JUNEX

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE QUARTER ENDED SEPTEMBER 30, 2015

This management discussion and analysis ("MD&A") is a comparison of Junex's financial position and results for the quarter ended September 30, 2015, with those of the previous year. It should be read in conjunction with the consolidated financial statements and notes for the quarter ended September 30,2015 thereto for the year ended December 31, 2014. These interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, and are presented in Canadian dollars. The interim consolidated financial statements as at September 30, 2015 and the Quarterly Report for the three month ended September 30, 2015 have not been audited by the Company's external auditors.

Nature of Business

The Company was incorporated under Part 1A of the Companies Act (Québec). Its main activity is oil and gas exploration in the province of Québec. The Company is also engaged in complementary activities such as selling natural brine and providing oil and gas well drilling services.

Junex is a junior oil and gas exploration company that holds exploration rights on approximately 5.2 million acres of land located in the Appalachian basin in the Province of Quebec. The company is in the heart of the Utica Shale gas discovery located in the St. Lawrence Lowlands and holds a significant land-package on the Anticosti Island where an independent report has provided their Best Estimate of the undiscovered shale oil initially-in-place ("OIIP") at 12.2 billion barrels for the Macasty Shale.

Forward-Looking Statements

Certain statements in this report should be considered as forward-looking statements. Such statements are subject to risks, uncertainty and other factors that could cause the Company's actual results, performance or achievements to be materially different from the results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements typically contain words such as "anticipate", "believe", "plan", "estimate", "expect", "may", "will", "project", "should" or similar words suggesting future outcomes. In particular, this MD&A contains forward-looking statements pertaining to the following:

› Realization and results of future exploration;
› Size of hydrocarbon discoveries and/or production;
› Anticipated revenues and cash flows;
› Capital expenditures contemplated by the Company or its partners;
› Cost and scheduling of operations planned by the Company or its partners;
› The Company's ability to enter into new joint venture agreements;
› Estimation of reserves in place and/or recoverable;
› The Company's financing capability.

The statements made herein may constitute forward-looking statements. These statements relate to future events or Junex's future financial performance and entail risks, uncertainties and other factors, both known and unknown, that may appreciably affect its results, financial performance or achievements when considered in light of the content or implications of statements made by Junex. Actual events or results could be significantly different. Accordingly, investors should not place undue reliance on forward-looking statements. Junex does not intend and undertakes no obligation to update these forward-looking statements.

1.1 Date

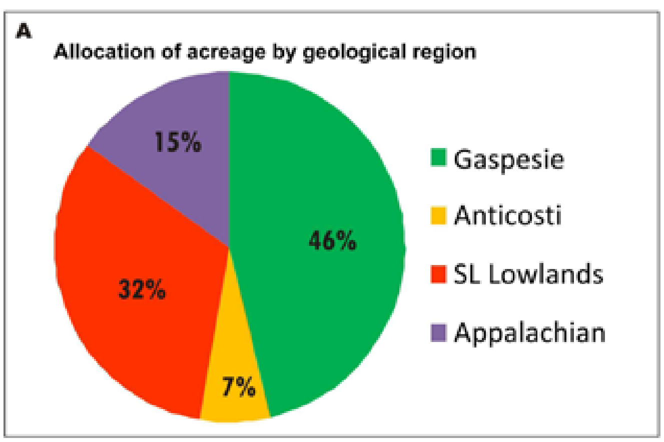
This report for the period ended June 30, 2015, was completed on November 26, 2015.

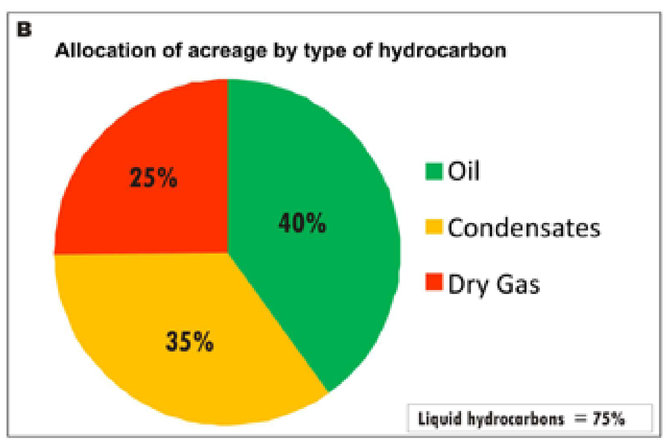
1.2 Exploration Operations for the Third Quarter of 2015

Junex is a junior petroleum and natural gas exploration company who holds exploration rights on approximately 5.2 million acres in the Appalachian Basin in Quebec. Junex is the largest holder of oil and gas exploration licenses in Quebec and its properties are located in sedimentary basins in the St. Lawrence Lowlands, on the Gaspé Peninsula, on Anticosti Island and in the Appalachian region. With its presence in these different regions, Junex has diversified its portfolio of exploration objectives and thus reduced the risks typically associated with a single exploration focus. The company's portfolio of projects is well balanced with just over half of these properties having a potential for petroleum liquids (oil or condensate).

