FINLAY MINERALS LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2016

Introduction

This management's discussion and analysis is intended to supplement the unaudited interim financial statements and the financial condition and operating results of Finlay Minerals Ltd. (the Company or "FYL") for the nine months ended September 30, 2016. The discussion should be read in conjunction with the unaudited interim financial statements of the Company and the notes thereto for nine months ended September 30, 2016 and the year ended December 31, 2015. The unaudited interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and include the operating results of the Company. Unless expressly stated otherwise, all financial information is presented in Canadian dollars. This information is current to November 29, 2016.

The management team is lead by John Barakso, M.Sc., Geochemistry, who has 40 years of exploration experience and success in northern British Columbia. Mr. Barakso, as a member of the Kemess & Equity Silver deposits discovery teams in the 1960's with Kennco Explorations (Western) Ltd., has focused his attention in the Toodoggone over the last 20 years, accumulating key properties now within Finlay Minerals Ltd. Additional members of the management team are Robert F. Brown, P. Eng. President & CEO and Warner Gruenwald, P. Geo, Vice President, Exploration who each have over 30 years in the mineral exploration field.

Operations

The Company is focused on the exploration for gold-rich copper porphyry, epithermal gold, and mesothermal silver-copper targets in northern British Columbia, Canada. Details of the Company's properties in the Toodoggone (Atty, Pil, & Gold) and the Silver Hope Property in Houston, BC can be found in news releases and on the Company website at www.finlayminerals.com.

In the third quarter of 2016, the ATTY Property had an airborne LiDar topographical survey conducted on it. On the PIL Property, field work consisting of rock sampling, mapping, geochemistry was completed and followed up by petrographic work on copper mineralized bedrock.

On September 8, 2016 the Company announced an application made to the TSX Venture Exchange to amend the term of 1,958,333 warrants from its private placement completed on October 7, 2014, at an exercise price of $0.10 and expiring on October 7, 2016, to have their term extended from 24 months to 48 months; the new expiry date of these warrants would be October 7, 2018.

On September 13, 2016, the Company received approval from the TSX Venture Exchange for the warrant term amendment.

On October 25, 2016, the Company announced the discovery of two, new and geologically distinct, mineral discoveries in the Pillar East Zone of the PIL Property: *Copper Cliff* – an alkalic porphyry copper-silver system where rock chip sampling returned up to 25m @ 1.04% copper and 23.9g/t silver and an *Epithermal Gold-Silver quartz system* where rock sampling returned up to 6.57g/t gold and 69.7g/t silver along with significant amounts of lead and zinc.

The Company's 100% owned PIL Property is located in the Toodoggone Region of northern British Columbia and is situated 35km north-northwest of the former operating Kemess alkalic porphyry copper-gold open pit mine along with the Kemess Underground and Kemess East deposits of AuRico Metals Inc. Alkalic porphyry systems are significant as many of the operating mines in British Columbia are alkalic porphyry deposits including the Mount Milligan Mine, the Mount Polley Mine, the New Afton Mine, the Copper Mountain Mine and the recently commissioned Red Chris Mine.

Silver Hope Property:

There was no exploratory work conducted on the Silver Hope in the third quarter of 2016.

Previous Quarters relating to the Silver Hope Property

On February 25, 2015, the Company announced the results of a three hole drilling program (1,200 metres) conducted in late 2014 on its 100%-owned Silver Hope Property located southeast of Houston, B.C. and immediately south of the former

Equity Silver Mine. The Silver Hope is contiguous with the southern boundary of the past producing Equity Silver Mines Property (33,800,000 tonnes @ 0.4% copper, 64.7g/t silver, and 0.46g/t gold from open pit and underground mining) and covers prospective stratigraphy for discovery of stratabound copper-silver-gold mineralization.

