

**GRANDE PORTAGE RESOURCES LTD.**  
**MANAGEMENT DISCUSSION & ANALYSIS OF**  
**RESULTS OF OPERATIONS AND FINANCIAL CONDITION**  
**For the Nine-Month Period Ended July 31, 2015**

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**GRANDE PORTAGE RESOURCES LTD.**  
**MANAGEMENT DISCUSSION & ANALYSIS**  
**For the Nine-Month Periods Ended July 31, 2015 and 2014**

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(Dated September 29, 2015)

**DESCRIPTION OF BUSINESS**

The Company is an exploration stage company whose shares trade on Tier I of the TSX Venture Exchange. The Company holds resource properties and property interests in British Columbia, Canada, and has exercised its option to acquire 65% of the Herbert Glacier gold property, consisting of 91 mining claims located 20 miles north of Juneau, Alaska. The Company has not yet determined whether these properties contain ore reserves that are economically recoverable.

The Company is in the process of exploring its principal mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

The Company incurred a net loss of \$204,934 (2014 - \$241,375) for the nine-month period ended July 31, 2015, and had an accumulated deficit of \$15,543,740 (October 31, 2014: \$15,338,806) which has been funded primarily by the issuance of equity. The Company's ability to continue as a going concern is uncertain and is dependent upon the generation of profits from mineral properties, obtaining additional financing or maintaining continued support from its shareholders and creditors. In the event that additional financial support is not received or operating profits are not generated, the carrying values of the Company's assets may be adversely affected.

**FORWARD LOOKING STATEMENTS**

This MD&A contains certain statements that may constitute "forward-looking statements". Forward-looking statements include but are not limited to, statements regarding future anticipated business developments and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements made by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company's ability to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

**Selected Annual Financial Information:**

<b>For the year ended</b>	<b>October 31,</b>	<b>October 31,</b>	<b>October 31,</b>
	<b>2014</b>	<b>2013</b>	<b>2012</b>
Total revenues	\$ -	\$ -	\$ -
Net Income (Loss)			
Total for the year	(6,792,284)	(1,317,893)	(1,243,848)
Per share (basic and diluted)	(0.10)	(0.02)	(0.02)
Working capital	41,463	447,267	1,593,876
Total assets	4,237,748	11,007,529	12,463,422
Exploration & Evaluation Assets	4,052,043	10,411,154	10,513,950
Total long-term financial liabilities	-	-	-

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**Results of Operations for the three months ended July 31, 2015 and 2014**

During the three-month period, the Company incurred \$45,961 (2014- \$38,168) in operating expenses, earned \$285 (2014 - \$197) in interest and investment income. The Company recorded an unrealized gain on investments of \$19,661 (2014 – \$23,482) during the three-month period.

During the three-month period ended July 31, 2015, there was a total of \$11,075 (2014 - \$33,104) incurred for exploration expenditures and acquisition costs, which was offset by recoveries of \$5,048, on the Company’s Herbert Glacier property in Alaska. The majority of the costs for the Alaskan property were for warehouse rental and utilities.

**Results of Operations for the nine months ended July 31, 2015 and 2014**

During the nine-month period, the Company incurred \$205,620 (2014 - \$241,375) in operating expenses, earned \$686 (2014 - \$383) in interest and investment income. The Company recorded an unrealized gain on investments of \$6,183 (2014 – Loss of \$23,871) during the nine-month period.

During the nine-month period ended July 31, 2015, there was a total of \$26,612 (2014 - \$67,269) incurred for exploration expenditures and acquisition costs, which was offset by recoveries of \$5,048, on the Company’s Herbert Glacier property in Alaska. The majority of the costs for the Alaskan property were for warehouse rental and utilities.

The Company renewed its claims at the Herbert Gold project in August 2015 for the ensuing twelve-month period and all claims remain paid and in good standing. In November 2014, the Company filed its 2015 Application Notice of Operation with the National Forest Service.