Junex Exploration Properties in Quebec

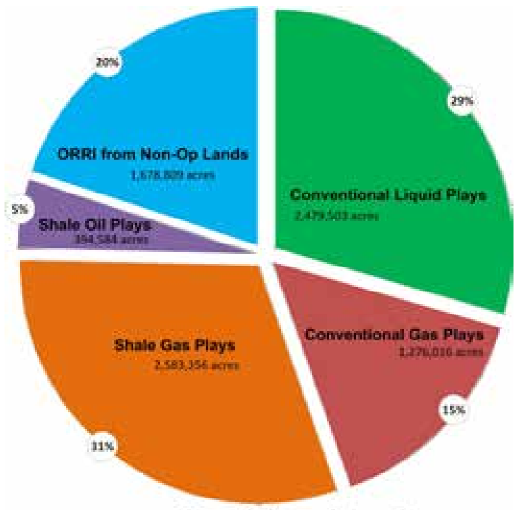
Junex Exploration Portofolio in Québec





Since 2006, Junex has entered into various partnership agreements to explore the shale gas potential in certain areas in the St. Lawrence Lowlands. Three agreements are currently in place, including two with Lone Pine Resources Inc. and another with Canadian Quantum Energy Corporation, both of who are based in Calgary, Alberta. Junex also owns overriding royalties on production ranging from 0.5% to 5% in an additional 12,000 square kilometer-sized area (2.2 million acres) in two sedimentary basins in Quebec: the Gaspé Peninsula and the St. Lawrence Lowlands.

Junex Portofolio Presented by Type of Project



Elsewhere in North America, Junex is in the process of earning a 25 % working interest in an oil exploration project covering more than 2,200 acres located in the Permian Basin in west Texas.

Over the years, Junex's exploration operations have demonstrated the oil and gas potential of its properties. In addition to the significant natural gas potential of the Utica Shale Basin in the St. Lawrence Lowlands, the company also counts on excellent oil projects where the potential was assessed by an independent firm.

These include the Galt Oil Projects with Oil-Initially-in-Place ("OIIP") resources of 557 million barrels, and Anticosti Island where the company owns 100% in approximately 234,000 acres under exploration permit.

Review of Exploration Operations for the Third Quarter of 2015

The third Quarter of 2015 was mainly devoted to the monitoring of the Galt Exploration Project, on the Gapse Peninsula, where Junex successfully drilled a first horizontal well at the end of 2014. As a result of this well, the total Oil-Initially-In-Place ("OIIP") Resources increased by 69% to 557 million barrels according to an updated independent study.

Investments in exploration operations for the third Quarter of 2015 totalled $4,930,670.

Galt Project

The Galt Oil Project covers an area of 16,645 acres located 20 kilometres west of Gaspé.

Junex holds a 70% interest in the Galt Oil Property and a 100% interest in the acreage adjacent to it. The adjacent 100% Junex acreage has not yet been independently evaluated for its resource potential. These properties are situated approximately 20 kilometers west of the town of Gaspé in eastern Quebec.

Galt is the most advanced oil project in Quebec in terms of geological knowledge and engineering, and in terms of delineation of the structure, wells drilled and resource potential. Based on publicly disseminated information, our project contains the largest Discovered and Undiscovered Oil Resource potential so far established on the Gaspé Peninsula by independent evaluators.

New Evaluation Report

Netherland, Sewell & Associates, Inc., ("NSAI"), a firm of worldwide petroleum consultants based in Texas, provided in 2015 an update of their Best Estimate of the total Oil-Initially-In-Place ("OIIP") resources at 557 million barrels for the Forillon and Indian Point formations on Junex's Galt Field property on the Gaspe Peninsula.

This 557 million barrel figure includes Discovered OIIP volumes of 81 million barrels and Undiscovered OIIP volumes of 476 million barrels in the combined Forillon and Indian Point formations, of which Junex's net share of the total OIIP resources is 390 million barrels that includes Discovered OIIP volumes of 57 million barrels and Undiscovered OIIP volumes of 333 million barrels. This represents a 227 million barrel increase (69%) with respect to NSAI's previous Best Estimate of the total OIIP resources as outlined in a press release made by Junex on March 27, 2013. The Discovered OIIP volumes have more than doubled to 80.8 million barrels and Junex's share of the potentially recoverable Contingent Resources portion of these has increased by approximately 1500% to 5.7 million barrels. These are a direct result of an increase in size of the area where Discovered sub-commercial Contingent Resources have been established as well as increased certainty as to the oil recovery factor and other oil characteristics.

Oil Initially-In-Place (OIIP) Volumes	Gross (100 %) OIIP (Millions of Barrels)			Junex's Portion (70%) OIIP (Millions of Barrels)		
	Low Estimate	Best Estimate	High Estimate	Low Estimate	Best Estimate	High Estimate
Discovered OIIP [1]	59.8	80.8	99.1	41.9	56.6	69.4
Undiscovered OIIP [2]	350.8	476.2	591.8	245.6	333.4	414.3
Total OIIP	410.6	557.0	690.9	287.4	389.9	483.6

1 There is uncertainty that it will be commercially viable to produce any portion of the discovered resources.

2 There is no certainty that any portion of the undiscovered resources will be discovered, and, if discovered, there is no certainty that it will be commercially viable to produce any portion of this category of resources.