The drill program highlights and significant intersections are outlined below:

- **SH14-02 intersected 61.25m of 0.05 g/t Au, 55.29 g/t Ag, 0.29% Cu with a CuEQ of 0.90%**
  including 10.25m of 0.19 g/t Au, 318.77 g/t Ag, 0.88% Cu with a CuEQ of 4.32%

- **SH14-03 intersected 7.40m of 0.17 g/t Au, 25.89 g/t Ag, 0.29% Cu with a CuEQ of 0.69%**
  intersected 90.70m of 0.04 g/t Au, 8.79 g/t Ag, 0.15% Cu with a CuEQ of 0.28%
  including 8.25m of 0.03 g/t Au, 17.30 g/t Ag, 0.40% Cu with a CuEQ of 0.60%

For reference to the Drill Hole Location Map of the Silver Hope Property, please go to the Company's home page at www.finlayminerals.com

Significant Intersections - Silver Hope 2014

DDH	From (m)	To (m)	Length (m)	Au g/t	Ag g/t	Cu %	Copper Equivalent %
SH14-02	38.00	99.25	61.25	0.050	55.29	0.29	0.90
Includes	***62.60***	***82.00***	***19.40***	***0.048***	***10.26***	***0.34***	***0.49***
Includes	***89.00***	***99.25***	***10.25***	***0.195***	***318.77***	***0.88***	***4.32***
	224.25	251.50	27.25	0.081	5.71	0.23	0.36
SH14-03	18.00	59.20	41.20	0.013	2.31	0.14	0.18
	165.00	201.70	36.70	0.012	3.44	0.14	0.18
	251.40	258.80	7.40	0.172	25.89	0.29	0.69
	310.30	401.00	90.70	0.041	8.79	0.15	0.28
Includes	***310.30***	***318.55***	***8.25***	***0.033***	***17.30***	***0.40***	***0.60***
Includes	***363.20***	***401.00***	***37.80***	***0.022***	***12.31***	***0.22***	***0.36***
	426.00	473.00	47.00	0.042	13.47	0.04	0.21

Notes:

1. Copper Equivalent (CuEQ) is calculated using the following metal prices: Gold: $1,200/oz USD; Copper: $2.50/lb USD; Silver; $16.00/oz USD. Assumption includes 100% metallurgical recovery and net smelter returns.

2. All lengths are reported as core length (metres).
   Results reported are weighted averages with no top cutting and no internal waste.

3. Most samples are from 1 to 3 metres long. Precious metals range from <0.01g/t to 1.125g/t (Au) and 1.0 to 1,270 g/t (Ag).

4. Finlay employs a rigorous quality assurance/quality control (QA/QC) program on the Silver Hope Property that includes the regular insertion of certified reference standards and blanks along with the collection of duplicate samples.

5. Warner Gruenwald, P.Geo, Vice President, Exploration for Finlay Minerals Ltd., is the Qualified Person as defined by National Instrument 43-101 and he has prepared the scientific and technical content of this document. Sample analysis was conducted by Acme Analytical Laboratories Ltd. in Vancouver.

The 2014 Program Details are as follows:

Drill hole SH14-01 (350 m) targeted a large, deep Induced Polarization (IP) anomaly along the southern projection of the East Horizon Zone. Thick sequences of interbedded, volcaniclastic rocks, pyritic sediments and graphite were intersected. A few (<5m) zones of geochemically anomalous arsenic, silver, lead and zinc were identified. The sulphide – graphite content is believed to be the cause of the IP anomaly.

Drill hole SH14-02 (371 m) tested a strong IP chargeability anomaly delineated from surface to 400 metres deep in the Gaul Zone, the southernmost of the three Main Horizon mineral deposits. Andesitic volcanic and conglomeritic rocks with

variable amounts of pyrite, chalcopyrite and localized tetrahedrite, galena and sphalerite were intersected down hole to nearly 300 metres. Two distinct, wide intervals of copper and silver mineralization including some higher grade zones were identified. Although the upper half of the hole was situated between two historic holes, SH14-02 yielded a longer and higher grade intercept. The lower mineralized intercept in this hole was below any of the nearby historic holes in this zone. The sulphide content is believed to be the cause of the strong IP anomaly.

Drill hole SH14-03 (473 m), located 120 metres west of hole SH11-12 (76 metres @ 0.43g/t gold, 29g/t silver and 0.20% copper), was drilled to test the down dip extent of this new Main Deep Horizon mineralization. Sulphide mineralization was found throughout much of the hole. Sulphide-rich breccias were intersected and appear similar, albeit narrower than those up dip in SH11-12. Extensive and often intense alteration marked by silicification, quartz veining and sericite are commonly associated with pyrite, chalcopyrite and localized tetrahedrite, arsenopyrite and sphalerite. The overall extent of mineralization and alteration is however, substantially more widespread than in SH11-12. This zone is open along strike (north-south) and to depth.

