

**Sierra Iron Ore Corporation**  
**Management Discussion and Analysis (“MD&A”)**  
**Year Ended September 30, 2015**

---

The effective date of this report is January 27, 2016.

## **Management Discussion & Analysis**

Management’s discussion and analysis (“MD&A”) provides a detailed analysis of the results and financial condition of Sierra Iron Ore Corporation (the “Company” or “Sierra”) for the year ended September 30, 2015. The following MD&A should be read in conjunction with the audited consolidated financial statements for the year ended September 30, 2015 and 2014, which have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The consolidated financial statements were prepared in accordance with IFRS with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The operations of the Company were primarily funded by the issue of share capital.

The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties, complete sufficient public equity financing, or generate profitable operations in the future. The consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue business.

The Company’s continuing operations are dependent upon its ability to identify, evaluate and negotiate an agreement to acquire an interest in a material asset or business. Any acquisition or investment proposed by the Company will be subject to regulatory approval.

News releases and previous filings may be found on SEDAR at [www.SEDAR.com](http://www.SEDAR.com).

The Company’s management is responsible for presentation and preparation of the financial statements and the MD&A.

## **Description of Business**

Sierra Iron Ore Corporation (the "Company") was incorporated under the Business Corporations Act (British Columbia) on July 20, 2009 and is publicly listed and traded on the TSX Venture Exchange (“TSX-V”). The Company is currently engaged in the identification, acquisition and exploration of prospective precious metal properties in Canada. The Company’s head office address is 13236 Cliffstone Court, Lake Country, British Columbia, V4V 2R1, Canada. The Company’s registered and records office is located at 1400 – 1125 Howe Street, Vancouver, British Columbia, V6Z 2K8, Canada.

## **Forward Looking Statements**

Certain information within the meaning of applicable Canadian securities laws. Such forward-looking information may include, but is not limited to, information which reflect management’s expectations regarding the Company’s future growth, results of operations (including, without limitation to future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Often, this information includes words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate” or “believes” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

In making and providing the forward-looking information included in this MD&A the Company’s assumptions may include among other things: (i) assumptions about the price of base metals; (ii) that there are no material delays in the optimization of operations at the exploration and evaluation assets; (iii) assumptions about operating costs and expenditures; (iv) assumptions about future production and recovery; (v) that there is no unanticipated fluctuation in foreign exchange rates; and (vi) that there is no material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions

**Sierra Iron Ore Corporation**  
**Management Discussion and Analysis (“MD&A”)**  
**Year Ended September 30, 2015**

---

and involves known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the following: (i) decreases in the price of base metals; (ii) the risk that the Company will continue to have negative operating cash flow; (iii) the risk that additional financing will not be obtained as and when required; (iv) material increases in operating costs; (v) adverse fluctuations in foreign exchange rates; and (vi) environmental risks and changes in environmental legislation.

This MD&A (See “Financial Instruments and Risk Management”) contains information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company’s control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.

### **Overall Performance**

- The Company’s loss for the year ended September 30, 2015 was \$1,493,793.
- Working capital deficit was \$942,302 at September 30, 2015.

### **Mineral Properties**

#### **Iron Ore Property, Emo, Ontario**

The Company entered into a series of agreements, the last of which was finalized subsequent to September 30, 2015, to acquire the right to earn a 60% interest in the iron mineralization on the Emerald Lake Property located north of the town of Emo, Ontario.

Pursuant to the agreements, the Company paid \$65,000 in fiscal 2014 and issued 2,865,625 common shares valued at \$386,859 in fiscal 2015. In order to complete the acquisition of the 60% interest, the Company is required to pay four additional installments of \$50,000 each commencing April 15, 2016 and continuing every six months to October 17, 2017, plus additional finder’s fees of 115,475 common shares, which were issued subsequent to September 30, 2015 and valued at \$46,190 and an additional 6,392,000 common shares on the earlier of a positive feasibility or the commencement of commercial production. The Company is also required to incur exploration expenditures of \$1,500,000 by October 15, 2017. The Company has the option to acquire an additional 32% interest in the iron ore mineralization present on the property at terms to be negotiated, plus the right of first refusal on future properties acquired by the vendor.

#### **Farm Property, Emo, Ontario**

The Company entered into a series of agreements, the last of which was finalized subsequent to September 30, 2015, to acquire the right to earn a 50% interest in Iron Property located in Emo, Ontario.