NSAI's updated Best Estimate of the total Recoverable Oil Resource Volume on the Galt Field property includes 23,000 barrels of Proved plus Probable Reserves, 8.1 million barrels of Recoverable Unrisked Contingent Oil Resources and 71.4 million barrels of Recoverable Unrisked Prospective Oil Resources, of which Junex's net share of the total Potentially Recoverable Oil Resource Volume includes 16,000 barrels of Proved plus Probable Reserves, 5.7 million barrels of Recoverable Unrisked Contingent Oil Resources and 50 million barrels of Recoverable Unrisked Prospective Oil Resources.

This evaluation considers new information from the Junex Galt No. 4 Horizontal oil discovery well drilled in late 2014, including, but not limited to, data from subsequent oil production testing that yielded a total of 7,200 barrels of light, sweet oil at rates varying up to more than 300 barrels of oil per day (see Junex press releases from January 27th 2015, February 2nd 2015, February 23rd 2015 and March 16th 2015).

Recoverable Oil Volumes	**Gross (100 %)** (Millions of Barrels)		**Junex's Portion (70%)** (Millions of Barrels)			
	Proved	**Proved + Probable**	**Proved + Probable + Possible**	**Proved**	**Proved + Probable**	**Proved + Probable + Possible**
Volumes	0.020	0.023	0.023	0.014	0.016	0.016
Resources	**Low Estimate**	**Best Estimate**	**High Estimate**	**Low Estimate**	**Best Estimate**	**High Estimate**
Contingent Resources[3]	3.0	8.1	14.9	2.1	5.7	10.4
Unrecoverable	56.5	72.3	83.5	39.6	50.6	58.4
Prospective Resources[2]	17.5	71.4	147.9	12.3	50.0	103.6
Unrecoverable	333.3	404.8	443.8	233.3	283.3	310.7
Recovery Factor - Contingent Resources	5%	10%	15%	5%	10%	15%
Recovery Factor - Prospective Resources	5%	15%	25%	5%	15%	25%

3 There is uncertainty that it will be commercially viable to produce any portion of the sub-commercial discovered resources.

Field Work

In addition to continue the analysis of technical data from the Galt No 4 Horizontal well, Junex's team mainly focused on the planning of the next exploration phase which consist of the following steps:

› The drilling of the Galt 5 Horizontal well (drilling permit obtained);
› The acquisition of 3D seismic data, and;
› The drilling of the Galt 6 & 7 Horizontal wells whose locations will be chosen based on 3D seismic data and results of the Galt 4 and 5 Horizontal wells.

Two private placements, totaling more than $15,000,000, were completed by the company in July 2015 in order to be able to launch the next phase of its exploration program on the Galt Project. It is only after the completion of this exploration program that the company intends to apply for a production lease with the competent authorities.

Galt No. 5 Horizontal Well

The Galt No. 5 Horizontal well, the second in a series of four horizontal exploration wells forming the current exploration phase on Junex's Galt Oil Property, started drilling on July 24th and was drilled to a total measured depth of 2,582 metres. This well was drilled in closer proximity to the Troisième Lac Fault zone than previous wells drilled by Junex at Galt.

After having drilled the vertical portion of the well and immediately prior to installing the intermediate casing therein, a drillstem test ("DST") was performed in the upper portion of the Forillon Limestone reservoir from which a column of 475 meters (8 barrels) of light crude oil was recovered in the drill string during a total flow period of 1.1 hours. The intermediate casing was then installed followed by the drilling of a horizontal leg into the lower portion of the Forillon Limestone and the upper portion of the Indian Point Formation, both of which have recognized oil potential at Galt.

The short duration DST that recovered 8 barrels of light oil from the upper part of the Forillon reservoir demonstrates the oil potential of this well, but this volume of recovered oil should not be used to estimate any potential daily production rate from the tested interval. This DST was performed in the uppermost portion of the Forillon Limestone reservoir where vuggy/fracture porosity with significant oil shows were observed in drill cutting samples. In the horizontal leg, the abundant natural fractures and oil shows observed in the lower portion of the Forillon Limestone and the upper portion of the Indian Point Formation are the subject of ongoing evaluation operations. These operations should ultimately provide the necessary information as to the next steps in this well.

The evaluation operations remain to be completed. In order to undertake these in accordance with existing regulations, Junex will soon be submitting a request to the Quebec Ministry of Energy and Natural Resources for the required completion permit. After receipt of this completion permit, Junex will continue with evaluation operations in this well.

3D Seismic Program
This 37 km2 3D seismic survey is being undertaken to locate future horizontal wells on the Galt Oil property, including the Galt No. 6 and No. 7 horizontal wells that form part of the current phase of activity at Galt. Field operations on the 3D seismic program have been performed according to schedule and budget. Junex anticipates commencing data acquisition activities soon. This new seismic data will also aid in better defining the nature of the reservoir in the vicinity of the Galt No. 4 and No. 5 Horizontal wells and should provide valuable input about future operations in these wells should they be required. The Company forecasts that the data will be fully acquired, processed and interpreted by December 2015.

Anticosti Project

The South Anticosti block of permits covers an area of 944 square kilometers and is 100% held by Junex.

Junex's acreage on Anticosti is principally situated to the south of and on the deeper side of the major Jupiter Fault Zone ("Jupiter Fault") where the prospective sedimentary layers are located deeper than those located north of the fault. Based on the results obtained from the Utica Shale in the St. Lawrence Lowlands and those observed in the majority of the basins in the U.S., Junex is of the opinion that the Macasty located in the Deep Fairway should have a more significant reservoir pressure (or reservoir energy) than the shallow Macasty located outside of the Fairway, which could translate by a potentially increased production in the Deep Fairway.

