



# NOBLE MINERAL EXPLORATION INC.

Management's Discussion and Analysis

For the Three Months Ended: November 30, 2016

Dated: January 30, 2017

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# NOBLE MINERAL EXPLORATION INC.

## MANAGEMENT DISCUSSION & ANALYSIS

November 30, 2016

*This Management's Discussion and Analysis ("MD&A") of Noble Mineral Exploration Inc. ("Noble" or "the Company") is dated January 30, 2017 and provides an analysis of the Company's performance and financial condition for the three months ended November 30, 2016, as well as an analysis of future prospects. The Board of Directors carries out its responsibility for review of this disclosure principally through its audit committee, comprised of a majority of independent directors. The audit committee reviews this disclosure and recommends its approval by the Board of Directors.*

*This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the three months ended November 30, 2016 and year ended August 31, 2016, including the related note disclosure. All amounts are in Canadian dollars unless otherwise specified. The financial statements and additional information, including the Company's Certifications of Annual and Interim Filings and press releases, are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com) or the Company's website at [www.noblemineralexploration.com](http://www.noblemineralexploration.com).*

*This MD&A may contain forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of the Company are set out below under "Risk Factors". Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.*

## OVERVIEW

### Principal Business and Corporate History

The principal business of Noble is mineral exploration and evaluation. The Company's name was changed from Hawk Precious Minerals Inc. to Hawk Uranium Inc. on March 28, 2007. On June 28, 2007, the Company's common shares (the "Common Shares") began trading on the TSX Venture Exchange as a Tier 2 Mining Issuer under the symbol "HUI". The Company's shares ceased trading on the CNQ on July 11, 2007. The Company's name was changed from Hawk Uranium Inc. to Ring of Fire Resources Inc. on July 28, 2010 and the Company's common shares traded on the TSX Venture Exchange as a Tier 2 Mining Issuer under the symbol "ROF". The Company's name was changed from Ring of Fire Resources Inc. to Noble Mineral Exploration Inc. on March 2, 2012 and the Company's common shares began trading on the TSX Venture Exchange as a Tier 2 Mining Issuer under the symbol "NOB" on March 7, 2012.

To date, the Company has not earned revenue from its mineral and evaluation assets.

### **Adoption of International Financial Reporting Standards ("IFRS")**

The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by International Financial Reporting Interpretations Committee ("IFRIC").

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments. In addition, these unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these unaudited condensed interim consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the unaudited condensed interim financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates.

The condensed interim consolidated financial statements were approved by the Board of Directors on January 30, 2017.

### **EXPLORATION AND EVALUATION ASSETS**

The Company's major exploration and evaluation assets are: (i) Project 81 and (ii) Holdsworth Property. Unless the Company acquires or develops additional material properties, the Company will be mainly dependent upon these properties. If no additional major mineral properties are acquired by the Company, any adverse development affecting these properties would have a material adverse effect on the Company's financial condition and results of its operations.

#### **Project 81**

The Company acquired from AbiBow Canada Inc. ("AbiBow") a 100% interest to 149,909 acres of a patented land package divided into 2 blocks (referred to as Block A and Block B) in 16 townships in the Timmins, Iroquois Falls and Smooth Rock Falls area of Northern Ontario. The patents include surface, mineral and timber rights, and host a significant timber resource plus a number of zones on which historical exploration identified nickel and gold mineralization (these sample results are historical and non 43-101 compliant) from work carried out in the 1960's and 1970's, some of which have been previously announced. The Company has also staked an additional 23,190 acres of mineral claims (*i.e.* mineral rights only) in the same general area.

Further, the Company acquired 5,280 acres of mineral claims from Metals Creek Resources Corp. in Lucas, Duff and Tully Townships that are contiguous to the Lucas Township gold target acquired from AbiBow and included in Project 81.

A Heliborne geophysical survey was initiated during Q1/12 over the six northernmost townships in Block A as well as the Lucas Township gold target. Results of the airborne survey were received and announced in Q2/12 and drilling commenced during Q2/12 on the Kingsmill Nickel target.

The Company completed a 12 hole, 4,922.2 meters diamond drill program on the Kingsmill Nickel Target and a series of preliminary metallurgical testing on the Kingsmill drill core in Q2/12 and Q3/12. The Company completed two (2) sets of Metallurgical Testing by Actlabs of Ancaster, Ontario on twenty (20) individual samples from the Kingsmill Nickel Target to determine the presence of magnetically recoverable Nickel mineral - Awaruite. The Company also completed a third (3<sup>rd</sup>) 250Kg Metallurgical Test sample by G&T Metallurgical Services of Kamloops, BC to further expand on the scope of magnetically recoverable Nickel Mineral - Awaruite. Additional metallurgical testing is proposed. The Company, during Q3/12, acquired

an additional 3 claim blocks totaling 12 claim units contiguous to the Kingsmill nickel target in Kingsmill and Aubin Townships from Pat Gryba.

The Company also completed a 6 hole 3,059 meters diamond drill program on the Lucas Gold Target in Q3/12. Results were included in subsequent News Releases. During Q1/12, the Company acquired an additional eleven (11) claim blocks totaling 132 claim units from Metal Creek Resources Inc., adjacent to the Lucas Gold target in Lucas, Duff and Tully townships. Further information is set out in Note 11(a) of the consolidated financial statements for the year ended August 31, 2015.

