

*This document provides management’s discussion and analysis (MD&A) for our financial condition as at October 31, 2014, and results of operations for the year ended Oct. 31, 2015. This MD&A should be read in conjunction with the Company’s consolidated financial statements and notes for the year ended October 31, 2015. **This MD&A has been prepared as of February 29, 2016 and is current to that date unless otherwise stated.***

Certain statements in this report may constitute forward-looking statements that are subject to risks and uncertainties. A number of important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. Consequently, readers should not place any undue reliance on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they were made.

In particular, forward looking comments regarding both the Company’s plans and operations included in the “Company Overview” with respect to management’s planned exploration and other activities, and in “Liquidity”, and “Commitments” regarding management’s estimated ability to fund its projected costs of exploration work and general corporate costs of operations, and its ability to raise additional funding through placement of the Company’s common shares, are plans and estimates of management only and actual results and outcomes could be materially different.

Additional information regarding the Company, including copies of the Company’s continuous disclosure materials is available on the Company’s website at www.silverspruceresources.com or through the SEDAR website at www.sedar.com.

Company Overview

Silver Spruce Resources Inc. (the “Company”) is a junior exploration company headquartered in Bridgewater, Nova Scotia. The Company’s is focused on exploration for precious metals and rare earth elements.

The Company was originally focused on uranium, mainly in the Central Mineral Belt (CMB) of Labrador, and while the Company continues to hold significant uranium assets, mainly in the CMB making the Company a significant landholder in one of the world’s premier uranium districts, the further development of these properties continues to be slow and negatively impacted by low uranium prices.

Uranium Projects include: the CMB joint venture (JV) with Jet Energy (formerly Crosshair), in which the Company holds a 2% production Net Smelter Return (NSR), and its 100% owned properties – Snegamook and Mount Benedict. The CMBJV includes a mineral resource on the Two Time zone of 2.3 M lbs indicated and 3.7 M lbs U3O8 inferred, discovered by Silver Spruce, the first discovery in the CMB of Labrador since the 1980’s. Drill-ready opportunities exist on the Snegamook and Mount Benedict properties.

As of Oct. 31, 2015, cash reserves, totaled approximately \$11,287. In 2015, the Company adjusted its strategy to cash flow ready or near cash flow ready properties and in June 2015 announced a Letter of Intent with an option to fully acquire the Pino de Plata project in the State of Chiapis, Mexico. An initial 43-101 compliant assessment was conducted on the property and published on August 12, 2015. The general negative climate for raising capital affects all of the Company’s projects.

Selected Annual Information

The table below outlines selected financial information to the Company’s years ended October 31, 2014 and 2013. The financial information is extracted from the Company’s audited consolidated financial statements.

	2015	2014
	\$	\$
Income	-	3,870
Net and comprehensive loss	(2,263,406)	(198,162)
Net income (loss) per share -basic and diluted	(0.14)	(0.02)

Total assets	29,820	203,250
Total long-term financial liabilities	1,124,000	-

For the year ended October 31, 2015, the Company incurred a net loss of \$2,263,406 (loss per share of \$0.14) compared to a net loss of \$198,162 (loss per share of \$0.02) for the year ended October 31, 2014.

Other general, administrative and professional expense remained consistent at \$168,909 in 2015 (2014 - \$161,525) due to accounting, audit and legal decreasing to \$38,900 (2014 - \$85,295); corporate relations increased to \$33,889 (2014 - \$6,661); office and general decreased to \$25,122 (2014 - \$48,409); wages increased to \$24,000 (2014 - \$58,306 credit); and consulting decreased to \$7,500 (2014 - \$38,198) due to increased exploration activity and more conservative general and administration budgets in 2015.

For the year ended October 31, 2015 the Company recorded \$2,069 in stock-based compensation compared to \$nil for the year ended October 31, 2014.

For the year ended October 31, 2015 the Company incurred \$2,075,569 on its exploration properties compared to \$40,507 in the prior year. In the current year there was more activity as a result of the agreement on the Pino de Plata property whereas there were no newly acquired properties in the prior year.

During the year ended October 31, 2015, the Company changed its accounting policy of capitalizing exploration and evaluation expenditures. The Company believes expensing such costs as incurred provides more reliable and relevant financial information. Under the new policy, all costs associated with the exploration and evaluation of properties are expensed as incurred.

The financial statements as at and for the year ended October 31, 2014 have been restated to reflect adjustments made as a result of this change in accounting policy. The accumulated effect of an increase of \$815,690 has been reflected in the opening deficit of the consolidated financial statements as at October 31, 2013. The statement of financial position as at October 31, 2014 is not affected by this change.

The statement of operations for the year ended October 31, 2014 has been restated to reflect the reduction of the impairment of exploration and evaluation activities from \$856,197 to \$nil and an increase in exploration and evaluation expenditures from \$nil to \$40,507. Net loss and comprehensive loss for the year ended October 31, 2014 is reduced by \$815,690 from \$1,013,852 to \$198,162.

Cash flows from operations for the year ended October 31, 2014 have been restated to reflect a reduction in cash flows from operations of \$40,507 from (\$46,016) to (\$86,523) with a corresponding increase in cash flows from investing activities of \$40,507 from (\$33,707) to \$6,800.

Selected Quarterly Information

The table below outlines selected financial information related to the Company's most recent financial year and the previous two quarters, accompanied by the applicable comparative period information.