Based on available data, the company's mapping indicates that the Macasty's average thickness is approximately two times that encountered in the wells previously drilled by other operators outside the Deep Fairway. Junex's interpretation of pertinent geochemical lab data indicates that the organic-rich Macasty on its Deep Fairway acreage places it well within the Oil Window of thermal maturity, which compares much more favourably with published findings for the oil-rich Utica/Point Pleasant Shale in Ohio and the prolific Eagle Ford Shale in Texas than currently does the less thermally mature Macasty Shale outside of the Deep Fairway.

In addition to the Macasty Shale, the deeper sedimentary sequences contain an excellent oil and gas potential. Several seismically-defined drilling targets have been identified within the Trenton Black River Formations, which is a prolific producer in the Appalachian basin in the United States.

During 2014, Ressources Québec has signed a partnership agreement with a group of companies which owns the other permits on Anticosti Island. This agreement has the effect of creating a new player in the oil and gas field in Quebec : Hydrocarbures Anticosti SEC. As part of this agreement, stratigraphic surveys and drilling work is planned, some of which were completed in 2014. The location of the work planned for 2015 and list of wells completed to date indicate that these wells have been or will be made near the permits held by Junex. The value of these permits could fluctuate depending on the results that will be obtained during this work. This drilling program will continue this year and, if the publicly announced timetable is met, fracturing with horizontal drilling would be realized in 2016.

Over the near term, we do not plan undertaking any exploration operations on the island because we believe that the "Hydrocarbures Anticosti" consortium's operations will de-risk our adjoining exploration permits without any capital expenditure on our part or any dilution in the 100% interest that we hold in this 741,515 acre-sized block of acreage.

Investments in exploration operations on Anticosti for the third Quarter of 2015 totalled less than $10,000.

Other Properties

Junex holds a significant position of permits in the St. Lawrence Lowlands and is directly involved in the natural gas discovery in the Utica Shales.

Since 2011, the socio-political climate of Quebec has resulted in a *de facto* moratorium on exploration in the St. Lawrence Lowlands and the Quebec Government had launched a Strategic Environmental Study to evaluate the different impacts of a possible natural gas production in the St. Lawrence Lowlands. The results of this study were filed in early 2014 and a public consultation of the *Bureau d'Audience Publique sur l'Environnement* (BAPE) was launched. In 2014, Junex participated to the Public Consultation by filing a Memoir highlighting the importance of performing a pilot project with the purpose of addressing the main issues involved in Shale Gas exploration and production in Quebec's particular context.

The BAPE findings were published at the end of 2014. In light of the findings and recommendations presented in this report, the Quebec government decided to wait for the publication of all ongoing ESA reports prior to any development of shale gas. The filing of these reports and the publication of a new energy policy are scheduled for late 2015 or early 2016. Junex has no intention of investing in the Utica Shale project until that time.

The company remains confident that the licenses it holds in the St. Lawrence Lowlands Basin have significant value, particularly taking into account the existing natural gas resources discovered in the Utica Shale. The company invested significant capital in exploration in this region in good faith, respecting all regulations and with the tacit understanding that the discovered resources could be produced, and such in order to discover and develop these resources that, once on production, would have a very significant value. Junex also intends to use all means at its disposal such that the value of these assets is recognized and materialized.

Permian Basin, Texas
Schleicher County Project

In 2012, Junex concluded an agreement with Telesis Operating Co., an oil exploration and production company, which is headquartered in Fort Worth, Texas. The agreement concerns a block of licenses covering over 2200 acres located on the edge of the Permian Basin in western Texas's Schleicher County. In 2014, Telesis sold his interest in the project to Boaz Energy of Midland, Texas. Junex expects a new exploration program will be proposed by Boaz Energy to decide whether it will participate in the future investments required on the project. For now, some tests and standard maintenance continues. Boaz Energy is a private company focused on the acquisition and development of oil and gas assets in mature fields. Their team also specializes in the development of undeveloped reservoir zones (Passed by-pay areas). The company currently operates more than 150 wells in West Texas and New Mexico. In 2014, for the Schleicher County specifically, Boaz produced more than 258 barrels of oil-equivalent per day from 67 wells.

Junex's investment in its various projects other than Galt and Anticosti has reached $68,137 for the second Quarter of 2015.

Exploration and evaluation assets

Exploration and evaluation assets of Junex amounted to $37,642,336 as of September 30, 2015, compared to $32,311,305 as of December 31, 2014, which represents an increase of $5,331,031. These exploration expenses represent the net investments of the Company on its different projects in oil and gas exploration. Thus, they are deducted from the write-off which can occur during the year due to the abandonment of wells and/or projects, also net of tax credits that the Company receives from Québec, and from partners' contributions that are paying a share of exploration expenses for some projects.