Analytical data reveals multiple zones of mineralization with the most significant beginning at a down hole depth of 251 metres. Gold and silver content were less than in SH11-12 likely due to less extensive sulphide-rich breccia and fractured zones. As with SH11-12, this hole contains anomalous amounts of arsenic, bismuth and tellurium. The bottom eleven metres of this hole differs markedly from SH11-12 due to the distinctly anomalous levels of silver, bismuth, molybdenum, tellurium and tungsten.

The 2014 drilling continues to demonstrate the presence of copper-silver and gold mineralized zones along the Main and Main Deep Horizon in a geological setting similar to the former Equity Silver Mine. The Company's work has now extended the strike length of these mineralized horizons to 1.73 km. Further exploratory drilling is warranted as these mineralized zones are open along strike and to depth.

The Silver Hope Property has been the site of several successful exploration programs by the Company. A brief outline of the recent programs follows:

Early exploration in the region and the Silver Hope property focused on Equity Silver Mine type Cu-Ag deposits. In 2010 and 2011 however exploration at Silver Hope resulted in the discovery of a previously unknown but sizable Cu-Mo porphyry referred to as the WEST Horizon. This was exemplified by drill hole SH11-05 (602.0m) that intersected good porphyry mineralization from top to bottom. Several other holes also intersected long intervals of continuous Cu-Mo mineralization.

The 2010 and especially the 2011 drilling programs were also successful in the discovery of mineralization beneath the known mineral occurrences and well below the depths of historic drilling. This was exemplified by drill hole SH11-12 that returned 76 metres @ 0.43g/t gold, 29g/t silver and 0.20% copper. This very significant intersection also had a distinct geochemical signature thought to be related to a deep magmatic (intrusive) source. Such discoveries have identified the potential for deep polymetallic replacement-type mineralization along a five kilometre "mine structure" (i.e. Equity Silver South). The Company refers to this mineralization at Silver Hope as the MAIN Deep Horizon.

The 2011 program also resulted in the discovery of high-grade structural-related mineralization in SH11-08 (2.0m @ 498g/t silver and 0.22% copper) in the EAST Horizon. Compellingly, the EAST Horizon has further demonstrated very high pathfinder soil geochemistry as well as a prominent deep gravity anomaly. The EAST Horizon is postulated to be related to a deep intrusive source not yet intersected by drilling.

In early 2012 the Company completed a property-scale detailed airborne ZTEM geophysical survey. Multiple ZTEM targets were identified over a 5 by 7 kilometer area. The Company was able to verify many of the ZTEM targets with pre-existing ground Induced Polarization (IP) surveys, and core drilling. Some areas required detailed ground follow-up with geological mapping, soil sampling, and further geophysics to develop drill targets. The positive results of the property-wide ZTEM survey propelled the Company to stake additional ground expanding the size of the Silver Hope Property by 54% to 9,736 ha or 97.36 square kilometres.

In 2013 a field program of geological mapping, soil and rock sampling targeted the ZTEM anomalies. The work eliminated several of the targets while confirming potential on targets proximal to the West, Main and East Horizons. This work was followed later in the year with a deep IP survey south of drill hole SH11-12. Strong IP chargeability anomalies were identified at the south end of the East Horizon and proximal to the historic Gaul zone situated along the Main Deep Horizon.

In the first quarter of 2014, the Company completed a review of its 2013 field season data. Drill targets were selected based on

historic information and the IP anomalies identified in the 2013 survey. This was followed in the fall by completion of the three drill holes detailed above.

The Company is planning exploration programs comprised of follow-up core drilling on more advanced targets such as the MAIN Deep and EAST Horizons, as well as reconnaissance geological and geochemical surveys on the various new airborne ZTEM targets. A definite plus for the Silver Hope Property is that it can be road accessed year-round for drilling programs.

** Copper and Gold Equivalents (CuEQ & AuEQ) are calculated using metal price lows over the past one year period and assuming 100% metallurgical recovery and net smelter returns.*
Gold: $1,400/oz USD; Copper: $3.00/lb USD; Silver: $25.00/oz USD.

The Pillar East Zone and the Pil Property:

On October 25, 2016, the Company announced the discovery of an alkalic copper-silver porphyry system on its Pillar East Zone called *Copper Cliff* along with an *Epithermal Gold-Silver quartz vein system* in the same zone of the PIL Property.