	October 31, 2015	July 31, 2015	April 30, 2015	January 31, 2015
	\$	\$	\$	\$
Income	-	-	-	-
Net gain (loss)	(2,079,337)	(116,482)	82,129	(149,716)
Net gain (loss) per share -basic and diluted	(0.13)	(0.01)	0.01	(0.01)
	October 31, 2014	July 31, 2014	April 30, 2014	January 31, 2014
Income	588	(435)	(34)	3,751

Net (loss)	31,332	(60,091)	(118,246)	(51,157)
Net (loss) per share -basic and diluted	(0.00)	(0.01)	(0.01)	(0.00)

For the three months ended October 31, 2015, the Company earned income, of \$nil compared to \$588 for the same quarter in the prior year. In prior year there was a foreign exchange gain.

For the three months ended October 31, 2015 the Company had a net loss of \$2,079,337 (October 31, 2014 - \$31,332 gain) and a loss per share of \$0.13 (October 31, 2014 - \$0.00).

Accounting, audit and legal fees decreased to \$5,000 this quarter (October 31, 2014 - \$13,308) due to a decrease in legal fees. The prior year fees related to the share consolidation and private placement.

Office and general increased to \$6,041 this quarter (October 31, 2014 – \$5,787) due to increased corporate activity in the current year.

Expenditures on Mineral Properties

During the quarter ended October 31, 2015, and the quarters ended July 31, 2015, April 30, 2015, and January 31, 2015 and the comparative periods, the Company incurred the following expenditures on exploration:

	October 31, 2015	July 31, 2015	April 30, 2015	January 31, 2015
	\$	\$	\$	\$
Big Easy	-	-	1,603	191,057
Pino de Plata	1,830,534	52,375	-	-

	October 31, 2014	July 31, 2014	April 30, 2014	January 31, 2014
	\$	\$	\$	\$
Big Easy	32,661	2,486	441	4,919
Pino de Plata	-	-	-	-

PROJECTS – SILVER

Pino de Plata

This is a 100% Company owned interest in 397 hectares located approximately fifteen kilometres from Coeur Mining Inc.'s Palmerajo open pit and underground operations. While small scale surface mining of high grade silver (> 1,000 g/ton) has taken place on this property since the 1600's it has never been drilled or fully explored.

In May 2015, Silver Spruce completed an initial NI 43-101 exploration assessment report which identified three excellent areas for follow-on exploration and drilling. The project has been privately held by the same individual since 1984.

The recent National Instrument 43-101 on-site field examination systematically sampled the areas of known small scale historical production. These areas represent approximately one quarter of the total project area. Ninety-two samples were taken during the recent field examination and show the examined project area to host widespread intrusive epithermal mineralization at surface with silver values, on average, of greater than 50 grams per tonne (g/t), that is 1.6 ounces per tonne (opt), over an area of more than 1 square km (>100 Ha). Within the area examined, specific targets were sampled with silver (Ag) assays of up to 557 g/t or 17.9 opt in outcrop.

The Terrero target, was identified as has having an area of over 20,000 square metres (>2 Ha), where “the replacement epithermal mineralization in igneous rocks contains good silver grades at surface in unoxidized rock.

Seven out of nine samples contained > 1 opt Ag to as much as 17.9 opt Ag. Little additional work in the way of mapping and sampling is required prior to drilling this prospect.” Based on current geologic mapping, sampling and interpretation, the Company’s internal potential ore vessel modeling suggests that the Terrero target could contain 11.2 million tonnes of mineralized rock. Based on the nine samples taken from the Terrero target at surface with an average silver grade of 250 g/t (8 opt) Ag, the Terrero target represents a potential in-situ resource of up to 90 million ounces of silver.

The Santa Elena – Gossan target area presents a viable target for replacement Ag-Pb-Zn-Cu deposits. Unoxidized replacement mineralization from the Santa Elena Mine approaches 200 g/t (6.4 opt) Ag. This area has the potential for relatively shallow replacement mineralization over an area of > 20 Ha.” Based on current geologic mapping, sampling and interpretation, the Company’s internal potential ore vessel modeling suggests that the Santa Elena – Gossan target could contain 1.3 million tonnes of mineralized rock with an average grading of 250 g/t (8 opt) Ag which suggests an in-situ resource of up to 10.5 million ounces of silver. The sampling in the Santa Elena – Gossan target area also revealed elevated values of >2-3% Zn and anomalous Au, Cu and Pb.

Vein Targets: The Sierpe and Theodora veins are open on strike and have indications of ore grade Ag (>250 g/t or 8 opt Ag) and reasonably minable widths (>= 1 m). Newly exposed, Ag mineralized quartz veins in road cuts to the west along with favorable alteration west of the Sierpe and Theodora mines make these attractive vein targets.” Based on current geologic mapping, sampling and interpretation, the Company’s internal potential ore vessel modeling suggests that the Sierpe I, Sierpe II and Theodora high-grade vein targets could contain 1.8 million tonnes of mineralized rock with an average grading of up to 500 g/t (16 opt) Ag. This suggests an in-situ resource of up to 28.5 million ounces of silver. The sampling in the Sierpe I, Sierpe II and Theodora vein target areas also revealed elevated values of up to 5% Pb and up to 7% Zn, with anomalous Au values up to 0.461 g/t. Only approximately 50% of the Pino de Plata project surface was examined during the geologic reconnaissance conducted on the Company’s first field trip to the project area and no doubt other targets will be found.