Details of exploration and evaluation assets as at September 30, 2015 and as at December 31, 2014 are detailed as follow:

Breakdown of exploration and evaluation assets as at September 30, 2015

	Exploration fees	Exploration rights (properties)	Total
Chaleurs Bay	2,837,167	598,913	3,436,080
Taconic Belt & Anticosti	4,198,944	423,977	4,622,921
Galt	14,011,937	1,189,469	15,201,406
North Shore	5,122,477	561,128	5,683,605
Becancour-Nicolet	6,924,167	170,190	7,094,357
Appalachians & Lyster	233,811	249,973	483,784
Texas	273,886	199,056	472,942
Northern Quebec	16,572	52,432	69,004
Richelieu	262,605	315,632	578,237
	33,881,566	3,760,770	37,642,336

Breakdown of exploration and evaluation assets as at December 31, 2014

	Frais d'exploration	Droits d'exploration (propriétés)	Total
Chaleurs Bay	2,818,334	558,571	3,376,905
Taconic Belt & Anticosti	4,172,494	398,938	4,571,432
Galt	9,045,513	1,188,789	10,234,302
North Shore	5,083,311	534,889	5,618,200
Becancour-Nicolet	6,868,041	169,851	7,037,892
Appalachians & Lyster	214,873	223,491	438,364
Texas	251,778	199,056	450,834
Northern Quebec	16,572	52,432	69,004
Richelieu	219,226	295,146	514,372
	28,690,142	3,621,163	32,311,305

1.3 Selected Financial Information

for the Quarters Ended September 30, 2015 and 2014
(Thousands of dollars, except per share amounts)

	Three-month period ended September 30		Nine-month period ended September 30	
	2015	**2014**	**2015**	**2014**
			$	**$**
OPERATIONS				
Sales by segment				
Oil and natural gas	**30**	32	**99**	82
Natural brine				
Drilling services	**103**	24	**201**	124
Total sales	**133**	56	**300**	206
Gross margin	**28**	(108)	**(25)**	(490)
Net earnings (net loss)	**(341)**	(483)	**(1,126)**	(1,396)
Basic and diluted net earnings (net loss) per share	**(0.004)**	(0.007)	**(0.016)**	(0.021)
BALANCE SHEET	**30-09-2015**	30-09-2014	**30-09-2015**	30-09-2014
Working capital	**16,256**	10,223	**16,256**	10,223
Total assets	**59,909**	53,515	**59,909**	53,515
Total liabilities	**5,476**	1,185	**5,476**	1,185
Shareholders' equity	**54,433**	52,330	**54,433**	52,330
CASH FLOWS				
Cash flows from (used in) operating activities	**(303)**	(241)	**(643)**	(1,299)

1.4 Results of Operations

Sales and Profit Margin

The Company's sales for the third quarter of 2015 totalled $132,505 that represents an increase compared to sales of $56,042 recorded for the third Quarter of 2014. The Company's sales for the last Quarter are composed of $29,682 from oil sales and $102,823 from drilling service sales. Since the Galt project remains at the exploration stage, the revenues of $235,497 from the sale of oil pumped during production testing of the Galt No 4 Horizontal well during the first Quarter were applied in consideration of exploration and evaluation assets (see Note 12 of the Financial Statement).

As for oil and gas sales, these generated $29,682 in the third Quarter of 2015, compared to sales of $32,112 in the third Quarter of 2014. The Oil sales increased due to a discontinuous production of the wells located in Texas. These wells are still currently in production testing.

As for the drilling division, it recorded sales of $102,823 in the third Quarter of 2015, compared to sales of $23,930 in the same Quarter of 2014. It should be noted that Junex uses its drilling division primarily for its own exploration requirements and those of its partners. This allows the Company to better control exploration-related costs on its oil and gas properties. However, only revenues from third parties are included in the sales figures.

The gross margin for the third Quarter of 2015 is 21%, compared to a negative gross margin of 193 % in the third Quarter of 2014. The increase in the margin is mainly explained by the increase in the margin of the oil and gas division which increased from -564% to 50%. Moreover, the total gross margin will improve during of the year if the drilling division increases its level of activities enough to cover all of its fixed operation costs.

Net Loss and Cash Flows

The Company posted a net loss of $340,721 for the third Quarter of 2015, compared to a net loss of $483,429 registered in the third quarter of 2014. The Company's operating activities used cash flows of $302,979 in the third quarter of 2015, compared to $240,565 used cash flows in the same Quarter of 2014.

The Company completed two private placements totalling more than $15,000,000 in the course of the last Quarter of 2015. See Notes 14 and 15 of the Financial Statement for details.

Administrative expenses decreased by $90,304 or 21.6% in third Quarter of 2015. The decrease in administrative expenses was primarily due to share-based compensation, which was $144,157 in the third Quarter of 2014 a decrease of $95,367 compared to $48,780 in the same Quarter of 2015. It should be noted that this activity does not involve any cash disbursement by the company. The comparison of administrative costs is presented below.

Detail of administrative expenses for the Quarters ended September 30, 2015 and 2014

	3 months		6 months	
	09-30-2015	09-30-2014	**09-30-2015**	09-30-2014
Salaries and benefits	**134,813**	129,384	**397,912**	395,974
Share-based compensation	**48,780**	144,157	**172,410**	169,619
Professional fees	**42,615**	55,523	**218,557**	230,140
Insurances	**32,102**	29,188	**84,032**	85,291
Office and equipment location	**11,116**	10,301	**33,556**	33,348
Marketing and promotion	**11,588**	6,325	**30,619**	26,803
Taxes and permits	**10,675**	11,909	**34,511**	32,808
Travel and business development	**19,377**	15,126	**88,523**	68,541
Office fees	**9,422**	7,818	**30,790**	29,123
Amortization of property, plant and equipment	**6,706**	7,767	**18,557**	21,704
	327,194	417,498	**1,109,467**	1,093,351

1.5 Summary of Quarterly Results

The Company's quarterly results may fluctuate substantially from one quarter to the next due to non-recurring events. The quarterly net loss generally ranges from $300,000 to $500,000. The extraordinary $765,559 loss in the last Quarter of 2013 was mainly caused by the impairment of $449,172 on property, plant and equipment used in its brine operations. For the quarter ended December 31, 2014, the $8,926,448 extraordinary loss was mainly caused by the write-off of $8,734,666 on exploration and evaluation assets.