During the fourth quarter of 2014, the Company decided to let certain mineral claims lapse on the Merry Widow property and focus its time and limited resources on the Herbert Gold project in Alaska. The Company continues to keep the Crown Grants in good standing and will hold on to these for the foreseeable future, as well as the key claims which hold past drilling success.

**Selected Quarterly Financial Information:**

	<b>3<sup>rd</sup> Quarter Ended July 31, 2015</b>	<b>2<sup>nd</sup> Quarter Ended April 30, 2015</b>	<b>1<sup>st</sup> Quarter Ended January 31, 2015</b>	<b>4<sup>th</sup> Quarter Ended October 31, 2014</b>
Revenue	Nil	Nil	Nil	Nil
Loss (gain) for period	\$45,676	\$75,991	\$83,267	\$6,550,910
Loss (gain) per share	\$0.00	\$0.00	\$0.00	\$0.01
	<b>3<sup>rd</sup> Quarter Ended July 31, 2014</b>	<b>2<sup>nd</sup> Quarter Ended April 30, 2014</b>	<b>1<sup>st</sup> Quarter Ended January 31, 2014</b>	<b>4<sup>th</sup> Quarter Ended October 31, 2013</b>
Revenue	Nil	Nil	Nil	Nil
Loss (gain) for period	\$38,168	\$75,261	\$127,945	\$453,289
Loss (gain) per share	\$0.00	\$0.00	\$0.00	\$0.00

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**LIQUIDITY AND CAPITAL RESOURCES**

At July 31, 2015, the Company had a net working capital deficit of \$166,255 compared to working capital of \$41,463 at October 31, 2014. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At July 31, 2015 the Company had cash and marketable securities of \$405 (October 31, 2014 - \$103,800) to settle its accounts payable of \$198,447 (October 31, 2014 - \$97,490). Most of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

As at July 31, 2015, the Company had available for sale 3,000 common shares Quaterra Resources Inc. (a public company) with a market value of \$255, (cost - \$2,070). The Company also holds 75,000 common shares of Four River Ventures Ltd. (formerly Auracle Resources Ltd.) having a market value of \$150 (cost - \$22,500).

**RECLAMATION BONDS**

The Company placed Guaranteed Interest Certificates ("GICs") in trust as reclamation deposits pursuant to a condition of receiving consent from a government agency to explore its resource property interests. At July 31, 2015, the Company has one GIC of \$15,000 with a nominal interest rate of 0.75%. The GIC matures July 5, 2016 and will be renewed indefinitely until the Company has ceased exploration on the related resource property and inspections reveal no environmental disturbance. As of July 31, 2015 this bond is related to the Merry/New Merry Widow property. The Company redeemed \$18,500 in reclamation bonds during the current period.

**OFF-BALANCE SHEET ARRANGEMENTS**

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

**COMMITMENTS**

The Company has renewed management agreements with certain members of senior management. In the event that there is a change of control, the Corporation is committed to pay severance payments equivalent to three months of salary.

**INVESTMENTS**

The Company holds marketable securities having a fair market value of \$405 as at July 31, 2015.

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**STATEMENT OF EXPLORATION AND EVALUATION ASSETS**

	<b>Herbert Glacier</b>
	\$
Balance, October 31, 2014	4,052,043
Acquisition costs:	
Shares	-
Cash	-
Property taxes	-
	-
Deferred exploration costs:	
Utilities	1,378
Warehouse rental	25,235
Cost recoveries	(5,048)
	21,565
Total additions	21,565
Balance, July 31, 2015	4,073,608

**RESOURCE PROPERTIES**

Herbert Glacier

Pursuant to an agreement dated June 16, 2010, as amended on June 12, 2012, (the "Option Agreement") with Quaterra Alaska, Inc. ("Quaterra"), the Company was granted and has exercised an option to acquire a 65% interest in a mining lease dated November 1, 2007 (the "Mining Lease") for the Herbert Glacier gold property, consisting of 84 mining claims, located 20 miles north of Juneau, Alaska. The Company was required to incur at least USD\$1,250,000 (incurred) under the Option Agreement in exploration expenditures on the property to acquire its 65% interest. In addition, the Mining Lease requires minimum annual advance royalty payments due November 1 of each year, with the amount of USD\$12,000 per year for Year 1-4, USD\$20,000 for Year 5-10, and USD\$30,000 per year thereafter, provided that before the tenth year of the lease such advance royalties will be adjusted for inflation.