Copper Cliff in the Pillar East Zone:

In 2015, abundant chalcopyrite and malachite (copper minerals) were found in volcanic rocks on a large talus slope while exploring near the southern part of the epithermal gold-silver zone. Four composite rock samples collected from the slope returned 0.99% to 1.67% copper (Cu) and up to 33.8g/t silver (Ag). (Refer to Finlay News Release dated April 29, 2016).

A significant development of the 2016 program was the discovery of copper mineralized bedrock uphill (south) of the talus samples collected in 2015. This mineralization occurs in a rock of monzonitic composition rather than in volcanic tuff as seen on talus slopes below. Copper mineralization in bedrock extends at least 40 metres east-west by 30 metres north-south. Visual indications of malachite on steep rock faces to the east combined with copper mineralization on the talus slope below (north) indicates that the Copper Cliff Zone is larger. Potentially significant is that this mineralization is associated with a 1 to 2 km diameter Thorium/Potassium anomaly – one of the largest of the 2004 Toodoggone airborne geophysical survey.

Of eleven rock samples collected (continuous outcrop chip and composite base of cliff talus samples) all contain disseminated chalcopyrite mineralization. In some areas chalcopyrite concentrations exceed 5%. Copper and silver assays range from 0.05% to 1.04% Cu and 2.8 to 23.9g/t Ag respectively.

Significant Rock Samples from the Copper Cliff Zone

Sample	Type	Length (m)	Cu (%)	Ag (g/t)
W16R-28	Composite talus at base of outcrop	25.0	1.04	23.9
W16R-30	Continuous bedrock chip sample	3.5	0.64	11.9
W16R-32	Continuous bedrock chip sample	4.5	0.76	12.5
W16R-33	Continuous bedrock chip sample	4.0	0.44	15.0
W16R-34	Continuous bedrock chip sample	8.5	0.94	21.3
W16R-35	Continuous bedrock chip sample	10.0	0.79	14.1
W16R-36	Continuous bedrock chip sample	8.0	0.32	7.5
W16R-38	Continuous bedrock chip sample	1.5	1.03	7.2

In addition to geochemical analysis, two samples were submitted for petrographic analysis which describes the rock as potassic altered low-iron (Fe)/high-copper (Cu) hypabyssal monzonite porphyry with abundant chalcopyrite mineralization. Further details are available on the Finlay website under the PIL property.

Epithermal Gold-Silver in the Pillar East Zone -

Gold-silver mineralization was first identified at Pillar East in bedrock, float, soil and silt samples from the Company's initial work. (Refer to Finlay News Release dated April 29, 2016.) Work in 2016 tested many of the strongest gold-in-soil and rock sample anomalies from the previous programs. In virtually every case, anomalous gold-in-soil was confirmed by

evidence of quartz veining, stockwork or quartz breccias. Close spaced soil samples collected across the gold anomalies returned from background to 2.88 g/t Au. Of the ten soil samples containing >0.1g/t Au, nine yielded from 1.1 to 50.3g/t Ag with one soil sample assaying 232g/t Ag. Twelve of the sixteen rock samples collected during the follow-up work returned anomalous Au and Ag ranging from background to 6.57g/t Au and background to 69.7g/t Ag respectively. Many of the most anomalous soil and rock samples also contain significant amounts of lead (Pb) and zinc (Zn) with some rock samples occasionally grading over 0.5% combined Pb-Zn.

Significant Rock Samples from Pillar East Epithermal Au-Ag Zone

Sample	Sample Type	Length (m)	Au (g/t)	Ag (g/t)	Pb (ppm)	Zn (ppm)
W16R-05	Bedrock chip of rusty zone	0.75	1.57	16.3	1,403	485
W16R-07	Composite chips of angular float	0.50	6.57	13.1	1,531	1,727
W16R-09	Chip sample of rusty zone	2.50	1.07	13.0	467	798
W16R-10	Composite rock chips across talus slope	15.0	1.25	69.7	2,724	4,449

To date, the geological and geochemical evidence and data indicate that the Pillar East Epithermal Au-Ag Zone is approximately 800 meters long and of unknown width. It is open along strike with the possible strike extensions, especially to the south, obscured by talus.