During Q3/14, the Company sold its timber and surface rights to Block A of Project 81. The Company retained the mineral rights to Block A of Project 81 and a 50% net royalty on carbon credit revenue from Block A of Project 81. The purchaser acquired a 5% net profits interest in any mineral retained by the Company. The Company has the right to repurchase up to one half of this net profits interest at a cost of \$800,000 per 1% interest. For further information, refer to the press release dated April 29, 2014 filed on Sedar.

During Q4/14, the Company recognized an impairment charge of \$2,950,000 primarily reflective of the general declines seen in commodity based resource markets.

During Q1/15, the Company sold all of Block B of the Company's Project 81 and the carbon royalty revenue from Block A described above. The Company has the right to repurchase Block B of the Company's Project 81 for a period of 12 months at a price of \$1,250,000 plus a 1% per month administrative fee, and the right to repurchase the Carbon Royalty for a period of 12 months at a price of \$243,258 plus a 1% per month administrative fee.

During fiscal 2015, the Company recognized an impairment charge of \$3,645,942 primarily reflective of the general declines seen in commodity based resource markets. The recoverable amount was determined based on fair value less cost of disposal which was calculated on the basis of the market capitalization of the Company. Similarly, as at and for the year ended August 31, 2016, the Company assessed the market value of this project and determined that no impairment charge was required.

### **Holdsworth Property**

During fiscal 2008, the Company acquired a 100% interest in the near surface Mineral Sand Zone (formerly referred to as Black Sand Zone) that it did not own on 19 contiguous patented mining claims in the District of Algoma, Sault Ste Marie Mining Division of Ontario covering approximately 760 acres. Of these claims, 16 are located in the extreme southern part of Corbiere Township, Ontario, and the other three extend into the northern part of Esquega Township, Ontario. The former holder of certain rights in these claims retains a 1% Gross Gold Royalty ("GGR") in the Mineral Sand Zone ("BSZ") (formerly referred to as Black Sand Zone) portion of the property, subject to NOB's right to repurchase up to one half of the GGR (equal to a 0.5% GGR) for \$500,000. In addition, 17 of the mining claims are subject to royalties payable to Algoma Central Corporation ranging from 2% to 5% of the market value of output. For further information refer to Note 7(b) of the consolidated financial statements for the year ended August 31, 2016.

The Company carried out a geophysical and sampling program during Q3/08 and diamond drilling on the property was conducted during Q4/08 and into Q1/09, the results of which were reported in news releases dated October 20, 2008 and January 13, 2009 and are being assessed by the Company. Metallurgical testing was conducted during Q2-3/09 on samples taken from the property and reported in a news release dated May 4, 2009. The Company previously announced that it will conduct an auger drill program on the site in order to quantify a gold/silver resource in the BSZ from which a scoping study will be prepared. In preparation for the auger drill program, the Company undertook a pitting program to better identify the BSZ. This program had limited success as the BSZ was found to be extensively block faulted

The Company did not proceed with the auger program due to the unavailability of equipment and as a result the program has been postponed to a future date. No work was carried out on the property during fiscal 2012, 2013 and 2014. The Company is currently seeking proposals from other parties to investigate the BSZ during fiscal 2015 on a joint venture or other basis.

During Q4/14, the Company recognized an impairment charge of \$580,000 primarily reflective of the general declines seen in commodity based resource markets.

During fiscal 2015, the Company recognized an impairment charge of \$636,066 primarily reflective of the general declines seen in commodity based resource markets. The recoverable amount was determined based on fair value less cost of disposal which was calculated on the basis of the market capitalization of the Company.

Deferred acquisition and exploration expenditures were as follows:

	<b>Balance at November 30, 2016</b>	<b>Balance at August 31, 2016</b>
	\$	\$
<b>Project 81</b>	1,175,730	1,111,029
<b>Holdsworth</b>	121,686	121,661
<b>Total</b>	<b>1,297,416</b>	<b>1,232,690</b>

Noble owns interests or has the right to earn an interest in the properties summarized in the table below:

<b>Exploration and Evaluation Assets</b>	<b>Location</b>	<b>NOB's Interest</b>	<b>Property Size Approx. acres</b>
Project 81	North Timmins Area	100%	171,810
Holdsworth Property	Wawa, Ontario	100%	760

All field work is carried out under the supervision of Mr. Randy Singh, BSc., PGeo (ON), PEng (ON) the Company's Vice President of Exploration and Project Development and a Qualified Person under National Instrument 43-101. Exploration on all of the Company's projects is reviewed by Mr. Michael Newbury PEng (ON), a director of the Company and a Qualified Person as defined under National Instrument 43-101. Mr. Newbury has read and approved the technical and scientific information contained in this MD&A. Disclosure on mineralization on adjacent properties has not been verified by Mr. Newbury and is not necessarily indicative of the Company's anticipated results. Where provided, potential quantity and grade is conceptual in nature as the Company has not conducted sufficient exploration to define resources and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

On December 8, 2016, the Company entered into an Option and Joint Venture ("JV") agreement ("the Option Agreement") with MacDonald Mines Exploration Limited ("MacDonald"), dated December 7, 2016 ("the Effective Date"), to advance exploration on this project.

Subject to the terms and conditions of the Option Agreement, MacDonald Mines will have the right to earn up to an undivided 75% interest in the Project, comprising of a first option to earn a 51% base interest and a second option to earn an additional 24% interest.