Pursuant to the agreements, the Company paid \$250,000 in fiscal 2015. In order to complete the acquisition of the 50% interest, the Company is required to pay \$10,000 within five days of regulatory approval and an additional \$250,000 within 18 months of regulatory approval. The Company is also required to incur exploration expenditures of \$2,000,000 by October 22, 2018. The Company has the option to acquire an additional 42% interest in the property at terms to be negotiated, plus the right of first refusal on future properties acquired by the vendor. The property is subject to a 3% NSR.

The property consists primarily of an approximately kilometre long segment of a linear tabular body existing along a strike length of approximately 31 kilometres. The area has been shown by detail ground magnetics to possess width regularity and the mineralized zone is hosted by clastic sediments, representing a portion of the Richardson trough. An anticlinal fold has

**Sierra Iron Ore Corporation**  
**Management Discussion and Analysis (“MD&A”)**  
**Year Ended September 30, 2015**

---

been decapitated by erosion so as to expose an underlying noritic (lacomorphic) layered complex. Thermal effects attributed to the emplacement of the complex, have yet to be determined. The presence of nearby outcropping of bedrock suggests the presence of variable to manageable thicknesses of overburden.

In June 2015, the Company announced positive results from a geochemical survey conducted on its Emo, Ontario optioned claims. In addition to defining a drill target for gold, targets were located for other metals, including Ni -Cu-PGMs were identified. Significantly all targets align along the apparently same NNE- SSW trend. Additional anomalies will require and expanded geochemical survey to enhance refinement.

In June 2015, the Company announced that it was analyzing its geochemical results for the purpose of confirming suggested mineralization trends. This analysis will assist in the prioritization of its identified anomalies in preparation for planned Q3 diamond drilling. The Company has solicited tenders for diamond drilling of previously unidentified anomalies located on its optioned ground in western Ontario. The Ni- Cu – PGM anomalies appear to be supplemented by Fe (magnetite) +Au. Sierra fully expects the drilling to commence in Q3.

On July 22, 2015, the Company announced it had received competitive bids from a number of drilling contractors for the drilling program. The bids are being currently being reviewed with the successful bid being awarded at a later date for an August start.

### **Allen Property, Emo, Ontario**

The Company entered into a series of agreements, the last of which was finalized subsequent to September 30, 2015, to acquire the right to earn a 15% interest in Allen Property located in Emo, Ontario.

Pursuant to the agreements, the Company paid \$100,000 in fiscal 2015. In order to complete the acquisition of the 15% interest, the Company is required to pay \$10,000 upon regulatory approval, \$500,000 within 8 months of regulatory approval, \$1,500,000 within 12 months of regulatory approval and issue 3,500,000 common shares over a period of 15 months after regulatory approval. The Company is also required to incur exploration expenditures of \$1,500,000 within 24 months following regulatory approval. The Company has the option to acquire an additional 36% interest in the property at terms to be negotiated, plus the right of first refusal on future properties acquired by the vendor.

The Allen Property contains polymetallic Ni – Cu – Co sulphides hosted by basic norites presumed to be the basal layer of a phased layered (lacomorphic) Complex referred to as the Emo Complex. The sulphides describe massive, parallel trending lenses (also referred to as shoots) with historic drilling indicates widths of 14 feet to 40 feet. These widths may be significantly greater but must be tested.

Mr. Frank Puskas, P. Eng., a Qualified Person (QP) as defined by National Instrument 43-101, is responsible for the technical information contained in this MD&A relating to the Ontario Properties.

### **Tom Cat Claims, British Columbia**

The Company owns a 100% interest in certain mining claims, known as the Tom Cat Claims, located in the Nicloa Mining District, British Columbia. The claims are subject to a 2% Net Smelter Royalty (“NSR”), of which 1% may be purchased for \$2,000,000 for five years from the start of commercial production.

The Tom Cat property is located 200 kilometers east-northeast of Vancouver within the historic Aspen Grove copper camp and shares a property boundary with the Big Kidd property that was recently optioned by Extrata and currently under exploration. The region is well known to host some of the world's significant copper resources, including those at Copper Mountain and at the Highland Valley.

In October 2012, the Company announced the commencement of an exploration program of geological mapping and sampling program as a prelude to a planned diamond drill program on the property.

In December 2012, the Company staked additional mineral claims adjacent to the Tom Cat property and, with the addition of the newly staked claims, the Tom Cat property is now comprised of ten contiguous mineral claims covering an area of 4013 hectares.