The Company is extremely pleased with the alkalic porphyry mineral system discovery and with such high-grade copper and silver values on surface. Given the positive exploration results, the Company anticipates continued work and plans more extensive exploration including further prospecting, sampling, mapping, Induced Polarization (IP) geophysical surveys and ASTER satellite imagery of these new mineralized zones. The results of this work will help define future drill targets.

Further details in relation to both these discoveries is available on the Company's website at www.finlayminerals.com under the PIL Property, Pillar East Zone.

Warner Gruenwald, P.Geo. and Vice President, Exploration for Finlay Minerals Ltd. is the Qualified Person as defined by National Instrument 43-101 and he supervised the exploration work and has prepared this news release. Sample analysis was conducted by Bureau Veritas (formerly Acme Labs.) in Vancouver, BC. Seven rock samples reporting >4,000 ppm (0.4% Cu) were re-analyzed by Bureau Veritas using method MA401, a multi-acid, ore grade classical wet assay method that utilizes a four acid digestion followed by an Atomic Absorption Finish.

Previous quarters relating to the Pil Property

In April, 2016 the Company announced the results of a short program of prospecting along with soil and rock sampling in the Pillar East Zone of the Company's 100% owned Pil property. Access to the property was via helicopter from the former operating Kemess copper-gold open pit mine site located 35 kilometers to the southeast.

The objective of the most recent program was to follow-up on highly anomalous gold in soil, silt and rocks discovered in 2007 and earlier heavy metal silt sampling in this new area easterly of the Atlas epithermal gold-silver (Au-Ag) zone. Some of the most anomalous soil samples from the 2007 work assayed >1.0g/t Au with one containing 6.75g/t Au. Two rock samples collected from a small (1.5m) rusty outcrop yielded 1.68g/t and 1.17g/t Au. Panning of rusty, crumbly surface material from this outcrop revealed very fine-grained, angular gold. Similar angular gold was also panned from creeks several hundred meters to the north-northeast.

The 2015 work began by resampling the rusty zone with rock chip sample WG15-01 which assayed 2.83g/t Au. A man portable gas powered diamond drill was used to test this zone with a three meter, steeply angled hole. All but one sample (wall rock) returned strongly anomalous gold and silver.

Sample	Gold (g/t)	Silver (g/t)
Drill Sample P1 (0.6m)	2.80	6.5
Drill Sample P2 (0.6m)	0.37	7.0
Drill Sample P3 (0.6m)	0.35	8.2
Drill Sample P4 (0.6m)	2.60	12.7
Drill Sample P5 (0.6m)	0.08	4.1
WG15-01 (1.5m chip)	2.83	6.4
WG15-02 (Talus sample)	6.40	46.9
WG15-03 (Talus sample)	8.30	39.7

Additional fill-in soil sampling was conducted and further confirmed the north-northeast trend of the anomalous soils which likely parallel the probable trend of a mineralized structure. Discovered 25 meters north of the 6.75g/t Au soil (2007) were angular talus fragments of rusty, epithermal style quartz ranging up to 20 cm across. A composite sample (WG15-03) of numerous talus fragments contained 8.3g/t Au and 39.7g/t Ag. The angular nature of this material indicates the source is very nearby. Based on work to date it appears that this discovery is a steeply dipping epithermal structure hosted by volcanic rocks that is nearly 500 meters long. The width of the zone has not yet been delineated.

While prospecting approximately 100 meters south of the Au-Ag epithermal structure, several malachite bearing (copper stained) volcanic boulders (Toodoggone Volcanics) were found at the base of a large talus slope. A composite sample of talus fragments (WG15-04) returned very anomalous copper (1.27%) and silver (33.8g/t) values. Prospecting uphill on a large talus slope revealed many more malachite stained boulders. Three other composite samples were collected and all returned highly anomalous copper values. Sample WG15-06 was collected at the base of volcanic outcrops suggesting one possible source for the mineralized talus.

Sample	Copper (%)	Silver (g/t)
WG15-04	1.27	33.8
WG15-05	1.67	3.2
WG15-06	0.99	3.5
WG15-07	1.15	23.8

In all cases the malachite stained volcanic rocks contain abundant, finely disseminated chalcopyrite. Petrographic analysis confirmed this and identified the rock as an altered, andesitic lapilli tuff that the BC Geological Survey (BCGS) mapped as part of the Toodoggone Formation. This appears to be a new and unrecognized type of copper mineralization on the property. Given that only a small portion of the slope was examined the full extent of the copper mineralization is yet unknown.