To earn an initial 51% undivided interest ("the Base Interest") in the Wawa-Holdsworth Gold and Silver Project, MacDonald Mines will:

- Issue 2,500,000 of its Class A Common Shares; and

- Issue 2,500,000 of its Warrants to Noble; and
- Incur a minimum of \$1,200,000 in expenditures in the 18-month period following the Effective Date.

Should Noble elect not to participate at a 49%/51% interest level after completion of the initial earning (as per the items above), Macdonald will have the right to earn an additional 24% undivided interest in the Project, upon which Macdonald Mines and Noble would respectively hold a 75% and 25% interest in the Project. To earn the additional 24% undivided interest, MacDonald Mines will:

- Incur a further \$1,000,000 of expenditures on or before the second anniversary of the date the First Option is exercised and the Base Interest is earned; and;
- Make a payment of \$100,000 to Noble.

Pursuant to the terms of the Option Agreement, MacDonald Mines will be the operator of the Project.

#### SELECTED QUARTERLY INFORMATION

The following tables show selected financial information related to the Company for the periods indicated. The information contained in these tables should be read in conjunction with the Company's financial statements. An analysis of the information contained in these tables is set out below under "Results of Operations" and "Liquidity and Capital Resources".

#### Selected Quarterly Information

Quarter Ended	Revenue \$	Gain (loss) on disposal Investments \$	Net Income (Loss)		Cash & Short Term Investment \$	Total Assets \$	Working Capital (Deficiency) \$
			Total \$	Per Share <sup>(1)</sup> \$			
Nov. 30, 2016	-	-	(82,184)	(0.00)	5,946	1,368,167	(2,540,093)
Aug. 31, 2016	-	-	168,774	0.00	7,890	1,251,745	(2,764,291)
May 31, 2016	-	-	(176,272)	(0.00)	57,906	927,111	(2,472,211)
Feb. 28, 2016	-	-	(437,015)	(0.00)	73,285	913,954	(2,343,688)
Nov. 30, 2015	-	-	(113,545)	(0.00)	694	812,366	(2,153,187)
Aug. 31, 2015	-	-	(1,822,711)	(0.01)	626	817,196	(1,899,678)
May 31, 2015	-	-	(120,739)	(0.00)	4,668	1,621,454	(862,203)
Feb. 28, 2015	-	-	(2,591,656)	(0.02)	1,510	1,636,969	(747,019)

(1) Basic and fully diluted

Quarterly expenses fluctuate because of impairment of exploration and evaluation assets (November 30, 2016 - \$nil; August 2016 - \$nil; May 2016 - impairment of \$nil; February 2016 - impairment of \$261,712; November 2015 - impairment of \$39,320; August 2015 - impairment of \$1,737,105; May 2015 - impairment of \$32,727; February 2015 - impairment of \$2,512,176; August 2014 - impairment of \$3,530,000), interest expense and finance charges (August 2016 - \$6,483; May 2016 - \$6,683; February 2016 - \$6,503; November 30, 2015 - \$6,748; August 2015 - \$6,170; May 2015 - \$6,170; February 2015 - \$6,035; November 2014 - \$219,361), gain on settlement of debt of \$nil (August 2014 - \$165,390).

## RESULTS OF OPERATIONS

The Company has no revenue from its exploration and evaluation assets. As a result of its activities, the Company continues to incur net losses.

In Q1/16, the Company's net loss was \$113,545 compared to a net income of \$809,616 in the three month period ended November 30, 2014.

In Q2/16, the Company's net loss was \$437,015 compared to a net loss of \$2,591,656 in the three months ended February 28, 2015.

In Q3/16, the Company's net loss was \$176,272 compared to a net loss of \$120,739 in the three months ended May 31, 2015.

In Q4/16, the Company's net income was \$168,774 compared to a net loss of \$1,822,711 in the three months ended August 31, 2015. Q4/16 saw an adjustment to the carrying value of the Company's exploration and evaluation assets, resulting in a reduction of impairment expense by \$301,032.

In Q1/17, the Company's net loss was \$82,184 compared to a net loss of \$113,545 in the three months ended November 30, 2015. Q1/17 saw no impairment charge recorded on the Company's exploration and evaluation assets, while the comparative three months ended November 30, 2015 reported an impairment charge of \$113,502.

The main components of this loss were:

	Quarter Ended November 30, 2016	Quarter Ended November 30, 2015
Accounting & corporate services	10,018	9,841
Directors' fees	7,250	7,250
Office and general	9,364	7,630
Management fees	19,504	24,000
Professional fees	11,500	7,706
Rent	5,649	763
Shareholder relations	12,874	10,287
Interest expense	5,946	4,789
Finance charges	79	1,959
Share based compensation	-	-
Impairment of exploration and evaluation assets	-	39,320

Directors' fees were consistent with the comparable three months ended November 30, 2015

Professional fees were consistent with the comparative period.

Interest expense increased marginally, with debt increasing towards the end of the quarter ended November 30, 2015, yielding a marginal rise in debt service charges.

Finance charges declined over the comparative period, reflective of debt repayment undertaken in the quarter ended November 30, 2016.

The three months ended November 30, 2015 reported an impairment charge of \$39,320. There was no impairment charged taken against the Company's exploration and evaluation assets during the current quarter.