**Sierra Iron Ore Corporation**  
**Management Discussion and Analysis (“MD&A”)**  
**Year Ended September 30, 2015**

---

The Aspen Grove area was recognized for its potential in developing economic mineral deposits since the initial discovery of copper mineralization in the late 1880's. The recognition was later progressively justified with the perseverance of exploration to the development of productive mineral resources at the recently reactivated Copper Mountain mine 50 kilometres to the south and the world class Highland Valley mine 80 kilometres to the north, in addition to other producers, past producers and pending producers within this prime geological porphyry belt. The ground covered by the property has been explored by prospecting and trenching since 1906 resulting in the discovery of nine documented mineral prospects and/or showings. Continued exploration on the Tom Cat showing resulted in a 1965 Pyramid Mining drill intersection of 45.7 meters of 0.32% copper. In 2006 & 2007 exploration by Bold Ventures resulted in the delineation of variable chargeability IP drill targets followed by a the diamond drilling on the Tom Cat showing which confirmed the historic result in the intersection of 4.4 metres of 0.54% copper in a 40 metre section of mineralization. In one of the nine holes drilled a -50° drill hole (K07-05) 650 metres north of the Tom Cat was terminated in progressively altered volcanics indicating a potential intrusive contact.

The degree of mineralization and potential for a copper mineral zones is indicated on the properties adjacent to the Property.

To the north, Minfile records report an an inferred 1.8 million tonnes of 1.00% copper on the Paycinci developed prospect and a drill indicated 54,000 tonnes of 0.876% copper on the Cincinnatti. To the south at the Par prospect, Minfile records report a historical noncompliant assay from a trench over various samples taken on 116 meters averaged 0.64% copper.

*(NOTE: Historic records cannot be relied upon unless verified in accordance with NI 43-101.)*

Laurence Sookocoff, P Eng, a Qualified Person (QP) as defined by National Instrument 43-101, is responsible for the technical information contained in this MD&A relating to the Tom Cat property.

### **Liquidity, Capital Resources and Capital Expenditures**

The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties, complete sufficient public equity financing, or generate profitable operations in the future.

The Company's continuing operations are dependent upon its ability to identify, evaluate and negotiate an agreement to acquire an interest in a material asset or business.

The Company will take appropriate measures to raise the necessary funding through private placements, exercising of stock options, warrants and/or credit facilities to address its liabilities and to continue operations.

At September 30, 2015, the Company's working capital (deficit), defined as current assets less current liabilities, was \$(942,302) down from \$(1,583,209) at September 30, 2014, primarily due to settlement of accounts payable.

During the year ended September 30, 2015, the Company:

- i) issued 3,849,291 common shares to creditors to settle debts aggregating \$577,394.
- ii) issued 1,767,000 units for gross proceeds of \$265,050. Each unit consists of one common share issued at \$0.15 per share, and one common share purchase warrant. Each common share purchase warrant may be exercised by the holder to purchase an additional common share at a price of \$0.20 for 24 months from closing. At September 30, 2014, the Company had received \$190,050 in subscriptions which was recorded as subscriptions received in advance.
- iii) issued 2,608,000 shares at a value of \$391,200 for the acquisition of the Emerald Lake property.
- iv) issued 257,625 shares at a value of \$38,644 as a finder's fee of the acquisition of the Emerald Lake property.

**Sierra Iron Ore Corporation**  
**Management Discussion and Analysis (“MD&A”)**  
**Year Ended September 30, 2015**

---

- v) issued 1,066,667 units for gross proceeds of \$160,000. Each unit consists of one common share issued at \$0.15 per share, and one common share purchase warrant. Each common share purchase warrant may be exercised by the holder to purchase an additional common share at a price of \$0.20 for 24 months from closing.
- vi) issued 300,000 units for gross proceeds of \$45,000. Each unit consists of one common share issued at \$0.15 per share, and one common share purchase warrant. Each common share purchase warrant may be exercised by the holder to purchase an additional common share at a price of \$0.20 for 24 months from closing.
- vii) issued 1,000,000 units for gross proceeds of \$240,000. Each unit consists of one common share issued at \$0.24 per share, and one common share purchase warrant. Each common share purchase warrant may be exercised by the holder to purchase an additional common share at a price of \$0.24 for 24 months from closing. The Company paid \$7,573 of cash share issuance costs in relation to the private placement.
- viii) issued 1,175,000 common shares pursuant to the exercise of warrants for gross proceeds of \$470,000;
- ix) issued 160,000 common shares pursuant to exercise of options for gross proceeds of \$64,000. Accordingly, the Company transferred \$40,158 to capital stock from share-based payments reserve.