Financial Data for the Last Eight Quarters

	Sept. 30 2015 $	June 30 2015 $	March 31 2015 $	Dec. 31 2014 $	Sept. 30 2014 $	June 30 2014 $	March 31 2014 $	Dec. 31 2013 $
Total sales	132,505	47,611	120,355	484,198	56,042	45,963	103,999	568,859
Net income (loss)	(340,721)	(422,238)	(363,079)	(8,926,448)	(483,429)	(499,864)	(412,304)	(765,559)
Basic net income (loss) per share	(0.004)	(0.006)	(0.005)	(0.135)	(0.007)	(0.008)	(0.006)	(0.011)

1.6 Liquidity and Capital Resources

As of September 30, 2015, the Company's working capital amounted to $16,256,337 an increase of $7,832,805 compared to the working capital of $8,423,532, as at December 31, 2014. This increase was primarily due to the proceeds of the two private placements completed during the third Quarter of 2015 net from the exploration expenses.

The Company had financial resources of $16,165,745 as at September 30, 2015, which is sufficient to undertake its near-term development program and meet the commitments mentioned in Note 15 to its annual financial statements. The Company is not exposed to any liquidity risk arising from financial instruments.

1.7 Sources of Financing

Two different Private Placement were completed in early of the third Quarter for total proceeds of more than $15 million.

1.8 Off-Balance-Sheet Arrangements

The Company has no significant off-balance-sheet arrangement other than the consolidated financial commitments specified in Note 15 to the annual consolidated financial statements.

1.9 Related Party Transactions

Related party transactions amounted $6,714 in the third quarter of 2015. These transactions consisted of the rental of a warehouse and were concluded with a company having significant influence. Related-party transactions with a company controlled by a shareholder having significant influence were entered into in the normal course of business and were measured at the exchange amount, being the amount established and accepted by the parties. The commercial goal of the transaction is the rental of warehouses that allow optimized drilling service activities.

1.10 Anticipated Transactions

No transactions that would have a significant impact on the Company's financial position, operating results or cash flows are anticipated.

1.11 Critical Accounting Estimates

Preparation of consolidated financial statements in accordance with Canadian generally accepted accounting principles or IFRS requires management to make estimates and assumptions that affect amounts in the financial statements and notes thereto. These estimates are based on the management's best knowledge of current events and actions that the Company may take in the future. Actual results could differ from such estimates. The Company did not make any accounting estimates that could have a material impact on the Company's financial position.

1.12 Changes in Accounting Policies

Changes in accounting policies are described in the notes to the consolidated financial statements, available on SEDAR (www.sedar.com). The only accounting changes were those that arose from the adoption of new accounting policies.

1.13 Supplemental Information Required by Emerging Issuers Without Significant Operating Income

The Company's primary business is oil and gas exploration. A summary of work carried out by the Company is presented in Section 1.2 of this MD&A.

National Instrument 51-102

The deferred exploration expenses for the nine-month period ended September 30, 2015

	Geology	Geophysics	Wells	Evaluation	Professional and General fees	Total
Chaleurs Bay	19,510		1,278		1,173	21,961
Taconic Belt & Anticosti	29,196				1,648	30,844
Galt	113,437	1,873,191	3,902,134	237,245	396,122	6,522,129
North Shore	19,089		24,142		2,440	45,671
Becancour-Nicolet	2,761		56,734		2,022	61,517
Appalachians & Lyster	7,207	1,889	10,697		513	20,306
Texas			22,107			22,107
Richelieu	2,208		41,379		125	43,712
	193,408	1,875,080	4,058,471	237,245	404,043	**6,768,247**

National Instrument 51-102

Deferred exploration expenses for the nine-month period ended September 30, 2014

	Geology	Geophysics	Wells	Evaluation	Professional and General fees	Total
Chaleurs Bay	58,607		904		16,684	76,195
Taconic Belt & Anticosti	113,927	12,142	10,817	357	38,475	175,718
Galt	31,802	26,364	1,215,655	18,562	288,623	1,581,006
North Shore	49,206		26,276		21,161	96,643
Becancour-Nicolet	68,670		96,743	233	45,805	211,451
Appalachians & Lyster	16,341		18,750		8,929	44,020
Texas			5,778			5,778
Richelieu	1,667		20,090		467	22,224
	340,220	38,506	1,395,013	19,152	420,144	**2,213,035**

1.14 Other Information

Warrants
The following warrants were issued as at September 30, 2015:

5,555,556 warrants exercisable at a price of $1.25 per share until July 21, 2017 and at a price of $1.40 per share until July 21, 2018

2,427,006 warrants exercisable at a price of $1.25 per share until July 2, 2017 and at a price of $1.40 per share until July 2, 2018

Options issued to brokers
139,780 options exercisable at a price of $0.90 per share until July 2, 2017. Each option entitles the holder to subscribe to one ordinary share at a price of $0.90 per share and one half warrant. Each warrant exercisable at a price of $1.25 per share until July 2, 2017 and at a price of $1.40 per share until July 2, 2018.