The Company plans an efficient and effective Phase I exploration program to quickly define a significant maiden resource with open pit mining potential to exploit in the near to medium future with minimal capex requirements.

URANIUM - LABRADOR

General

The Company owns a 100% interest in 480 claims (120 km²) in 3 uranium properties in Labrador. They include - Snegamook (86), Straits (9) and Mount Benedict (247). The company also retains a 2% net smelter return (NSR) on the Central Mineral Belt Joint Venture (CMBJV) properties. A total of 483 claims including the Two Time zone, Snegamook, and Mount Benedict properties are subject to NSR’s as described in the property descriptions. The Company has slowed its pace of exploration/development considerably due to the price of uranium and the continuing challenge of raising capital for exploration. The Company will re-evaluate its uranium program if there is positive news on the price of uranium and more financial liquidity.

The Company’s uranium projects are described below. For more detailed descriptions, the reader is requested to see earlier versions of the MD and A as filed on SEDAR.

SNEGAMOOK LAKE (SN)

Property Description

The property, located to the southeast of Snegamook Lake in central Labrador, in the western part of the Central Mineral Belt (CMB), consists of 86 claims (21.5 km²), and is surrounded by the CMBNW JV property to the north. The Company has earned a 100-percent interest subject to a two-percent NSR. The property is located outside the Labrador Inuit Land Claim area.

Exploration from 2006 to 2008 included: an airborne radiometric / magnetic survey, prospecting, lake sediment sampling, line cutting, RadonEx radon gas surveys, prospecting and diamond drilling (53 holes, 13,765.3 m).

The property hosts the Snegamook zone, on strike to the south of the TT zone, and the Near Miss prospect. At

the Snegamook zone, seventeen (17) drill holes intersected a 20-50 m wide zone of U bearing, brecciated/altered monzodiorite over a strike length of 300 m, to a vertical depth of 200 m, the same geological setting as the TT Zone. The zones are shallow dipping and vary in width from 5-53 m, with grades ranging from 225 to 771 ppm (0.023-0.077%) U_3O_8 . The widest section in SN-08-8 averages 206 ppm U_3O_8 (0.021% - 0.41 lb/ton) over 73 m, similar to values located in early drilling on the TT zone. The Near Miss zone gives erratic U mineralization in hematized, brecciated, granitic to monzodioritic units with one meter intervals giving values from 113-2,117 ppm (0.011-0.21%) U_3O_8 with the widest intersection averaging 213 ppm U_3O_8 (0.021%, 0.43 lb/ton) over 16 m, including 1 m at 0.21% (4.23 lb/ton) U_3O_8 . Crosshair's drilling on the TT is approximately 50 m from the north boundary of the SN property, indicating the likelihood that the TT zone continues onto the SN property at depth. Further exploration is warranted along the TT-Snegamook trend and in other prospects such as the Near Miss.

No exploration has been carried out since 2008 however the property can be maintained without further work until 2017. No exploration is planned for 2016.

MOUNT BENEDICT (MB)

Property Description

The property, totalling 247 claims (62 km²), is located in the Benedict Mountains area, near the Labrador coast, in the eastern part of the CMB, approximately 180 kilometres northeast of Happy Valley- Goose Bay (HVGB) and 50 km to the south of Makkovik. The claims are 100% owned by Silver Spruce, subject to a one percent NSR on the original staked property. It is located in part on Labrador Inuit Land (LIL), with the remaining part on Labrador Inuit Land Settlement Area (LISA) lands. The property covers uranium in lake sediment anomalies hosted in felsic plutonic rocks of the Benedict Mountains Intrusive Suite (BMIS), with some felsic supracrustal units of the Aillik Group, the host for the Michelin deposit which is located to the southwest of the property. The property remains in good standing until at least 2018 without further work required.

Exploration Summary

Exploration has included: compilation, airborne radiometric/magnetics, prospecting, geological, geochemical, geophysical and radon gas surveys, stream sediment geochemistry, line cutting, environmental baseline and archeological studies, followed by diamond drilling. The property has two significant U prospects, in the northern part of the property, the **AT-649** and the **T Super 7** zones. At the **AT-649** - Five representative grab samples from outcrop, in a 10 m area, off scale on the scintillometer, averaged 0.497% U_3O_8 , defining a high grade U zone at least 10 m wide, exposed in a small brook flowing into Stag Bay. Float boulders downstream from the showing give values from 0.06 to 3.37% U_3O_8 , with three values >1%. The host rock is a moderately to strongly hematized felsic to mafic intrusive which has been fractured and veined with uraninite/pitchblende and magnetite. The high grade zone has not been tested directly due to environmental regulations which require a set back of a minimum of 50 m from the brook. Diamond drilling (1,263 m in nine holes) has defined a zone of low grade mineralization hosted in a sheared and altered monzonite to monzodiorite possibly related to the high grade mineralization. The zone varies from 4 to 16 m wide, giving U_3O_8 values of up to 598 ppm (0.06%, 1.2 lb/ton) over 1 m and intersections of 4.3 m at 0.025% at a vertical depth of 40 m. The zone was tested over a strike length of 150 m and to a vertical depth of 75 m and remains open along strike and to depth.

