Company has limited financial resources and no assurances that sufficient funding, including adequate financing, will be available. If the Company's exploration programs are successful, additional funds will be required in order to complete the development of its properties. The sources of funds currently available to the Company include; raising equity or debt capital, or offering an interest in its projects to another party. There is no assurance that the Company will be successful in raising sufficient funds to conduct further exploration and development of its projects or to fulfill its obligations under the terms of any option or joint venture agreements, in which case the Company may have to delay or indefinitely postpone further exploration and development, or forfeit its interest in its properties or prospects.

Industry

The Company is engaged in the exploration of mineral properties, an inherently risky business. There is no assurance that funds spent on the exploration and development of a mineral deposit will result in the discovery of an economic ore body. Most exploration projects do not result in the discovery of commercially mineable ore deposits.

The Company does not use derivative instruments as a means to manage risk.

Commodity Prices

The profitability of the Company's operations will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable. The Company's revenues and earnings also could be affected by the prices of other commodities such as fuel and other consumable items, although to a lesser extent than by the price of mineral commodities.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself with respect to the discovery and acquisition of interests in mineral properties, the recruitment and retention of qualified employees and other persons to carry out its exploration activities. Competition in the mining industry could adversely affect the Company's prospects for exploration in the future.

Government Laws, Regulation & Permitting

Mining and exploration activities of the Company are subject to domestic laws and regulations governing prospecting, development, production, taxes, labour standards, occupational health, mine safety, waste disposal, toxic substances, the environment and other matters. Although the Company believes that all exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company.

The operations of the Company will require licenses and permits from various governmental authorities to carry out exploration and development at its projects. There can be no assurance that the Company will be able to obtain the necessary licences and permits on acceptable terms, in a timely manner or at all. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.

Title to Properties

Acquisition of rights to mineral properties is a very detailed and time-consuming process. Title to mineral properties may be disputed. To the best of the Company's knowledge, the Company has title to all of the properties for which it holds mineral leases or licenses or in respect of which it has a right to earn an interest, however, the Company cannot give an assurance that title to such properties will not be challenged or impugned.

The Company has the right to earn an increased interest in some of its properties. To earn this increased interest in each property, the Company is required to make certain cash payments. If the Company fails to make these payments, the Company may lose its right to such properties and forfeit any funds expended to such time.

Key Management

The success of the Company will be largely dependent upon the performance of its key officers and consultants. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. The success of the Company is largely dependent on the performance of its key individuals. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success.

Volatility of Share Price

Market prices for shares of early stage companies are often volatile. Factors such as announcements of mineral discoveries, financial results, and other factors could have a significant effect on the price of the Company's shares.

Conflict of Interest

Some of the Company's directors and officers are directors and officers of other natural resource or mining-related companies. These associations may give rise from time to time to conflicts of interest. As a result of such conflicts, the Company could potentially miss the opportunity to participate in certain transactions or opportunities.

SUBSEQUENT EVENTS

The following events occurred subsequent to November 30, 2014:

On January 9, 2015, 75,000 stock options with an exercise price of $0.21 granted on January 31, 2012 expired.

For the period from December 1, 2014 to February 25, 2015, the Company repurchased 92,500 shares of the Company, which have been cancelled.

On January 19, 2015, NioCorp obtained a receipt from the Canadian securities regulators that qualified each Special Warrant to be exchanged for no additional consideration into one unit of NioCorp ("Unit"). Each Unit consists of one common share and one share purchase warrant, with each warrant entitling the holder to purchase an additional common share at an exercise price of $0.65 per common share exercisable until November 10, 2016.

OUTSTANDING SHARE DATA

The Company is authorized to issue unlimited common shares without par value. As at February 25, 2015, there were 21,351,479 outstanding common shares compared to 21,788,979 outstanding shares at November 30, 2013.

The decrease in shares reflects the Company purchase of 345,000 shares at a cost of $60,544 from December 1, 2013 to November 30, 2014. The Company purchased a further 92,500 shares at a cost of $16,188 from December 1, 2014 to February 25, 2015.

Directors, officers, employees and consultants are granted options to purchase common shares under the Company Stock Option Plan. This plan and its term and outstanding balance are disclosed in Note 12 to the financial statements at November 30, 2014.

The following table summarizes information regarding stock options outstanding and exercisable as at February 25, 2015:

Grant date	Expiry date	Number of options outstanding	Number of options exercisable	Exercise price	Remaining contractual life (years)
July 10, 2012	July 10, 2015	75,000	75,000	$0.165	0.61
October 12, 2012	October 12, 2015	100,000	100,000	$0.20	0.87
July 18, 2013	July 18,2016	1,000,000	1,000,000	$0.20	1.63
September 30, 2014	September 30, 2016	750,000	750,000	$0.20	1.84
Total options		**1,925,000**	**1,925,000**		

There are no warrants outstanding as at February 25, 2015.

FORWARD-LOOKING INFORMATION

This document contains certain statements that may be deemed "forward-looking statements". All statements in this document, other than statements of historical fact, that address future production, reserve potential, exploration drilling, exploitation activities and events or developments that the Company expects to occur, are forward looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans" "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. In particular, the forward-looking statements in this MD&A include: (i) under the heading "*Outlook*" statements relating to the Company's capital expenditure plans for 2015; and (ii) under the heading "*Liquidity and Capital Resources*" the statement that the Company believes it has sufficient funds to fund its currently planned exploration and administrative budget through the balance of fiscal 2015. Further, information inferred from the interpretation of drilling results and information concerning mineral resource estimates may also be deemed to be forward looking statements, as it constitutes a prediction of what might be found to be present when and if a project is actually developed. Forward-looking statements involve numerous risks and uncertainties. Estimates and forward-looking statements are based on assumptions of future events and actual results may vary from these estimates The foregoing forward-looking statements are based on assumptions including that the Company will be able to identify potential assets for acquisition on terms that are satisfactory to the Company; that the execution of the Company's capital expenditure plans will remain in the best interests of the Company; that the Company will obtain all required regulatory approvals; and that the company will be able to source the required services (including drilling rigs) to execute its capital expenditure plans.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, and continued availability of capital and financing, and general economic, market or business conditions and other factors discussed under the heading "*Risks and Uncertainties*". Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

The forward-looking statements contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.