Outstanding Stock Options

Volume	Exercise price	Expiry date
40,000	1.28 $	05-04-2016
21,666	1.18 $	08-31-2016
50,000	0.97 $	08-31-2017
200,000	0.75 $	01-24-2018
600,000	1.68 $	04-07-2018
100,000	2.84 $	09-05-2018
1,280,000	0.88 $	03-20-2019
1,209,000	0.71 $	11-15-2022
1,725,000	0.59 $	08-21-2024
5,225,666	**0.87 $**	

Risks and Uncertainties

The future success of the Company will depend upon its ability to find or acquire additional oil and gas reserves that are economically recoverable. Except to the extent that the Company conducts successful exploration or development activities or acquires properties containing proven reserves, or both, the reserves of the Company will generally decline as reserves are produced. There is no guarantee that any of the development projects and production activities implemented in the future will result in significant additional reserves or that the Company will succeed in drilling productive wells at low exploration costs. If prevailing oil and gas prices were to increase significantly, the Company's exploration costs to add reserves could be expected to increase. The drilling of oil and gas wells involves a high degree of risk, especially the risk of a dry hole or of a well that is not sufficiently productive to provide economic return of the capital expended to drill the well.

Strategic Environmental Evaluation and Quebec Energy Policy

On May 30, 2014, the Minister of Energy and Natural Resources and the Minister of Sustainable Development, Environment and changes have announced the adoption of the "Government Action Plan on hydrocarbons" "Plan of action".

This Action Plan proposes a knowledge acquisition process that includes the preparation of a Strategic Environmental Assessment ("SEA") on Anticosti exploration project as well as a SEA on the whole hydrocarbon industry. In parallel with SEA, the Government is developing a new 2016-2025 energy policy and a new hydrocarbon Law which should regulate the exploration and production operations.

The results of this Action Plan will help to better understand the regulatory environment in which the company will evolve over the coming years.

Uncertainty of crude oil, natural gas reserve and resource evaluations

The process of estimating oil, gas and natural brine reserves and/or resources is complex, requiring significant decisions and assumptions in the evaluation of available geological, geophysical, engineering and economic data for each reservoir. As a result, such estimates are inherently imprecise. Actual data concerning future production, oil, gas and natural brine prices, revenues, taxes, development expenditures, operating expenses and quantities of recoverable oil, gas and natural brine reserves may vary substantially from those estimated in the respective reserve reports. Any significant variances in these assumptions could materially affect the estimated quantities and the present value of reserves as set forth in this annual information form. In addition, such reserves may be subject to downward or upward revisions based upon production history, results of future exploration and development, prevailing oil, gas and natural brine prices and other factors, many of which are beyond the control of the Company. Actual production, revenues, taxes, development expenditures and operating expenses with respect to reserves will likely vary from the estimate used, and such variances may be material.

Risks associated with oil and gas operations

Oil and natural gas operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosions, blowouts, formation damage and oil spills, any of which could result in substantial damage to oil and gas wells, producing facilities and other property of the Company and to the environment, or in personal injury. In accordance with industry practice, the Company is not fully insured against all of these risks, nor are all such risks insurable. Although the Company has maintained liability insurance in amounts that it considers adequate, the nature of these risks is such that liabilities could exceed policy limits, in which case significant costs could be incurred which could have a materially adverse effect upon the financial condition of the Company. Government regulations relating to environmental matters could also increase the cost of carrying on business or require the Company to change its activities or to cease operating in certain areas.

Government regulation

The petroleum and natural gas industry is subject to controls and regulations established by the various levels of government with respect to prices, royalties, land tenure, production quotas, exports and imports of petroleum and gas and environmental protection. It is impossible to predict with any certainty what impact these controls and regulations will have on the business of the Company or if any amendments will be made to such controls and regulations.

The oil, natural gas and natural brine industries are actually subject to environmental regulations pursuant to a variety of provincial and federal legislation. This legislation provides restrictions and prohibitions on the emissions or releases of various substances produced or used in association with certain extraction activities within the oil and gas industries and which affect the costs and location of wells and installations and the extent to which exploration and development activities are authorized. In addition, the legislation requires that land, wells and facility sites that are abandoned temporarily or definitely be reclaimed to the satisfaction of provincial authorities. A breach of such legislation may result in the imposition of fines and penalties, the suspension or revocation of necessary licenses and authorizations to operate a business and the enforcement of civil liabilities for pollution damages. In Quebec, since September, 1972, environmental issues are governed mainly by the *Environment Quality Act* (Quebec). That law impose obligations with respect to the environment, disclosure and monitoring. In addition, the law provides procedures, in certain circumstances, to assess environment impact and broader public consultation procedures with respect to environmental assessment and the application of the law.

Permits, licenses and approvals

In Quebec, anyone exploring for oil, natural gas or natural brine must have an exploration permit delivered in accordance with the *Mining Act* (Quebec). The permit is issued, with respect to a given territory, to anyone who complies with the conditions and pays the annual fees prescribed by the regulation. The term of a permit is five years. A permit may be renewed for an additional period of one year, up to five times, in respect of all or a portion of the territory contemplated by the permit, provided that certain conditions set forth in the *Mining Act* (Quebec) are met.