Intrusive rocks are present at Pillar East with a small elongate body of Early Jurassic age Black Lake diorite being mapped by the BCGS north of the Au-Ag epithermal structure. A breccia dike situated 1.5 km westerly containing fragments of intrusive rock and copper mineralized volcanics may suggest a greater extent of these rocks underlying the Atlas-Pillar East areas. In the Toodoggone region porphyry copper mineralization is spatially and genetically associated with the Black Lake intrusive suite and their co-magmatic volcanic piles (i.e. Toodoggone Formation) as well as in older Takla Group volcanics.

The Company plans to conduct more extensive exploration in the near future directed at prospecting, sampling and mapping to more fully evaluate the extent and geology of the epithermal Au-Ag zone and the new copper mineralization.
In 2005 and 2006, the Atlas East Zone emerged as a new and very exciting epithermal gold-silver exploration target. Surface sampling consistently revealed abundant mineralized talus float and outcrop consisting of silicified, quartz stockwork-veined and brecciated andesite Toodoggone Formation volcanic rocks. Gold-silver mineralization is associated with a prominent rusty gossan zone hosted by pyritic andesite. Gold and silver occurring as electrum, native gold, and argentite have been found in both float and bedrock. Soil and PIMA analysis of the clay-silica minerals suggests the Atlas East Zone lies close to the top of a hydrothermal system. In such systems, high-level clay-silica alteration can pass downward into precious metal mineralization.

In 2006 and 2007 sampling further east of Atlas East resulted in the discovery of anomalous gold and silver in an area referred to as Pillar East. A soil sampling program over the Pillar East Zone delineated a north-northeast trending nearly 500-metre long area of anomalous gold and silver. Soil values range up to 6,748 ppb and 29 ppm respectively. Prospecting and rock sampling within the grid resulted in the discovery of gold and silver mineralization in float and bedrock grading up to 4,650 ppb Au and 102 ppm Ag. Anomalous concentrations of base metals (copper, lead, zinc) were also identified.

Atty Property:

In the third quarter of 2016, the Company commissioned an airborne LiDar topographical survey of the ATTY Property and this was completed in late October, 2016. LiDar surveys are utilized to produce high resolution imagery of the earth's surface. The resulting maps and images can be used to locate and define geological features and surface disturbance. The detailed topographic data and maps are sufficiently accurate to use in mineral resource estimates. The Company is currently analyzing and reviewing the LiDar data received for the ATTY Property.

Previous quarters relating to the Atty Property

In the third and fourth quarter of 2015, the Atty Property was visited. One objective was prospecting and soil sampling chargeability anomalies along the Titan Induced Polarization line near the property boundary with AuRico Metal's Kemess property. Soil and rock sampling was also conducted over a rusty zone where a rock sample collected in 2013 returned weakly anomalous precious and base metal values. Sampling was also conducted along a ridge in the northeast part of the property that hosts a mineral occurrence.

The southern portion of the Atty claim (due north of the Kemess property) has a similar geological setting to the Kemess copper-gold deposits. The Company's Titan geophysical survey program during the summer of 2007 identified deep chargeability anomalies potentially indicating that copper-gold porphyry mineralization of the Kemess East Zone being drilled by AuRico Gold may extend onto the Atty property.

In 2013, AuRico Gold completed its feasibility study on the Kemess Underground Zone with the outline of the development of an underground block cave operation with average annual production of 105,000 ounces of gold and 44 million pounds of copper at cash costs of $213 per ounce of gold, net of by-product credits, over a mine-life of approximately 12 years using base case commodity price assumptions of $1,300 per ounce for gold, $3.00 per pound for copper and $23 per ounce for silver and an exchange rate of US$/CDN$1.00.

On December 15, 2014 AuRico Gold announced the discovery of a new porphyry mineralized system that they have named Kemess East. And on January 21, 2015, AuRico further announced an initial resource of 5.5 million Gold Equivalent Ounces at Kemess East bringing the Total Kemess Property (the new Kemess East and pre-existing Kemess Underground) resource to 10.6 million Gold Equivalent Ounces.