On October 24, 2011, the Company entered into a joint operation with Quaterra (the "JVA") with their initial joint interests being Quaterra 35% and the Company 65%. Under the JVA, the Company's subsidiary is appointed as operator of the project. Pursuant to the JVA, Quaterra and the Alaska subsidiary were required to contribute a value of \$673,077 and \$1,250,000, respectively, as Initial Contributions. These initial values were contributed in full by both parties as at October 31, 2012. Each party is also required to contribute its proportionate share of costs for all future exploration and development work. As at January 31, 2015, included in receivables was \$Nil (2014 - \$Nil) balance due from Quaterra for its 35% share in additional exploration costs incurred on the Herbert Glacier property.

A party's interest in the project will be diluted in the event of non-payment of its share, in accordance with the terms of the JVA. By operation of the dilution formula in the JVA, if a non-contributing party's interest falls below 10%, then such non-contributing party's interest will be converted into a 1% net smelter returns royalty (the "NSR"). The contributing party has the option at any time to acquire the NSR for USD \$1.0 million.

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All advance royalties will be shared on a proportionate share basis with Quaterra, based on the share of the Company and Quaterra in the Mining Lease, and will be credited towards any net smelter returns (“NSR”) royalty paid upon the commencement of commercial production. The Mining Lease provides for a sliding scale royalty of up to a 5% NSR, when the price of gold exceeds USD \$601 per oz. As at July 31, 2015, all advance royalty payments had been made to date.

During the nine-month period ended July 31, 2015, Quaterra gave the Company a notification of its election not to participate in future programs on the property.

The Company renewed its claims at the Herbert Gold project in August 2014 and all claims remain paid and in good standing. In November 2014, the Company filed its 2015 Application Notice of Operation with the National Forest Service.

**DECOMMISSIONING LIABILITIES**

The Company is subject to various regulatory and statutory requirements relating to the protection of the environment. At July 31, 2015, the Company recorded a provision for site restoration costs or potential environmental liabilities in the amount of \$Nil (October 31, 2014 - \$12,000) with respect to the Merry Widow/New Merry Widow property. The obligation is recognized based on the future reclamation costs estimated by management.

The Company intends to settle its decommissioning liabilities by providing certain equipment in exchange for the amounts owed.

As the restoration costs are expected to be incurred within twelve months after the year-end date, the value of the decommissioning liability of \$Nil represents the present value of future cash outflows related to these expenses and as a result the amount was not discounted.

**RELATED PARTY TRANSACTIONS**

Included in accounts payable at July 31, 2015 is \$146,907 (2014 - \$Nil) owing for services to companies controlled by directors of the Company. These amounts are unsecured, non-interest bearing, and are due on demand.

During the nine-month period ended July 31, 2015, the Company incurred the following related party transactions:

- (a) \$7,877 (2014 - \$8,768) in legal fees to a law firm of which a shareholder is a director of the Company;
- b) The Company has identified its directors and senior officers as its key management personnel. No post-employment benefits, other long-terms benefits and termination benefits were made during the nine-month period ended July 31, 2015 and 2014. Short-term key management compensation consists of the following for the nine-month period ended July 31, 2015 and 2014:

	<b>2015</b>	<b>2014</b>
	\$	\$
Management fees	121,500	124,500
Legal fees	7,877	8,768
<b>Total</b>	<b>129,377</b>	<b>133,268</b>

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**SHARE CAPITAL**

Issued and Outstanding:	Balance outstanding as at September 28, 2015 is 69,502,392.
Stock Options outstanding:	Balance outstanding as at September 28, 2015 is 4,500,000.
Share Purchase Warrants -	There are no share purchase warrants outstanding at September 28, 2015.