The T Super 7 is located 4.8 km to the southwest of AT-649. It carries U mineralization in bedrock with grab sample values from 500 ppm (0.05%) to over 1% (20 lb/ton) U_3O_8 . Tested by seven holes totalling 968 m, the drilling indicates weak to moderate mineralization over good widths. Mineralization in DDH MBS7-08-5 is hosted in a northeast trending mylonite zone which carries two separate mineralized zones: 27 m (5-32 m) at 138 ppm (0.014%) U_3O_8 and 22 m (44-66 m) at 278 ppm (0.028%) U_3O_8 in a highly altered felsic intrusive or volcanic unit. An 8 m wide section, from 51 to 59 m grades 444 ppm (0.044%) U_3O_8 . Geological mapping indicates a minimum strike length of 300 m, remaining open along strike to the northeast and southwest and radon gas surveys give strong anomalies over a minimum 750 m strike length coincident with the zone. The mineralization is similar to the AT-649, developed along a major northeast trending structure which trends through, and is associated with, the AT-649 mineralization. Further work, including diamond drilling, is warranted along the 649/Super 7 trend.

Planned Exploration

No exploration is planned for 2016.

JV PROPERTIES - CENTRAL MINERAL BELT JV (CMBJV) – SSE – 2% NSR

The CMBJV properties consist of 528 claims (132 km²) in the Central Mineral Belt (CMB) of Labrador. The properties are proximal to the Michelin, Moran Lake and other uranium showings and are located, to the west of and inland from, the coastal Postville-Makkovik area of Labrador, approximately 150 kilometres northeast of Happy Valley-Goose Bay. Licence 18131M (124 claims) in the CMBNW property was ceded to Lew Murphy, the vendor of the Moran Lake property, due to an area of influence, when Jet Energy dropped the option on the Moran Lake property however under the CMBJV agreement, the 2% NSR to Silver Spruce continues on this property. The CMBJV claims were acquired by staking in 2005/06 to cover uranium in lake sediment anomalies, hosted in volcanic, sedimentary and plutonic rocks. Silver Spruce's original joint venture partner, Universal Uranium, earned a 60% interest in the CMBJV in March 2007 by spending \$2 million in an option agreement. UUL sold its 60% interest to Crosshair (now JET Metals) in May 2008, for 10 M Crosshair shares plus \$500,000, with UUL retaining a 2% NSR on the 60% purchased. Crosshair took over the operatorship of the JV when SSE reverted to a 2% NSR on the properties. SSE declined to participate in the exploration programs and was diluted to a 2% NSR according to the formula in the JV agreement (NR May 31/12).

Exploration Summary

Exploration consisted of a helicopter-borne radiometric/magnetic survey, a limited airborne gravity survey over part of the CMBNW property, prospecting using scintillometers, lake sediment, soil and radon gas geochemistry, ground scintillometer surveys, geological mapping, trenching and diamond drilling. Follow up on the airborne radiometric survey in late 2006 by SSE, led to the discovery of the Two Time zone on the CMBNW property, the only significant new uranium discovery in the CMB since the early days of exploration in the CMB by Brinex, Canico and Shell in the 1950's to 1980's. The global financial crisis in 2008 / early 2009 and the resulting budgetary restraints, the Nunatsiavut Government uranium moratorium and the price of uranium, has limited exploration to that required to keep the properties in good standing for the last few years. Crosshair (now Jet Energy), as operator, in consultation with Silver Spruce carried out exploration in 2009/10 aimed at consolidating, reducing and retaining those properties which showed the most potential. Three new uranium prospects were discovered on the CMB JL (2) and CMB NE (1) JV properties with values up to 0.46% , 0.28% and 0.1% U₃O₈ in selected grab samples from the three showings (NR Feb. 8/11).

The Two Time (TT) U deposit, located on the CMBNW property has an NI 43-101 indicated resource of 2.33 M lb. (1.82 MT at 0.058% U₃O₈) and an additional inferred resource of 3.73 M lb. (3.16 MT at 0.053% U₃O₈). The zone remains open along strike and at depth and Jet has continued exploration drilling to the south towards our Snegamook property, with drill holes within 50 m of the north boundary of the SN property. In 2011 drilling at the Firestone Showing, located 7 km to the southeast of the TT Zone, gave 3.5 m at 0.084% U₃O₈, including 0.5 m of 0.519% U₃O₈ (DDH FS-11-007). The 2% NSR on the CMBJV properties means that Silver Spruce will benefit from continued exploration on the TT zone and the other prospects in the JV area without any further expenditure.

Crosshair reported (NR August 22, 2012) that drilling on the Two Time deposit intersected mineralization over a significant interval giving 0.031% U₃O₈ over 28.5 m including 4 m at 0.051% and 3 m at 0.074%, indicating the deposit is continuous to the south along strike and down dip. Drill hole CMB-12-49 is a 50 m step out to the south from previous holes that were drilled in 2011, lying approximately 50 m to the north of the north boundary of the Snegamook property, which is owned 100% by Silver Spruce. The drilling enhanced the prospectivity of our Snegamook property which lies along strike of the TT deposit to the southeast covering the extension of the TT geological units. No exploration has been carried out since and as far as known, none is planned for 2016.

RARE EARTH ELEMENT (REE) PROPERTIES

The Company holds two rare earth element (REE) properties totaling 71 claims (20 km²) in Labrador – the Pope's Hill (PH), and Straits. The properties are 100% owned by Silver Spruce, subject to net smelter returns (NSR's) on the Straits property as described in the property descriptions. A 50/50 joint venture with Great

Western Minerals Group, the Popes Hill JV, covered part of the 100 km long PH trend however the claims in this agreement were cancelled in the 3rd quarter and the agreement is now terminated.