On March 23, 2016 AuRico Metals announced a positive feasibility study update on the Kemess Underground reporting a measured & indicated mineral resource estimate of 246,400,000 tonnes containing 1,195,300lbs. of copper grading 0.22%, 3,328,000 ounces gold grading 0.42%g/t and 13,866,000 ounces silver grading 1.75g/t. Also on March 23, 2016, AuRico Metals announced high grade core to the Kemess East Deposit with an indicated only mineral resource estimate of 39,200,000 tonnes total; 344,000,000lbs. of copper grading 0.40%, 627,000 ounces gold grading 0.50g/t, 2,512,000 silver grading 1.99g/t and 7,100,000lbs. molybdenum grading 0.008%.

Since 2006 AuRico has completed 71 drill holes in the Kemess East - 31 of these drill holes since late 2013 (44,633 meters). Most of the mineralized drill intersections on the Kemess East occur between 1.1 and 1.3km from the Atty property border. AuRico continues to aggressively explore the Kemess East deposit.

Summary of Quarterly Results

The following table sets forth selected financial information for each of the last eight most recently completed quarters:

	Quarters Ended			
	September 30, 2016	**June 30, 2016**	**March 31, 2016**	**December 31, 2015**
Revenue	$nil	$nil	$nil	$nil
(Loss)/Income	$99,008	($13,835)	($10,662)	($44,758)
(Loss)/ Income Per Share	($0.00)	($0.00)	($0.00)	($0.00)
	September 30, 2015	**June 30, 2015**	**March 31, 2015**	**December 31, 2014**
Revenue	$nil	$nil	$nil	$nil
(Loss)/Income	($7,516)	($18,442)	($12,583)	($42,419)
(Loss)/Income Per Share	($0.00)	($0.00)	($0.00)	($0.00)

Financial Condition

At September 30, 2016, the Company had Current Assets of $186,318 (December 31, 2015 - $60,938). Deferred mineral property expenditures for the period totalled $34,682 (December 31, 2015 - $25,585).

During the nine months ended September 30, 2016, general and administrative expenses for the period were $137,909 compared to $52,306 in September 30, 2015. The increase was primarily due to an increase of $90,212 in share based compensation, a decrease of $8,345 in legal and accounting, an increase of $1,033 in office and administration and an increase of $2,978 in trust and filing fees.

At September 30, 2016, the Company had a working capital of $167,130 (December 31, 2015 - $52,210).

There has been no change in the nature or manner in which business is conducted nor in business conditions which would affect the Company's financial results. All results are reported in Canadian dollars.

Capital Resources and Liquidity

The Company is in the exploration stage and therefore, has no cash flow from operations. At September 30, 2016, the Company had cash and cash equivalents of $179,450 (December 31, 2015 - $56,691).

At September 30, 2016, the Company had $2,824 (December 31, 2015 - $1,204) in amounts receivable.

At present, the Company's operations do not generate cash flows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

The Company currently has sufficient financial resources to meet its administrative overhead and property commitments going forward and is confident that it can raise additional funds to undertake all of its planned exploration activities.

Investor Relations

The Company manages its investor relations in-house.

The Company also maintains a website at www.finlayminerals.com for investor reference.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

No proposed transactions.

Critical Accounting Estimates

A detailed summary of all the Company's significant accounting policies is included in Note 2 of the Company's December 31, 2015 audited financial statements.

Financial Instruments and Financial Risk

The Company's financial instruments, at September 30, 2016, consist of cash, reclamation deposits, amounts receivable, accounts payable, accrued liabilities, and due to related parties. Cash has been classified as financial assets at fair value through profit or loss and is recognized at fair value. Reclamation deposits and amounts receivable have been classified as loans and receivables, the carrying values of which approximate their fair values due to their short term nature. Accounts payable and accrued liabilities and due to related parties are classified as other financial liabilities, measured at amortized cost using the effective interest rate method, however due to their short term nature, their carrying amounts approximate fair value**.**

Outstanding Share Data

The Company has one class of common share. As at November 29, 2016, there were 68,781,515 common shares outstanding.

No class A or class B preference shares have been issued.

The Company has a stock option plan. As at November 29, 2016, there were 3,650,000 stock options outstanding, all of which have vested.

The Company has 7,886,905 warrants outstanding at November 29, 2016.

The Company has no agent's options or agent's warrants outstanding at November 29, 2016.

Events After The Reporting Period

There are no events to report after the Reporting Period.