**RISK FACTORS**

The following is a brief description of some of the risks that investors should be aware of. This discussion should not be considered complete and therefore, the Company, its Directors and officers would like to recommend shareholders, lenders, investors and readers of the Management Discussion and Analysis and other documents that the Company may disseminate to review their investments directly with their financial advisors.

- a) the Company has not yet commenced commercial operations and has no history of earnings;
- b) there can be no assurance that an active and liquid market for the Company's common shares will develop and an investor may find it difficult to resell its common shares.

**FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

(a) Financial Instruments

As at July 31, 2015, the Company's financial instruments consist of cash and cash equivalents, marketable securities, and accounts payable. The fair values of these financial instruments approximate their carrying values because of their short-term nature.

(b) Fair Value Measurements

The Company's financial instruments are categorized in a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 - applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3 - applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The fair value of cash and cash equivalents is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. As at July 31, 2015, the Company believes that the carrying values of reclamation bonds and accounts payable approximate their fair values because of their nature and relatively short maturity dates or durations.

**Financial Risk Factors**

*Credit Risk*

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's maximum credit risk is \$26,804, consisting of cash and cash equivalents, and marketable securities. The Company limits its exposure to credit loss for cash and cash equivalents, marketable securities and reclamation bonds by placing such instruments with high credit quality financial institutions. The values of these instruments may exceed amounts insured by an agency of the government of Canada. In management's opinion, the Company's credit risk related to cash and cash equivalents and reclamation bonds is minimal.

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Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient financial resources to meet liabilities when due. As at July 31, 2015, the Company had a working capital deficit of \$166,255. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. As at July 31, 2015 the Company does not have adequate working capital to discharge its existing financial obligations. The Company has no source of operating income and has no assurance that additional funding will be available to it for future exploration and development of its projects, although the Company has been successful in the past in financing its activities through the sale of equity securities. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration success.

Market Risk

The Company's financial instruments include marketable securities which are publicly traded and therefore subject to the risks related to the fluctuation in market prices of publicly traded securities. The Company closely monitors market values to determine the most appropriate course of action.

Interest Rate Risk

The Company is subject to interest rate risk as its cash equivalents bear interest at fixed rates. In management's opinion, the Company's interest rate risk is minimal as its cash equivalents may be redeemed upon demand without significant penalty.

Foreign Currency Risk

The Company's currency risk exposures arise from transactions denominated in foreign currencies. The Company's foreign exchange risk arises primarily with respect to the US dollar. The Company incurs mineral exploration expenditures denominated in the US dollar. Fluctuations in the exchange rates between the US dollar and the Canadian dollar could have a material effect on the Company's business, financial condition and results of operations. The Company does not engage in any hedging activity.

Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities may be subject to risks associated with fluctuations in the market price of commodities.

**SUBSEQUENT EVENT**

There are no subsequent events to report.

**DISCLAIMER**

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR ([www.SEDAR.com](http://www.SEDAR.com)). No securities commission or regulatory authority has reviewed the accuracy of the information presented herein. The Company maintains a system of internal controls to provide reasonable assurance that assets are safeguarded and financial information is accurate and reliable. The Board of Directors has responsibility for developing and implementing the Company's approach to governance issues. Committees of the Board presently consist of an Audit Committee.



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**CAUTIONARY STATEMENT RISKS AND UNCERTAINTIES**

This MD&A may contain “forward looking statement” that reflect the Company’s current expectations and projections about its future results. When used in this MD&A, words such as “estimate”, “intend”, “expect”, “anticipate”, and similar expressions are intended to identify forward-looking statements, which by their very nature, are not guarantees of the Company’s future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause the Company’s actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied, by these forward-looking statements. These risks, uncertainties and factors may include, but are not limited to: unavailability of financing, unfavorable feasibility studies, fluctuations in the market valuation for the minerals, difficulties in obtaining required approvals for the development of a mine and other factors.

Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company does not intend, and does not assume any obligation to update these forward looking statements.