Compilation maps showing the property locations, the geophysical and geochemical results, a diamond drill plan map plus a summary of the drill hole and trench data on the Popes Hill property and data and pictures from the Company's REE projects can be viewed on the company website at www.silverspruceresources.com. The Company's REE projects are described following although the descriptions have been shortened considerably from earlier versions of the MD and A to save money on printing since no exploration has been carried out for a few years. For more detailed descriptions, the reader is requested to see earlier versions of the MD and A as filed on our website and SEDAR.

Planned Exploration

No exploration is planned in 2016. The properties have been reduced / consolidated to allow the main prospects to be retained for the longer term. The main Popes Hill property is considered a JV opportunity for companies involved in REE exploration.

POPE'S HILL (PH) – 100 % OWNED

Property Description

The PH trend extends in a generally E-W to NE-SW direction from the Pope's Hill area, approximately 100 km from Happy Valley/Goose Bay on the Trans Labrador Highway (TLH), along and parallel to the Churchill River. The property totals 62 claims (15.5 km²) after regional properties, with limited potential, were dropped. The claims cover REE showings, and structural features defined by government mapping. REE mineralization, discovered by SSE, is associated with syenitic intrusive units in the gneisses at the MP trend and with pegmatites to the south of the MP trend on the original PH property. No previous REE or other exploration is documented for the area.

Exploration Summary

Uranium, thorium and REE mineralization was located in 2006 while prospecting for uranium. No further work was carried out in 2006 due to the lack of interest in REE's and the property was not staked until spring 2010, when interest in REE's peaked. A prospecting / sampling program (31 samples) using scintillometers to locate radioactive mineralization in the fall of 2010 gave anomalous total rare earth element plus yttrium (TREE) values with 16 > 5%, and 5 > 10% with a high value of 24.1% (NR Oct. 28, 2010). TREE values varied from a low of 0.07% to a high of 24.07% averaging 5.73%, which included 7 "host rock" samples, with values 0.4% or lower. Samples are rich in light rare earth elements (LREE), but the more anomalous values give higher values in HREE up to 7.5% percent of the REE. Significant values in Nb, Zr, Th and U were also noted. The anomalous trend was traced over a 7 km strike length extending to the east, approximately 4 km, and to the west, approximately 3 km, from the MP showing in the bedrock pit by the TLH. The highest REE values were in a dark grey to black sub-metallic to glassy mineral, in segregations which are variably non-magnetic to moderately magnetic.

All of the REE bearing samples are weakly to moderately radioactive with significant Th content (up to 0.7%) but generally 0.1-0.3 % and minor uranium values (up to 461 ppm but generally < 100 ppm). Overburden depths are 1-2 m maximum with scarce outcrop away from the road. The rock unit hosting the REE mineralization is a peralkaline, syenitic unit of late Paleoproterozoic age which hosts green pyroxene crystals. Magnetic, VLF-EM and radiometric (spectrometer) surveys were carried out with lithological/alteration trends noted striking in a 070 degree (ENE) direction and magnetics indicating crosscutting, probable fault or shear structures, trending at approximately 150/330 degrees, one of which passes through the area of the MP pit. Radiometric results were inconclusive due to the limited area covered and the inclement weather however radiometric anomalies were defined in the MP showing area.

Exploration

A total of 1120 m in 10 holes (PH-11-1-10) tested the MP showing in the bedrock pit and another close by target on the Trans Labrador Highway (TLH) (NR March 3, 2011) in February 2011. The drilling was designed to test TREE mineralized bedrock and float samples from the pit, VLF-EM anomalies thought to represent shear systems, and magnetic anomalies which could reflect the variably magnetic TREE mineralization. The drilling tested an

approximate 700 m long zone of the known 7 km mineralized trend, mainly in the MP pit area. All drill holes were at least partially sampled using radioactivity (Th content) as a guide, visual identification of prospective zones and magnetically anomalous areas. Wide zones, up to 140 m of > 0.1 % REE mineralization, were intersected with 4 holes giving widths in the 50 m range. Narrow (0.1-0.3 m) zones of higher grade TREE values in the 1 to 6 % range are also found throughout most of the drill holes. Strong Zr values generally >1,000 ppm (0.1%) were noted over wide intervals associated with the REE mineralization (NR March 29, 2011). The diamond drilling defined an area of anomalous REE mineralization hosted in syenitic units in the granitic gneisses; however the high grade REE segregations noted on surface in the pit were not intersected. Geological mapping indicates that the area is cut by numerous faults making structural control more difficult than expected and possibly disrupting the REE bearing units. High grade REE mineralization was located in exploration in 2011 along trend further to the east; however no drilling has tested these showings.

Mineralogy

A REE mineralogical research study was carried out at Memorial University of Newfoundland (MUN), under the supervision of Dr. John Hanchar, the Head of the Department of Earth Sciences. It was partially supported through a GeoEXPLORE research grant from the Research Development Corporation (RDC) of Newfoundland and Labrador. REE rich rock samples representative of the mineralization were evaluated. Results indicate that the REE from the MP trend of the Pope's Hill prospect are primarily hosted in allanite, titanite, monazite and britholite, with trace amounts hosted in fergusonite, REE-carbonates and apatite. The total average rare earth oxide (REO) composition of the sample was 17.5 wt %, with the percentage contributed by each mineral: allanite - 47.6 %; high-REE titanite - 24.1 %; monazite - 16.7 %; both varieties of britholite (high-REE and low-REE) - 11.1 %; and the rest in fergusonite, REE carbonate and apatite. Disseminated allanite and monazite were also noted in the adjacent host rock units in the thin section analysis.