Financial Instrument Risks

The Company's financial instruments are exposed to the following risks:

Credit Risk

The Company's primary exposure to credit risk is the risk of illiquidity of cash and cash equivalents, amounting to $179,450 at September 30, 2016 (December 31, 2015 - $56,591). As the Company's policy is to limit cash holdings to instruments issued by major Canadian banks, or investments of equivalent or better quality, the credit risk is considered by management to be negligible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's liquidity risk from financial instruments is its need to meet accounts payable and accrued liabilities and related party balance obligations. The Company maintained sufficient cash and cash equivalent balances to meet these needs at September 30, 2016.

Interest Rate Risk

The Company has cash balances and only fixed interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institution. The Company periodically monitors the

investments it makes and is satisfied with the credit ratings of its banks.

Fair Value of Financial Instruments

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value classifications of the Company's financial instruments are as follows:

		September 30, 2016		December 31, 2015	
	Fair value level	Fair value through profit or loss	Loans and receivables and other financial liabilities at amortized cost	Fair value through profit or loss	Loans and receivables and other financial liabilities at amortized cost
		$	$	$	$
Financial assets:					
Cash and cash equivalents	1	179,450	-	56,691	-
Reclamation deposits		-	57,200	-	57,200
		179,450	57,200	56,691	57,200
Financial liabilities:					
Accounts payable and accrued liabilities		-	19,188	-	8,728
Due to related parties		-	-	-	-
		-	19,188	-	8,728

During the nine month period ended September 30, 2016 and the year ended December 31, 2015, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

RISK AND UNCERTAINTIES

Risks of the Company's business include the following:

Mining Industry

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of ore, including unusual and unexpected geology

formations, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

The Company's mineral exploration activities are directed towards the search, evaluation and development of mineral deposits. There is no certainty that the expenditures to be made by the Company as described herein will result in discoveries of commercial quantities of ore. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other interests, many of which have greater financial resources than it will have for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

Government Regulation

The exploration activities of the Company are subject to various federal, provincial and local laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substance and other matters. Exploration activities are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws mandate, among other things, the maintenance of air and water quality standards, and land reclamation. These laws also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Although the Company's exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration, mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

Permits and Licenses

The exploitation and development of mineral properties may require the Company to obtain regulatory or other permits and licenses from various governmental licensing bodies. There can be no assurance that the Company will be able to obtain all necessary permits and licenses that may be required to carry out exploration, development and mining operations on its properties.

Environmental Risks and Hazards

All phases of the Company's mineral exploration operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present, which have been caused, by previous or existing owners or operators of the properties. The Company may become liable for such environmental hazards caused by previous owners and operators of the properties even where it has attempted to contractually limit its liability.

Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require

abandonment or delays in development of new mining properties.

Production of mineral properties may involve the use of dangerous and hazardous substances such as sodium cyanide. While all steps will be taken to prevent discharges of pollutants into the ground water, the Company may become subject to liability for hazards that cannot be insured against.

Commodity Prices

The profitability of mining operations is significantly affected by changes in the market price of gold and other minerals. The level of interest rates, the rate of inflation, world supply of these minerals and stability of exchange rates can all cause significant fluctuations in base metal prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments. The price of gold and other minerals has fluctuated widely in recent years, and future serious price declines could cause continued commercial production to be impracticable. Depending on the price of gold and other minerals, cash flow from mining operations may not be sufficient. Any figures for reserves presented by the Company will be estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Market fluctuations and the price of gold and other minerals may render reserves uneconomical. Moreover, short-term operating factors relating to the reserves, such as the need for orderly development of the ore bodies or the processing of new or different grades of ore, may cause a mining operation to be unprofitable in any particular accounting period.

Uninsured Risks

The Company carries insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include environmental pollution or other hazards against which such corporations cannot insure or against which they may elect not to insure.

Conflicts of Interest

Certain of the directors of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Land Title

Although the Company has obtained title opinions with respect to certain of its properties, there may still be undetected title defects affecting such properties. Accordingly, such properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects which could have a material adverse impact on the Company's operations.

Aboriginal Land Claims

No assurance can be given that aboriginal land claims will not be asserted in the future in which event the Company's operations and title to its properties may potentially be seriously adversely affected.

Additional information relating to the Company is available on www.sedar.com.

On behalf of the Board of Directors

"Robert F. Brown"

Robert F. Brown, P. Eng., President & C.E.O.
Vancouver, November 29, 2016