The holder of an oil and natural gas exploration permit must perform, on an annual basis, certain work, the nature and the minimum cost of which are specified by regulation, including geological and geophysical studies or drilling on the territory contemplated by his permit. The minimum cost to be incurred varies according to the age of the permit. Accordingly, during the first year of a permit, the fees are equal to $0.50 per hectare or $3,000, whichever is greater, and for the fifth year of the permit, they are equal to $2.50 per hectare or $15,000, whichever is greater.

Pursuant to an *Act Amending the Mining Act and an Act Respecting the Lands in the Public Domain*, adopted on June 12, 1998, which is still not in effect as of the date hereof, the Quebec legislator has provided for the introduction of a single permit authorizing the exploration for oil, natural gas, natural brine and underground reservoirs. In addition, the legislator has provided that within the areas of a marine environment, as defined by departmental order, exploration permits are to be granted by way of open tenders and that, with respect to such areas, the Natural Resources Minister may prescribe such conditions and obligations as may be different from those provided for in the *Mining Act* (Quebec) with respect to mining rights, oil, natural gas, natural brine or an underground reservoir. The *Act Amending the Mining Act and an Act Respecting the Lands in the Public Domain* also provides for the extension of the exploration permit when serious indicators of the presence of oil, natural gas, natural brine or an underground reservoir with commercial possibilities are identified.

Title to property

While the Company has taken reasonable actions to ensure that it has good and valid title over its properties, there is no certainty that the titles of any of its properties will not be disputed or challenged. Third parties may have valid claims with respect to underlying portions of the Company's interests.

Future financing requirements

The Company will need additional financing in the future in order to continue its business and, in particular, in order to complete its exploration and development program. There can be no assurance that such financing will be available or, if available, will be on reasonable terms. If financing is obtained by issuing treasury shares, control of the Company may change and shareholders may suffer additional dilution. To the extent financing is not available, lease expiry dates, work commitments, rental payments and option payments may not be satisfied and this could in turn result in the inability of the Company to pursue, in whole or in part, its exploration and development program, the loss of ownership rights or earning opportunities for the Company.

Dependence on key personnel

The success of the Company will be largely dependent upon the quality of its management and personnel. Loss of the services of such persons, or the inability to attract personnel of equal ability, could materially adversely affect the Company's business operations and prospects. The Company has not, as yet, purchased "key man" insurance on any of its directors, officers or key employees, and has no current plans to do so.

Market conditions

The Company operates in a competitive environment, where the commodity price is affected by a number of factors beyond the control of the Company. The production results as well as the financial considerations of the company are related to prices paid for oil and natural gas produced from reserves in which the company holds direct participation. Oil and natural gas prices have fluctuated wildly in the past. Oil prices are subject to international supply and demand, and political developments, particularly in the Middle East, can have a major influence on world oil supplies and prices. Any decline in oil or natural gas prices could have a material adverse effect on the Company's operations, financial condition and the level of expenditures for the acquisition of additional oil and gas reserve. In addition, the marketability of the Company's production will depend upon the availability and capacity of gathering systems and pipelines, the effect of federal and provincial regulation and general economic conditions. All of these factors are beyond the Company's control.

In Canada, oil producers negotiate sales contracts directly with oil purchasers, with the result that the market determines the price of oil. The price depends in part on oil quality, prices of competing fuels, distance to market, the value of refined products and the supply/demand balance.

The price of natural gas sold in interprovincial, intraprovincial and international trade is determined by negotiation between buyers and sellers. The price received by a natural gas producer depends in part on the prices of other competing fuels, the type of natural gas produced, the access to upstream transportation facilities, the duration of the contract, the weather conditions and the supply/demand balance.

Natural brine (water with a high saline content) is a transparent odourless liquid product consisting of a high concentration of dissolved salts. The chemical properties of natural brine are such that it is an effective de icing product and dust suppressant. The price received by a producer and distributor of natural brine varies according to the prices of other competing products, such as sodium chloride and magnesium chloride. Total volumes used with respect to this product are also directly related to weather conditions.

Litigation

The Company may be held liable for pollution or for other risks for which it cannot be insured or for risks it may choose not to insure given the high premium costs or for other reasons. Payments in this respect may result in the loss of assets of the Company.

Land claims

Some of the properties in which the Company holds an interest are currently subject to land claims by native peoples. However, no assurance can be provided as to with the validity of those claims nor with agreements that might or might not arise.

Availability of drilling equipment and access

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Company and may delay exploration and development activities, if any.

Management of growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The Company's ability to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employees. The Company's inability to deal with this growth could have a material adverse impact on its business, operations and prospects.

Volatility of share prices

Share prices are subject to changes because of numerous factors beyond the Company's control, including reports of new information, changes in the Company's financial situation, the sale of the Company's shares in the market, failure to achieve financial results in line with the expectations of analysts, announcements by the Company or the oil price. There is no guarantee that the market price of the shares will be protected from any such fluctuations in the future.

Supplemental Information

Complete consolidated financial statements of the Company are available on SEDAR at www.sedar.com. Additional information regarding the Company's activities are also available on its website at www.junex.ca.