Prospecting/Geological Mapping

Prospecting using scintillometers to locate radioactive mineralization on the MP trend traced the REE mineralization in outcrop over an approximate 2.8 km strike length (NR Aug. 9 and Aug. 30/11). The zone is laterally continuous, extending eastward from the MP showing in the pit on the TLH and to the north of the pit, through the T1 and T2 showings located 800 and 1,100 m, respectively, to the T5 and T6 showings located 2,000 and 2,200 m respectively, in the vicinity of the brook where a boulder running 24.1% TREE was found in 2010 (NR Oct. 28, 2010). Outcrops with massive segregations are located at the MP showing, and in all the "T" showings with other areas of mineralization noted between the showings but not fully exposed. The mineralized unit, a syenitic unit, conformable with the granitic gneisses, a minimum of 10 m wide, carries green pyroxene crystals, as phenocrysts or porphyroblasts, up to 5 cm long, and is open along strike to both the east and west. The massive, high grade, segregations, up to 30 cm wide, which typically run 10-25% TREE, are characterized by pinch and swell structures with at least two parallel massive segregations, separated by 5-6 m of host rock, noted in the T2, T5 and T6 exposures, with other parallel zones carrying narrow veins and disseminations in the host unit. Other massive segregations are exposed in hand dug pits up to 30 m across strike from the "T" showings. These may be part of the same system indicating the mineralized unit could be much wider than now exposed.

The 136 samples taken from the moderately to highly radioactive, massive segregations and adjacent host rock along the MP trend give HREE percentages ranging from 1.1% to 47.6%, averaging 8.4%, including 45 values > 10% HREE (NR Aug. 30/11). Average values for REEs are: 1.00% La, 2.14% Ce, 0.26% Pr, 0.84% Nd, 0.14% Sm, 44 ppm Eu, 0.10% Gd, 149 ppm Tb, 750 ppm (0.075%) Dy, 130 ppm Ho, 314 ppm Er, 37 ppm Tm, 191 ppm Yb, 25 ppm Lu and 0.28% Y. Thirty (30) samples gave P₂O₅ values > 2% with a high of 11.6% and preliminary mineralogy studies have shown that REE mineralization, with higher HREE content, is present in apatite (calcium phosphate) and apatite content should be reflected by P₂O₅ values. Thorium values for the radioactive, higher grade, REE samples, are generally in the 0.2% to 0.4% range.

In the T1 / T2 area, over an approximate 600 m strike length, 28 outcrop/sub crop grab samples gave an average of 8.6% TREE including 6 host rock samples with values <1% (0.1 to 0.9%) (NR Aug. 30/11). HREE values ranged from 2.7% to 47.6%, averaging 12.7%, with 16 > 10% HREE. The average values for the REE's are: 1.67% La, 3.64% Ce, 0.41% Pr, 1.54% Nd, 0.26% Sm, 62 ppm Eu, 0.2% Gd, 287 ppm Tb, 0.15% Dy, 261 ppm Ho, 633 ppm

Er, 74 ppm Tm, 379 ppm Yb, 49 ppm Lu, and 0.57% Y. These are selected grab samples and as such they are not representative of the overall values in the zone.

A trenching program along the MP trend carried out in 2011 (NR Aug. 31, Sept. 27, Oct. 20 and Nov. 3/11) to exposed the favorable, REE anomalous, syenitic unit which carries the high grade segregations. A series of 14 trenches from 100 to 500 m apart were dug to give grade / width information on the zone over a 2.5 km long trend. Radioactivity, representing Th bearing minerals associated with the REE mineralization, was used to guide the trenching and sampling. Ten of 14 trenches were washed, mapped and channel sampled with approximately 290 samples taken over widths varying from 10 cm to 2m. Trenches 9, 10, 13 and 14 were not sampled due to low radioactivity and the lateness of the season, with snow and ice conditions making exploration difficult.

Total Rare Earth Oxide plus yttrium oxide (TREO) results give wide (up to 30 m) low grade zones grading 0.2% to 0.75% TREO, narrower (>3 m) medium grade zones >0.75% TREO and narrow zones (<1 m) of high grade values >3% TREO (NR February 9, 2012). The highest values were found in the T1 to T5 area in trenches 3, 4, 5, 6, 7 and 11. Some trenches gave anomalous values over the entire exposed zone, including: Tr 7 - 0.71% TREO / 22.6 m; Tr 5 - 0.74% TREO / 9.5 m; and Tr 11b - 1.29% TREO / 5.7 m, indicating that the zones could be much wider. The highest individual value was 16.88% TREO / 0.3 m in Tr 11b, located near the 24% TREE boulder found in 2010. Heavy rare earth oxide (HREO) percentages of the TREO range from 3.6 to 20.3 %, generally 5-13 %, with dysprosium oxide being one of the higher HREO, in the syenitic units. Narrow high grade zones, related to the massive segregations, "carry" the mineralized zones in most instances; however, significant background values in the 0.1 to 0.5 % range are noted through the syenite that hosts the mineralization. Values of 0.84 % TREO / 9 m, including 1.24 % / 1.6 m, were found in Trench 15, in the pegmatitic material near the TLH. HREO was 2.8-4.9 % of the TREO. Zirconium (Zr) values in the REE mineralized zones along the MP trend are mainly in the 500-1500 ppm range, with a high value of 2.32 % noted in trench seven. Trench 15, in the pegmatites, has generally much higher Zr values, in the 1000-9000 ppm (0.1-0.9 %) range. Thorium (Th) values are generally 2-500 ppm in the REE mineralized areas, with a high of 0.31 % (3100 ppm) noted in trench 11b. The host syenite units strike at approximately 70 degrees and dip to the south (toward the TLH) at approximately 30-40 degrees, parallel to the gneissosity of the geological units. True width of the zones is estimated at 70-90%, depending upon the steepness of the hill where the mineralization occurs.