#### Commitments

Contractual Obligations	Total	1 year	2-3 years	4-5 years
Convertible debenture	\$ 365,000	\$ -	\$ 365,000	\$ -
Notes payable	36,000	36,000	-	-
Debentures payable	16,000	16,000	-	-
<b>Total</b>	<b>\$ 417,000</b>	<b>\$ 52,000</b>	<b>\$ 365,000</b>	<b>\$ -</b>

#### Provision for mining land taxes

Ontario's Ministry of Northern Development and Mines (the "MNNDM") has declined the Company's request for a waiver of mining land taxes on the patented land rights currently comprising the bulk of the Company's Project 81. The Company replied to the MNNDM's earlier rejection of Noble's waiver request with further submissions seeking mitigation of the mining land taxes assessed. The MNNDM has now confirmed that these further submissions were rejected,

and that the outstanding balance of mining land taxes owing on these properties for 2012, through 2016 approximates \$1,118,790. Interest on these outstanding amounts began accruing in the quarter ended August 31, 2016, having begun to accrue 60 days after the MNDM's invoice for 2016 mining land taxes was issued). Accrued interest of \$52,794 (August 31, 2016 - \$29,794) is included in accounts payable and accrued liabilities. The Company is considering steps and measures that would result in a reduction or elimination of mining land taxes on the patented mineral rights included in Project 81. These steps may include the Company surrendering its interest in certain areas that are currently included in Project 81, in which case the Company understands that the land taxes, interest and penalties would no longer be payable by the Company.

### **Marketable Securities**

As at November 30, 2016, the Company owned several nominal positions in Canadian junior resource companies. These investments are classified as available-for-sale and are carried at fair value, any unrealized gains or losses are recognized as other comprehensive income until the investment is disposed of at which time any cumulative unrealized gain or loss previously recognized in other comprehensive loss is transferred and recognized as net income for the period.

### **Exploration and Evaluation Assets**

As a result of its exploration activities, the Company had deferred \$1,297,416 (August 31, 2016 - \$1,232,690) of exploration expenditures on its exploration and evaluation assets. The deferred expenses were mostly related to acquisition costs, to airborne radiometric mapping and survey, to sampling, drilling, trenching and to efforts to identify anomalies and mineralization zones.

### **Loan Payable**

On October 22, 2012, the Company closed a loan from a syndicate of private lenders and provided financing of \$1,500,000. The Loan matures on October 22, 2016 and was secured by a mortgage on the property comprising the Company's Project 81, as well as by a charge on all other assets of the Company. Interest accrues on the Loan at 12% per annum, with interest to be paid quarterly. As consideration to the parties who advanced the loan, the Company has issued a total of 1,200,000 common shares and ascribed a fair value of \$300,000, which has been recorded as equity and netted against the loan payable. The balance in the loan payable will be accreted to its face value at maturity. No commission was paid on this transaction.

Of the \$1,500,000 raised, \$100,000 was raised from a syndicate of lenders including the Company's Chief Executive Officer ("CEO").

The Company repaid all principal and interest owing under of this loan through the transfer of certain assets of the Company.

### **Notes Payable**

On December 21, 2012, the Company closed a loan of \$521,000 (the "Note") from a syndicate of private lenders, (including related parties), (the "December Lenders"). The Note matures on December 21, 2016 and was secured by a mortgage on the property comprising the Company's Project 81, as well as by a charge on all other assets of the Company. Pursuant to an intercreditor agreement, the December Lenders' security interest ranked equally with that of the lenders from the refinancing that closed on October 22, 2012. Interest accrues on the Note at 12% per annum, with interest to be paid quarterly. As consideration to the parties advancing the Note, the Company issued a total of 416,800 common shares (issued at a price of \$0.05 per share, with an ascribed aggregate value of \$104,200). The TSX Venture Exchange accepted the terms of the transaction on December 27, 2012. No commission was paid on this transaction. During the month of April 2014, the Company repaid \$450,000 of this Note.

The Company repaid \$300,000 of the principal amount of the Note in prior financial years.

For the three months ended November 30, 2016, \$6,039 (three months ended November 30, 2015 - \$6,039) in interest was incurred on this Note. Of the interest incurred, as at November 30, 2016, \$59,225 (August 31, 2016 - \$53,446) remained unpaid and is included in accounts payable and accrued liabilities. The fair value of the principal amount of the note payable is \$36,000. The Company repaid \$185,000 in principal to the Note lenders in November 2016, and principal of \$36,000 repayable on these notes.

As of November 30, 2016, the Company had defaulted on certain interest payments required under the terms of this loan payable. The Company has not been advised of any action having been undertaken by the lender.

### **Debentures Payable**

On July 15, 2015, the Company closed a \$15,000 unsecured debenture from Kreative Ventures Limited. The debenture bears interest at 12%, payable quarterly and was repaid in November 2016. No commission was paid on this transaction. For the three months ended November 30, 2016, \$2,412 (three months ended November 30, 2015 - \$454) of interest was incurred on this debenture. Of the interest incurred, as at November 30, 2016, \$2,543 (August 31, 2016 - \$506) remained unpaid and is included in accounts payable and accrued liabilities.

On July 15, 2015, the Company closed a \$5,000 unsecured debenture from Vance White, the Company's CEO. The debenture bears interest at 12%, payable quarterly and was fully repaid subsequent to November 30, 2016. No commission was paid on this transaction. For the three months ended November 30, 2016, \$149 (three months ended November 30, 2015 - \$151) of interest was incurred on this debenture. Of the interest incurred, as at November 30, 2016, \$1,068 remained unpaid and is included in accounts payable and accrued liabilities. The fair value of the loan payable is \$5,000 as at November 30, 2016.