On September 29, 2015, the Company issued a \$250,000 convertible debenture which will mature on March 28, 2017 and will accrue interest at a rate of 10% per annum payable annually and convertible into common shares of the Company (as to principle and/or interest) at a price of \$0.32 per share, at any time prior to maturity.

In October 2015, the Company closed a debt settlement and issued 334,000 common shares to creditors to settle debts aggregating \$167,000.

In October 2015, the Company issued 115,475 shares at a value of \$46,190 as the balance due for the finder’s fee payable on the acquisition of the Emerald Lake property.

In October 2015, the Company issued 166,667 common shares pursuant to exercise of warrants for gross proceeds of \$66,667.

In November 2015, the Company issued 666,667 common shares pursuant to exercise of warrants for gross proceeds of \$266,667.

In December 2015, the Company issued 33,333 common shares pursuant to exercise of warrants for gross proceeds of \$13,333.

In December 2015, the Company closed a non-brokered private placement and issued 400,000 units for net proceeds of \$160,000. Each unit consists of one common share, issued at \$0.40 per share, and on-half common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of \$.055 on or before December 22, 2017.

The Company’s cash is mainly in Canadian dollars. The Company is subject to only minor exchange rate fluctuations relative to the reporting currency.

The Company has not made any commitments for capital expenditures, for exploration and development expenses, or for mineral property option payments.

The Company has not made any arrangements for sources of financing that remain undrawn.

### **Contractual Obligations**

The Company has no long-term debt outstanding or contractual obligations other than those contained in option agreements respecting its mineral properties.

**Sierra Iron Ore Corporation**  
**Management Discussion and Analysis (“MD&A”)**  
**Year Ended September 30, 2015**

**Summary of Quarterly Results**

The table below provides, for each of the quarters since incorporation, a summary of both property acquisition and exploration costs on a project-by-project basis, and of corporate expenses.

	Loss per quarter	Fully diluted loss per share	Interest income	Property costs – Tom Cat claims	Property costs - Emerald Lake	Property costs EI Creston
Oct. 1, 2013 –Dec. 31, 2013 (i)	(213,214)	0.01	-	12,000	-	180,909
Jan. 1, 2014 –Mar. 31, 2014	(229,853)	0.01	-	3,000	-	87,743
Apr.1, 2014 – Jun. 30, 2014	(210,898)	0.01	-	-	5,000	96,136
Jul.1, 2014 – Sept. 30, 2014 (ii)	(5,866,598)	0.26	-	24,000	60,000	50,566
Oct. 1, 2014 – Dec. 31, 2014	(238,542)	0.01	-	-	4,500	-
Jan. 1, 2015 – Mar. 31, 2015	(209,943)	0.01	-	-	-	-
Apr. 1, 2015 – Jun. 30, 2015	(174,919)	0.01	-	-	8,800	-
Jul.1, 2015 – Sept. 30, 2015 (iii)	(870,389)	0.03	-	20,841	149,094	-

- (i) Includes share-based compensation expense of \$227,270.  
(ii) Includes the write off of EI Creston property and equipment of \$5,536,567.  
(iii) Include share based compensation expense of \$412,724 and write off of due from related party of \$194,793.

**Fourth Quarter**

During the quarter ended September 30, 2015, the Company did not have any significant events or transactions to report.

**Selected Annual Information**

The selected consolidated financial information should be read in conjunction with the Audited Consolidated Financial Statements of the Company for the years ended September 30:

Canadian Dollars	Year Ended September 30, 2015	Year Ended September 30, 2014	Year Ended September 30, 2013
Net loss	\$ 1,493,793	\$ 6,520,563	\$ 1,329,264
Net loss per share	\$ 0.05	\$ 0.29	\$ 0.08
Total assets	\$ 1,838,399	\$ 1,044,641	\$ 5,968,495
Long term debt	\$ 252,832	\$ Nil	\$ Nil
Dividends	\$ Nil	\$ Nil	\$ Nil

**Year Ended September 30, 2015**

Net loss and comprehensive loss for the year ended September 30, 2015 was \$1,493,793 compared to \$6,520,563 for year ended September 30, 2014. During the year ended September 30, 2015:

- i) Consulting fees decreased to \$111,048 (2014 - \$187,297) due to decreased consulting services during the current year.  
ii) General, rent, and administrative decreased to \$85,365 (2014 – \$94,590) due to a decrease of administrative activities during the current year.  
iii) Office and miscellaneous increased to \$189,970 (2014 - \$188,106) due to increased overall activities in the current year.  
iv) Professional fees decreased to \$165,433 (2014 - \$184,985) due to lower professional fees in the current year.  
v) Regulatory fees decreased to \$32,336 (2014 – \$40,614) due to a decrease filing activities in the current year.