Regional Exploration

Airborne magnetic/radiometric/VLF-EM surveys, stream sediment geochemical sampling and concurrent prospecting were completed over prospective areas to the north and west of the Churchill River over the former 100% owned SSE properties (NR Aug. 30/11). A number of radioactive zones were noted in the scintillometer prospecting surveys and areas of anomalous stream sediments some with contiguous anomalous rock samples were located. No follow up has been carried out.

Planned Exploration

No exploration is planned for 2016, due to lack of funding for REE projects. The area has JV potential due to its location along the TLH.

STRAITS (ST)

Property Description

The project, located in the Straits of Belle Isle area of southern coastal Labrador, between Mary's Harbour and Red Bay, consists of 17 claims (4 km²) in three small licences. It was acquired for its uranium potential however REE potential has been noted and the property is considered a U/REE property.

Exploration Summary

The area was staked in 2006 to cover uranium in lake sediment anomalies associated with a north-northwest trending fault structure in Proterozoic, metamorphosed, felsic volcanics, now orthogneiss. The vendor retains a 1 % NSR on the original staking plus an AOI around the original property. Exploration has included lake, stream sediment and soil geochemistry, ground scintillometer surveys, prospecting, and geological mapping. Significant uranium showings were located in the south central part of the property near the coast. Data from the project was

re-evaluated for REE potential in 2010, using La as a guide, since significant Th values were located during the uranium exploration. A geochemical release by the Government of Newfoundland in June 2010, showed anomalous values in REE with TREE values in the 400 to 650 ppm range on the claims, some of the highest located in the survey. Background is less than 100 ppm TREE. Values up to 2.48 % TREE, 2.2 % Zr, and 636 ppm Nb were located in rocks from the area (NR July 26/11).

Thirteen samples gave values >0.1 % TREE, including five (5) >0.4 %. Samples were generally LREEs with percentages in the 85-90 % range. Most high values are located in outcrop in the north central and north-eastern ends of the property, however, one sample in the southwestern part gave a value of 0.5 % TREE.

Helicopter supported prospecting, in 2011, evaluated areas of thorium (Th) radioactivity in the airborne surveys as well as other areas anomalous in lanthanum (La), Th and REE from previous ground surveys (NR Nov. 18/11, May 27, 2010) and favorable geologic units. Scintillometer readings in anomalous areas averaged 500 to 9000 counts per second (cps) against a background of 150 cps. Eleven (11) samples gave total rare earth oxide (TREO) values > 0.1 % and 13 gave U₃O₈ values >100 ppm (NR Jan. 19/12). The most significant mineralized area was located on Licence 17761M, to the north of Temple Bay, where five outcrop samples of mafic to felsic gneisses cut by pegmatites, associated with a structural lineament, gave TREO >1% with a high of 4.76 %, including 3.42 % TREO with 58% heavy rare earth oxides (HREO) including 0.19 % dysprosium oxide (Dy₂O₃). The average HREO for the five samples was 23.4 %, with all having associated U₃O₈ values ranging from 400 to 1130 ppm, with low Th₂O₃ values, except for one sample at 1016 ppm. The samples were also anomalous in Zr, Nb and Ta. The samples were taken from narrow veins < 30 cm wide associated with the pegmatites. While the mineralization located is narrow, the REO / uranium association, the HREO content and the apparent structural control in this relatively unexplored area are all positive indications of significant potential for both REE and uranium.

Planned Exploration

No exploration is planned in 2016 due to lack of funding for REE or U projects. The properties are being reduced, or dropped as they come due, to allow maintenance of some of the properties for the longer term.

MANAGEMENT

Stephan Jedynak – President/CEO, Director

He is a General Counsel, called before the legal bars of New Zealand and Nova Scotia and has over 15 years of corporate experience, compiling a track record of regulatory compliance, by creating, implementing and managing regulatory compliance regimes for a top 100 company. He earned an undergraduate degree from the University of Ottawa and a Bachelor of Laws from Dalhousie University and the University of Auckland.

Gordon Barnhill - VP Corporate Affairs, Director, CFO

Prior to joining Silver Spruce Resources, Mr. Barnhill was the President of a company providing management consulting, capital research, business evaluations, deal structuring and investment strategies. From 1973 to 1997 Mr. Barnhill had an extensive career in banking with Canada's largest banking institution as a senior commercial lending officer.

LIQUIDITY, FINANCINGS AND CAPITAL RESOURCES

Operating Activities

The Company had a net cash outflow from operating activities of \$289,051 for the year ended October 31, 2015 (October 31, 2014 - \$86,523 outflow).