On November 9, 2015, the Company closed a \$5,000 unsecured debenture from Vance White, the Company's CEO. The debenture bears interest at 12%, payable quarterly and was fully repaid subsequent to November 30, 2016. No commission was paid on this transaction. For the three months ended November 30, 2016, \$149 (three months ended November 30, 2015 - \$36) of interest was incurred on this debenture. Of the interest incurred, as at November 30, 2016 \$599 remained unpaid and is included in accounts payable and accrued liabilities. The fair value of the principal amount of the loan payable is \$5,000 as at November 30, 2016.

On December 3, 2015, the Company closed a \$3,000 unsecured debenture from Vance White, the Company's CEO. The debenture bears interest at 12%, payable quarterly and was fully repaid subsequent to November 30, 2016. No commission was paid on this transaction. For the three months ended November 30, 2016, \$89 (three months November 30, 2015 - \$nil) of interest was incurred on this debenture. Of the interest incurred, as at November 30, 2016, \$357 remained unpaid and is included in accounts payable and accrued liabilities. The fair value of the principal amount loan payable is \$3,000 as at November 30, 2016.

The above debentures have not been repaid. The Company has not been advised of any action having been undertaken by the lender.

On December 18, 2015, the Company closed a \$3,000 unsecured debenture from Vance White, the Company's CEO. The debenture bears interest at 12%, payable quarterly and was fully repaid subsequent to November 30, 2016. No commission was paid on this transaction. For the three months ended November 30, 2016, \$89 (three months ended November 30, 2015 - \$nil) of interest was incurred on this debenture. Of the interest incurred, as at November 30, 2016 \$342 remained unpaid and is included in accounts payable and accrued liabilities. The fair value of the principal amount of the loan payable is \$3,000 as at November 30, 2016.

## Convertible Debentures

In November 15 and 25, 2016, the Company closed two tranches of a convertible debenture, raising a total of \$365,000 (the "2016 Debentures"). In connection with this transaction, the Company paid an agent for the transaction a cash commission of \$11,250 and issued compensation warrants exercisable for 166,666 units exercisable at \$0.05 per unit (with each unit being comprised of one share and one five year warrant exercisable at \$0.075 per share).

The 2016 Debentures have a two year term, bear interest at 10% per annum and are convertible into post-consolidated units at \$0.075 of principal amount per post-consolidated unit, for conversions within one year from issuance, and at \$0.10 of principal amount per unit for conversions completed thereafter until maturity. Each post-consolidated unit will consist of one post-consolidated common share and one common share purchase warrant.

Each warrant will be exercisable for one post-consolidated common share at \$0.075 for a five year period. If Noble's share consolidation is not approved by shareholders, the 2016 Debentures will continue to bear interest at 10% per annum and be convertible into units at \$0.05 of principal amount per unconsolidated unit in the first year and at \$0.10 principal amount per unit thereafter until maturity at the option of the debenture holder. Each unconsolidated unit consists of one common share and one common share purchase warrant, each such warrant being exercisable for one common share at \$0.05 for a five year period.

As the debentures are considered to be a compound financial instrument, the liability component and the equity components (the conversion right) were presented separately using the residual method. The liability component of \$293,818 was determined by discounting the future stream of interest and principal repayments at the prevailing market rate of 20% for a comparable liability that does not have an associated equity component. The balance of \$58,299 was allocated to the conversion option and is included in shareholders' equity in the Company's consolidated statement of financial position.

The debenture was being accreted to its face value at maturity over the term of the debt, plus accrued and unpaid interest by way of a charge to interest expense. The actual interest recorded for the three months ended November 30, 2016 was \$500. The accretion attributed to the convertible debenture for the three months ended November 30, 2016 was \$79, for a total interest and accretion expense attributable to the convertible debenture, recognized during the three months ended November 30, 2016 of \$579.

## Capital Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, contributed surplus, share-based and expired warrants reserve, warrants, other comprehensive loss, and deficit, which at November 30, 2016 totaled a shareholders' deficiency of \$1,537,074 (August 31 2016 - \$1,513,601).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the three months ended November 30, 2016. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of November 30, 2016, the Company is not compliant with Policy 2.5. The impact of this violation is not known and is ultimately dependant upon the discretion of the TSX-V.

#### **LIQUIDITY AND CAPITAL RESOURCES**

The Company had a working capital deficiency of \$2,540,093 as at November 30, 2016 (August 31, 2016 - \$2,746,291). The decline of \$206,198 in working capital deficiency during the three months ended November 30, 2016 is primarily due to repayments made on the loans, notes and debentures and to funding administrative expenses.

At closings on November 17, 2016 and November 25, 2016, the Company raised a total of \$365,000 in a private placement of convertible debentures (the "2016 Debentures"). In connection with this transaction, the Company paid an agent for the transaction a cash commission of \$11,250 and issued compensation warrants exercisable for 33,333 units exercisable at \$0.05 per unit (with each unit being comprised of one share and one five year warrant exercisable at \$0.075 per share).