**Sierra Iron Ore Corporation**  
**Management Discussion and Analysis (“MD&A”)**  
**Year Ended September 30, 2015**

---

- vi) Travel and promotion decreased to \$81,009 (2014 - \$128,676) due to the Company taking less trips to properties in the current year.

## **Financial Risk Factors**

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

The carrying value of the Company’s receivables, due from related parties, accounts payable and accrued liabilities, due to related parties, and mortgage payable approximate their fair value because of the short-term nature of these instruments. Cash is carried at a fair value using a level 1 fair value measurement. Loans payable are accounted for using the effective interest rate method.

### *Credit risk*

Credit risk is the risk of loss associated with counterparty’s inability to fulfil its payment obligations. The Company’s management believes it has no significant credit risk.

### *Liquidity risk*

The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2015, the Company had a cash balance of \$155,430 (September 30, 2014 - \$12,541) to settle current liabilities of \$1,118,929 (September 30, 2014 - \$1,610,875). All of the Company’s accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The Company expects to fund these liabilities through the use of existing cash resources and additional equity financing.

## **Capital Management**

The Company’s primary objectives in capital management are to safeguard the Company’s ability to continue as a going concern in order to provide return for shareholders and to maintain sufficient funds to finance the exploration and of its exploration and evaluation interests. Capital is comprised of the Company’s shareholders’ equity (deficiency). As at September 30, 2015, the Company’s shareholders’ equity was \$466,638 (September 30, 2014 – deficiency of \$566,234).

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements. There were no changes in the Company’s approach to capital management during the year ended September 30, 2015.

### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

- a) Interest rate risk

The Company has cash balances held with financial institutions. The Company is satisfied with the credit rating of its bank.

- b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in a foreign currency. As at September 30, 2015, the Company had minimal cash amounts in foreign currencies and considers foreign currency risk insignificant.

- c) Price risk

**Sierra Iron Ore Corporation**  
**Management Discussion and Analysis (“MD&A”)**  
**Year Ended September 30, 2015**

---

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

### **Off Balance Sheet Arrangements**

The Company did not have any off-balance sheet arrangements as at September 30, 2015.

### **Related Party Transactions**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company’s executive officers and Board of Director members. Other than disclosed below, there was no other compensation paid to key management during the years ended September 30, 2015 and 2014. During the year ended September 30, 2015, the Company paid or accrued:

- (i) general, rent and administration fees of \$20,775 (2014 - \$42,947) to the CEO and a company with a common director of the Company.
- (ii) management fees of \$119,461 (2014 - \$109,000) to the CEO and CFO and companies controlled by CEO and CFO of the Company.
- (iii) directors fees of \$33,810 (2014 - \$20,000) to directors of the Company.
- (iv) consulting fees of \$Nil (2014 - \$64,932) to a company controlled by former officer of the Company.
- (v) consulting fees of \$17,550 (2014 - \$39,000) to a former director of the Company and a corporation with a common director of which \$14,400 (2014 - \$39,000) was capitalized to exploration and evaluation assets.
- (vi) consulting fees of \$60,000 (2014 - \$Nil) to a Company controlled by the CEO of which \$60,000 (2014 - \$Nil) was capitalized to exploration and evaluation assets.
- (vii) share-based compensation of \$11,998 (2014 - \$Nil) to a director and spouse of a director.
- (viii) professional and admin fees of \$19,500 (2014 - \$Nil) and \$56,721 (2014- \$45,000) to a former director and spouse of a director.

Included in accounts payable and accrued liabilities as at September 30, 2015 is \$144,320 (September 30, 2014 - \$302,880) due to directors, a spouse of a director, former directors and companies controlled by directors.

At September 30, 2015, the Company owed the CEO \$329,890 (September 30, 2014 - \$399,786) for management fees as well as expenses that he paid for on behalf of the Company and \$Nil (September 30, 2014 - \$61,978) for loans received from the CEO. The Company has a balance receivable from a corporation with a common director of \$Nil (September 30, 2014 – \$201,239) for expenses incurred for the USA Subsidiary.