Financing Activities

The Company had a net cash inflow from financing activities of \$183,400 for the year ended October 31, 2015 (October 31, 2014 - \$163,938 inflow).

Investing Activities

The Company had a cash flows from investing activities for the year ended October 31, 2015 (October 31, 2014 - \$6,800 net inflow).

Liquidity

The Company had cash of \$11,287 as at October 31, 2015 (October 31, 2014 - \$116,938). The change in non-cash operating working capital as at October 31, 2015 was a cash inflow of \$53,245 (October 31, 2014 - \$208,022).

Capital Resources

The Company's authorized capital consists of an unlimited number of common and preference shares without par value. At October 31, 2015, the Company had 21,135,781 issued and outstanding common shares (October 31, 2014 - 14,025,781).

RELATED PARTY TRANSACTIONS

Included in accounts payable and accrued liabilities as at October 31, 2015 is \$222,137 (2014 - \$226,201) owing to directors and companies controlled by directors of the Company for consulting related services rendered. These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

As at October 31, 2015 the total loans payable to a former director is \$88,973 (2014 - \$74,723). The loans are unsecured and bear interest at rates from 0% - 5% per year. During the year ended October 31, 2015, the loans incurred interest expense of \$1,750 which is outstanding at period end and is due on demand.

During March 2015, the Company arranged loans by way of promissory notes ("Notes") for total proceeds of \$30,000. The Notes mature on March 31, 2016 and bear interest of 8% per annum. In connection with these loans, the Company agreed to issue a bonus to the lenders equal to 20% of the principal balance. Loan proceeds of \$12,500 were provided by the directors and officers of the Company. On June 9, 2015 the notes' principal balance plus a total of \$5,500 of bonus and interest payments were repaid by issuance of shares in the private placement at the terms described in Note 10 (c) of the consolidated financial statements.

During the year ended October 31, 2015, no stock options were granted to directors, officers and employees of the Company (2014 - Nil).

During the years ended October 31, 2015 and 2014 key management personnel compensation consisted of services provided by companies owned by directors of \$24,000 (2014 - \$87,708) which are classified as short-term employee benefits and recorded as wages and benefits on the consolidated statement of operations.

COMMITMENTS

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Company has indemnified the subscribers of current and past flow-through share subscriptions from any tax consequences arising from the failure of the Company to meet its commitments under the flow-through subscription agreements.

FINANCIAL INSTRUMENTS**Fair Value**

IFRS requires that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying amounts for cash, amounts receivable, deposits, prepaid expenses, accounts payable and accrued liabilities on the balance sheets approximate fair value due to their short-term maturity. The fair value of long term debt approximates its carrying value based on current borrowing rates. The fair value of investments is based on quoted market prices.

RISKS AND UNCERTAINTIES

The Company's financial success is dependent upon the extent to which it can discover mineralization or acquire mineral properties and the economic viability of developing its properties. The market price of minerals and/or metals is volatile and cannot be controlled. There is no assurance that the Company's mineral exploration and development activities will be successful. The development of mineral resources involves many risks in which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The Company has no source of financing other than those identified in the section on liquidity, financings and capital resources.

CURRENT MARKET CONDITIONS

The fundamentals for gold and silver improved in late 2014 / early 2015 and are expected to remain strong for the rest of 2016. Prices dropped significantly in 2013 and were volatile in 2014 although still at reasonable levels historically. The Company is excited about the Pino de Plata silver/gold prospect for this reason. Although the fundamentals for uranium are strong in the long term, short term demand remains low, negatively impacting the ability to finance development of these assets. No emphasis is being placed on U, REE or base metal exploration at this time although both the U and REE properties offer JV opportunities should prices and demand firm up.

The main claims with uranium potential in the CMB and Mount Benedict properties can be maintained for the next few years without requiring significant exploration expenditures. SSE stands to benefit from its land position in Labrador as Paladin Energy advances development of its "world class" Michelin and Jacques Lake deposits which host approximately 135 M lbs of uranium and as Jet Energy (formerly Crosshair) develops its significant global resource in the CMB at the TT zone. We expect that this will bring renewed attention and investor interest to the area and any Company with assets in this area. The most significant properties can be maintained until prices, and the global economic climate, returns to normal.

OUTLOOK

The company has a property portfolio with a carried interest in a uranium deposit with defined resources (Two Time), and other significant uranium projects and REE properties with significant discoveries in Labrador, for the longer term. It is felt that uranium and REE prices should increase over the next few years thereby allowing financing for these projects. The Company is currently focusing on mineral projects that can be cash positive in the short to medium term. The Company feels the Pino de Plata project has potential to meet this objective.

GOING CONCERN

The company has enough capital to maintain itself as a going concern for the next few months, however the Company's ability to continue as a going concern for the rest of 2016 and beyond, is dependent on its ability to raise money in the form of a private or public placement, loans, grants and/or a joint venture on our properties with a partner who would provide the financing for the exploration or a change of business associated with new funding. There is no certainty the Company will be successful in accessing such funding.

FUTURE CHANGES IN ACCOUNTING POLICIES

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after November 1, 2015 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following 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 in November 2009 with additions in October 2010 and May 2013 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, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IAS 1 Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality considerations apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

IFRS 16 – Leases ("IFRS 16") was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if IFRS 15 – Revenue from Contracts with Customers has also been applied.