The 2016 Debentures have a two year term, bear interest at 10% per annum and are convertible into post-consolidated units (based on a proposed 1 for 5 consolidation of Noble's shares) at \$0.075 of principal amount per post-consolidated unit, for conversions within one year from issuance, and at \$0.10 of principal amount per unit for conversions completed thereafter until maturity. Each post-consolidated unit will consist of one post-consolidated common share and one common share purchase warrant.

Each warrant will be exercisable for one post-consolidated common share at \$0.075 for a five year period. If Noble's share consolidation is not approved by shareholders, the 2016 Debentures will continue to bear interest at 10% per annum and be convertible into units at \$0.05 of principal amount per unconsolidated unit in the first year and at \$0.10 principal amount per unit thereafter until maturity at the option of the debenture holder. Each unconsolidated unit consists of one common share and one common share purchase warrant, each such warrant being exercisable for one common share at \$0.05 for a five year period.

The Company has no revenue from its exploration and evaluation assets. The Company is actively seeking additional sources of liquidity. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company's ability to continue operations and fund its exploration and evaluation assets expenditures is dependent on management's ability to secure additional financing, or establishing a joint venture or disposition of assets to carry out its exploration programmes. Management is actively pursuing such additional sources of financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at

amounts different from those in the consolidated financial statements. These adjustments could be material. For additional comments on the Company's liquidity and capital resources, refer to Note 1 of the Consolidated Financial Statements for the year ended August 31, 2016, to Note 1 of the Audited Financial Statements for the year ended August 31, 2016, the "Capital Management" section above and to the "Subsequent Events" and "Risk Factors" sections below.

As of the date of this document, the Company's share position consisted of:

Shares outstanding	35,949,730
Options outstanding <sup>(i)</sup>	2,600,000
Warrants outstanding <sup>(ii)</sup>	393,333

(i) Options outstanding:

Expiry Date	No. of Options	Exercise Price \$
Jan. 30, 2017	20,000	0.50
Jan. 18, 2019	1,470,000	0.25
January 22, 2019	1,110,000	0.25

(ii) Warrants outstanding:

Expiry Date	No. of Warrants	Exercise Price \$
Feb 19, 2021	10,000	0.25
Jan. 13, 2021	350,000	0.25
Nov. 25, 2021	33,333	0.25

#### Events Occurring After Reporting Date

- i) On December 8, 2016, the Company announced it had entered into an Option and Joint Venture ("JV") agreement ("the Option Agreement") with MacDonald Mines Exploration Limited ("MacDonald"), dated December 7, 2016 ("the Effective Date"), to advance exploration on Noble's Wawa-Holdsworth Gold and Silver Project ("the Project").

Subject to the terms and conditions of the Option Agreement, MacDonald Mines will have the right to earn up to an undivided 75% interest in the Project, comprising of a first option to earn a 51% base interest and a second option to earn an additional 24% interest.

To earn an initial 51% undivided interest ("the Base Interest") in the Wawa-Holdsworth Gold and Silver Project, MacDonald Mines will:

- 1) Issue 2,500,000 of its Class A Common Shares; and

- 2) Issue 2,500,000 of its Warrants to Noble; and
- 3) Incur a minimum of \$1,200,000 in expenditures in the 18-month period following the Effective Date.

Should Noble elect not to participate at a 49%/51% interest level after completion of the initial earning (as per the items above), Macdonald will have the right to earn an additional 24% undivided interest in the Project, upon which Macdonald Mines and Noble would respectively hold a 75% and 25% interest in the Project. To earn the additional 24% undivided interest, MacDonald Mines will:

- 1) Incur a further \$1,000,000 of expenditures on or before the second anniversary of the date the First Option is exercised and the Base Interest is earned; and;
- 2) Make a payment of \$100,000 to Noble.

Pursuant to the terms of the Option Agreement, MacDonald Mines will be the operator of the Project.

- ii) On December 8, 2016, the Shareholders of the Company approved an amendment to the Company's organizational articles to consolidate the issued and outstanding shares in the capital of the Company on the basis of one (1) new Common Share for every five (5) Common Shares presently issued and outstanding. If the Share Consolidation is completed, those Common Shares will be consolidated into approximately 35,949,730 issued and outstanding post-consolidation Common Shares. This is subject to satisfying the requirements under TSX Venture Exchange policies. At December 8, 2016, the Shareholders of the Company also approved a reduction of the stated capital relating to the common shares of the Company, which could be implemented on one or more occasions, but with each reduction of stated capital to be in an amount to be determined by the board of directors at that time, provided that the aggregate maximum of all stated capital reductions shall not exceed \$10.2 million. On January 18, 2017, the 1 for 5 consolidation was completed.

## **COURSE OF BUSINESS TRANSACTIONS**

### **Related Party Transactions**

The following amounts were paid or accrued as payable to officers and directors or to companies controlled by those officers and directors. These expenditures were recorded at the amounts negotiated and agreed to by the parties and are summarized below:

	Three Months Ended November 30, 2016	Three Months Ended November 30, 2015
Chairman, President & CEO	\$ 15,000	\$ 15,000
Vice President Exploration & Project Development	34,286	34,286
Chief Financial Officer	4,500	36,000
Directors' fees	7,250	7,250
Corporate Secretary <sup>(1)</sup>	10,000	2,500

- (1) A partner of the legal firm Ormston List Frawley LLP is an officer of the Company. Fees for legal services provided by the firm were included in share capital costs and professional fees.