The Company wrote off receivables from a corporation with a common director of \$194,793 (2014 - \$Nil) due to uncertainty of collecting the amounts



**Sierra Iron Ore Corporation**  
**Management Discussion and Analysis (“MD&A”)**  
**Year Ended September 30, 2015**

---

**Outstanding Share Information at January 27, 2016**

Authorized Capital

Unlimited common shares without par value.

Issued and Outstanding Capital

37,400,463 shares outstanding

Stock Options and Warrants Outstanding

The following stock options were outstanding January 27, 2016:

Expiry Date	Exercise Price	Number of Options	Number of Options Exercisable
June 28, 2016	\$ 0.80	144,903	144,903
May 8, 2018	\$ 0.40	400,000	400,000
September 7, 2018	\$ 0.40	132,500	132,500
September 17, 2018	\$ 0.43	117,500	117,500
July 21, 2017	\$ 0.75	1,720,000	1,720,000
		2,514,903	2,514,903

The following warrants were outstanding at January 27, 2016:

Number of Warrants	Exercise Price	Expiry Date
257,500	\$ 0.55	March 2, 2016
800,001	0.20	June 19, 2016
1,767,000	0.20	December 21, 2016
1,066,667	0.20	March 2, 2017
300,000	0.20	April 6, 2017
1,000,000	0.24	May 4, 2017
200,000	0.55	December 21, 2017
5,391,168		

**Uncertainties and Risk Factors**

Being in the exploration stage, the Company will face a variety of risks, and while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible. The Company faces a variety of risk factors such as project feasibility, risks related to determining the validity of mineral property title claims, commodities prices, Political and environmental laws and regulations. Management monitors its activities and those factors that could impact them in order to manage risk and make timely decisions.

**Board of Directors**

On December 17, 2014, the Company announced the appointment of Mr. David Cross to the Board of Directors.

**Sierra Iron Ore Corporation**  
**Management Discussion and Analysis (“MD&A”)**  
**Year Ended September 30, 2015**

---

On July 17, 2015, the Company announced that Mr. David Cross had resigned from the Board of Directors.

On August 10, 2015, the Company announced that Mr. Laurence Sookochoff had resigned the Board of Directors.

On September 11, 2015 the Company announced the appointment of Mr. Glen D. Harder to the Board of Directors.

On November 25, 2015, the Company announced the appointment of Mr. Ellis Martin to the Board of Directors.

### **Financial Instruments**

Please refer to Note 2 and Note 8 in the September 30, 2015 Consolidated Financial Statements on [www.SEDAR.com](http://www.SEDAR.com) for financial instrument information.

### **New Accounting Policies and New Accounting Pronouncements**

Please refer to Note 2 in the September 30, 2015 Consolidated Financial Statements on [www.SEDAR.com](http://www.SEDAR.com) for newly adopted accounting policies and recent accounting pronouncements.

### **Technical Advisory Board**

In January 2016, the Company created a technical advisory board (“TAB”) to assist management with its Emo, Ontario exploration and development project.

The TAB is presently comprised of Messrs. Frank Puskas and Peter Fischer; their professional qualifications and major involvements have been summarized in associated press releases.

### **Presidents Message**

The Management Team would like to thank all stakeholders for their continued support in the Company’s goal of establishing economic mineralization on its properties. Management’s goal is to continue pursuing opportunities in order to enhance shareholder value.

During the year ended September 30, 2015, the Company continued to face difficult operating challenges.

The world economy continued to perform poorly and showed only marginal improvement from the previous period; there are few reasons to expect a speedy recovery generally for commodities. That being said, it is also true that even in the most difficult exploration circumstances, exceptional projects will continue to be funded and developed, albeit perhaps at a slower rate.

Our recent experience in Mexico served to demonstrate served to illustrate the often understated importance of political and social instability to the mining industry. As a result, we have refocused our efforts on Canadian exploration and we have been fortunate to acquire interests in the Emo, Ontario area. Previous exploration and modelling which has taken place on and around our properties indicates that the area is highly prospective and underexplored.

Our options on three distinct properties in and around Emo Ontario as noted elsewhere in this MD&A. These properties are being explored, evaluated and reviewed by the Company and its technical team; preliminary results will be announced and exploration intentions and plans will be released in due course.

Our intention is to establish value for are patient stakeholders in the ensuing year.