During the three months ended November 30, 2016, the Company incurred an aggregate of \$53,786, (three months ended November 30, 2015 - \$58,286) in management fees to four officers for administering the Company's affairs. Of these amounts, \$34,286 (three months ended November 30, 2015 - \$34,286), were capitalized to exploration and evaluation assets and \$19,500 (three months ended November 30, 2015 - \$24,000) was included in management fees. As at November 30, 2016, \$672,099 (August 31, 2016 - \$590,530) pertaining to fees and ancillary expense reimbursements were included in accounts payable and accrued liabilities. Officers of the Company were reimbursed for out of pocket expenses that occurred in the normal course of operations.

During the three months ended November 30, 2016, the Company accrued or paid professional fees of \$10,000, (three months ended November 30, 2015 - \$2,500) for legal advice and related services to a legal firm, Ormston List Frawley LLP, from which an officer of the Company is a partner. As at November 30, 2016, \$222,966 (August 31, 2016 - \$212,966) pertaining to legal fees were included in accounts payable and accrued liabilities. The amounts payable or paid to Ormston List Frawley LLP are not included in the amounts referred to in the preceding paragraph.

Of the \$1,500,000 financing completed on October 22, 2012, \$100,000 was raised from a syndicate of lenders including \$41,666 from the Company's CEO. For the three months ended November 30, 2016, interest of \$7,526, (August 31, 2016 - \$5,000) was accrued on the related party amount advanced and is included in accounts payable and accrued liabilities. The \$100,000 was repaid in November 2016.

On December 21, 2012, the Company closed a \$521,000 loan from a syndicate of private lenders, including \$45,000 from the Company's CEO and \$12,000 from a corporation of which the Company's secretary is an officer, director and owner. During the three months ended November 30, 2016, interest of \$3,203 (August 31, 2016 - \$2,840) was accrued on the amounts advanced and is included in accounts payable and accrued liabilities. In November 2016, the principal of \$45,000 owed to the CEO was repaid.

On July 15, 2015, the Company closed a \$5,000 unsecured debenture from Vance White, the Company's CEO. The debenture bears interest at 12%, payable quarterly and was fully repaid subsequent to the end of the financial quarter. No commission was paid on this transaction. For the three months ended November 30, 2016, \$149 (three months ended November 30, 2015 - \$151) of interest was incurred on this debenture. Of the interest incurred, as at November 30, 2016,

\$1,068 remained unpaid and is included in accounts payable and accrued liabilities. The fair value of the principal amount of the loan payable is \$5,000 as at November 30, 2016.

On November 9, 2015, the Company closed a \$5,000 unsecured debenture from Vance White, the Company's CEO. The debenture bears interest at 12%, payable quarterly and is fully repayable upon completion of sufficient financing by the Company or one year, whichever is earlier. No commission was paid on this transaction. For the three months ended November 30, 2016, \$149 (three months ended November 30, 2015 - \$36) of interest was incurred on this debenture. Of the interest incurred, as at November 30, 2016 \$599 remained unpaid and is included in accounts payable and accrued liabilities. The fair value of the principal amount of the loan payable is \$5,000 as at November 30, 2016.

On December 3, 2015, the Company closed a \$3,000 unsecured debenture from Vance White, the Company's CEO. The debenture bears interest at 12%, payable quarterly and is fully repayable upon completion of sufficient financing by the Company or one year, whichever is earlier. No commission was paid on this transaction. For the three months ended November 30, 2016, \$89 (three months November 30, 2015 - \$nil) of interest was incurred on this debenture. Of the interest incurred, as at November 30, 2016, \$357 remained unpaid and is included in accounts payable and accrued liabilities. The fair value of the principal amount of the loan payable is \$3,000 as at November 30, 2016.

On December 18, 2015, the Company closed a \$3,000 unsecured debenture from Vance White, the Company's CEO. The debenture bears interest at 12%, payable quarterly and is fully repayable upon completion of sufficient financing by the Company or one year, whichever is earlier. No commission was paid on this transaction. For the three months ended November 30, 2016, \$89 (three months ended November 30, 2015 - \$nil) of interest was incurred on this debenture. Of the interest incurred, as at November 30, 2016 \$342 remained unpaid and is included in accounts payable and accrued liabilities. The fair value of the principal amount of the loan payable is \$3,000 as at November 30, 2016.

During the three months ended November 30, 2016, the Company accrued or paid directors fees of \$7,250 (three months ended November 30, 2015 - \$7,250). As at November 30, 2016, included in accounts payable and accrued liabilities is \$107,166 (August 31, 2016 - \$99,916) with respect to these fees.

The Company's outstanding common shares trade on the TSX Venture Exchange under the symbol NOB and to the knowledge of directors and officers of the Company, the Company's outstanding common shares are widely held.

The above noted transactions are in the normal course of business and are measured at fair value, except as noted, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

#### **Off-Balance Sheet Transactions**

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

#### **Proposed Transactions**

As is typical of the minerals, oil and gas exploration and development industry, the Company continues to review property and competitor company information in search of future opportunities in terms of new property acquisitions and business partnerships.

#### **ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES**

##### **Statement of Compliance**

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by International Financial Reporting Interpretations Committee ("IFRIC").

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments. In addition, these unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these unaudited condensed interim consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the unaudited condensed interim financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates.

The condensed interim consolidated financial statements were approved by the Board of Directors on January 30, 2017.

#### **Future Accounting Changes**

The following standards have not yet been adopted and are being evaluated to determine their impact on the Company.

- ✓ IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB and will replace IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires an expected loss impairment method to be used, replacing the incurred loss impairment methods in IAS 39. IFRS 9 will be effective as at January 1, 2018.
- ✓ IAS 38, Intangible Assets and IAS 16, Property, Plant and Equipment were amended in May 2014 to introduce a rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate. The amendment is effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

Various other accounting pronouncements such as IFRS 14 and IFRS 15 and the various annual improvements that have no material impact to the Company are not included above. The Company has not early adopted these standards.

#### **RISK FACTORS**

Noble Mineral's business of exploring mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. In addition to considering the information disclosed in the financial statements and in the other publicly filed documentation regarding the Company available at [www.sedar.com](http://www.sedar.com), the reader should carefully consider the following information. Any of these risk elements could have material adverse effects on the business of the Company. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future, and the Company's common shares should be considered speculative.

## **Mineral Resources**

As of the date of this Management Discussion & Analysis, no mineral resources as defined by National Instrument 43-101 had been established at the Company's projects. There is no certainty that further exploration and development will result in the definition of mineral resources, or mineral reserves at the Company's projects.

## **Permitting Requirements**

The Company and/or its partners are, from time to time, required to obtain certain permits, licenses or consents in order to operate its business. There is no guarantee as to whether or when such permits, licenses or consents will be granted or renewed as applicable.

## **Commodity Price Volatility**

The price of various resource commodities that the Company intends to exploit and subsequently market can fluctuate drastically, and is beyond the Company's control.

## **Title to Mineral Properties**

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed or impugned. Although the Company has investigated its title to the mineral properties for which it holds concessions or mineral leases or licenses, there can be no assurance that the Company has valid title to such mineral properties or that its title thereto will not be challenged or impugned. The Company does not carry title insurance with respect to its mineral properties. A successful claim that the Company does not have title to a mineral property could cause the Company to lose its rights to mine that property, perhaps without compensation for its prior expenditures relating to the property.

## **Mineral Exploration and Exploitation**

Mineral exploration and exploitation involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of some properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining, or to upgrade existing infrastructure. There can be no assurance that the funds required to exploit any mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The economics of exploiting mineral reserves and resources discovered by the Company are affected by many factors, many outside the control of the Company, including the cost of operations, variations in the grade of ore mined and metals recovered, price fluctuations in the metal markets, costs of processing equipment, and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. There can be no assurance that the Company's mineral exploration and exploitation activities will be successful.

## Uninsurable Risks

Mineral exploration and exploitation activities involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could negatively affect the Company's profitability and financial position and the value of the common shares of the Company. The Company does not maintain insurance against environmental risks.

## OUTLOOK

### Technology Based Opportunities

On April 28, 2016, the Company announced the appointment of Dr. Samuel Peralta to its Board of Directors and as a special strategic advisor to the Board.

Dr. Peralta's mandate will be to evaluate specific technology-based alternatives to the Company's current business, recommend a related strategy, and pursue to completion any related initiatives as directed by the Board.

Dr. Peralta has nearly 35 years of business experience in the semiconductor, software and energy sectors. As a senior executive, Dr. Peralta has had direct responsibility for profit and loss, marketing, sales, and corporate and strategic development. He has had a successful track record in overseeing spin-off companies, acquisitions, and start-ups.

Currently he is Director, Business & Corporate Development at Kinectrics, overseeing high-tech programs in the international nuclear industry. Previously, he was CEO of Qvadis, a smartphone software provider; was CTO for OH Solar, a photovoltaic firm based on an acquisition from Texas Instruments; and served in key positions at Ontario Hydro and the Ontario Laser and Lightwave Research Centre.

Dr. Peralta has extensive experience in turnaround and pivot situations, most recently helping orchestrate POET Technologies Inc.'s successful pivot from a photovoltaic company to a fabless semiconductor company, whose monolithic III-V semiconductor platform is now disrupting the opto-electronic space.

In June 2016, the Company announced that, following a preliminary survey and initial approaches to a number of privately-held firms in the Internet of Things space, Noble has advanced to in-depth discussions with several firms, including the signing of Non-Disclosure Agreements (NDAs) where warranted, and an analysis of current business plans and their compatibility with potential initiatives in optical wireless communications (OWC) type applications in the Internet of Things (IOT).

IOT refers to the use of embedded sensors, transceivers, and other devices to network objects; the status of such objects may be used to optimize products, services, and operations in commercial applications. OWC is one of several high-speed short-range communications options being evaluated, and includes visible light communication and free space optics.

### Project 81

The Company will continue its efforts on Project 81. Given significant advancements in exploration technology during the past 50 years, there is potential to identify additional resources.

During fiscal 2015, the Company received a geological interpretation and has recently prioritized drill ready targets on its Project 81. With improving commodity and junior resource markets, the

Company will continue to seek joint venture partners to earn into various selected targets that have been identified from this interpretation and from the geophysical airborne survey flown in 2011 and 2012.

Wawa- Holdsworth

The company continues to closely monitor the increased gold exploration activity in the Wawa area of Northern Ontario where it has maintained its Holdsworth gold property. The property is located approximately between the Richmond producing Island Gold mine and the Red Pine-Augustine Wawa Gold project. Please refer to the description of this project previously included in this report for a description of the Option Agreement entered into for this project.