

Nevada Clean Magnesium Inc.
(formerly Molycor Gold Corporation)
Management's Discussion and Analysis
For the Year Ended October 31, 2012

Page 1 of 17

This management's discussion and analysis of Nevada Clean Magnesium Inc. (the "Company") contains analysis of the Company's operational and financial results for fiscal year ended and the three-month period ended October 31, 2012. The following should be read in conjunction with the company's audited consolidated financial statements for the year ended October 31, 2012.

The audited financial statements for the year ended October 31, 2012 and 2011 are the Company's first annual financial statements prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the International Accounting Standards Board ("IASB") in effect as at October 31, 2012. The financial statements have been prepared in accordance with IAS 1, Presentation of Financial Statements and IFRS 1, First-Time Adoption of International Financial Reporting Standards ("IFRS 1") and the impact of the transition from previous Canadian GAAP to IFRS is explained in the accompanying notes to the financial statements, including the effects of the transition to IFRS on the Company's financial position, equity, comprehensive income and cash flows. All figures are in Canadian dollars unless otherwise stated.

FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to the Company's future business plans and strategy, exploration plans, and environmental protection requirements. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" (or "does not expect"), "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" (or "does not anticipate"), or "believes", and other similar words and phrases, or which states that certain actions, events, or results "may", "could", "might", or "will" occur. Forward-looking information is subject to known and unknown risks and uncertainties that may cause the actual results, or performance of the Company to be materially different from those expressed or implied by such forward-looking information. These risks and uncertainties include risk and uncertainties associated with the mining industry and the exploration and development of mineral projects, such as the uncertainty of exploration results, the volatility of commodity prices, potential changes in government regulation, the uncertainty of potential title claims against the Company's projects, and the uncertainty of predicting operating and capital costs. They also include risks and uncertainties that affect the business environment generally, such as international political or economic developments, changes in interest rates and the condition of financial markets, and changes in exchange rates.

Forward-looking information is based on assumptions and expectations which the Company considers to be reasonable, and which are based on management's experience and its perception of trends, current conditions, and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made. Although the Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information. The Company can give no assurance that forward-looking information, or the assumptions and expectations on which it is based, will prove to be correct. Nevada Clean Magnesium Inc. does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

DATE OF REPORT

February 28, 2013

NATURE OF BUSINESS AND OVERALL PERFORMANCE

Jurisdiction of Incorporation and Corporate name

The Company was incorporated under the *Company Act* (British Columbia) on March 24, 1966 as "Ft. Lauderdale Resources Inc.". The Company changed its name to Amcorp Industries Inc. on July 20, 1990, and to Molycor Gold Corporation on May 17, 1996 and to Nevada Clean Magnesium Inc. on April 16th, 2012. The Company is a

Nevada Clean Magnesium Inc.
(formerly Molycor Gold Corporation)
Management's Discussion and Analysis
For the Year Ended October 31, 2012

Page 2 of 17

reporting issuer in the provinces of British Columbia and Alberta. The Company's common shares trade on the TSX Venture Exchange under the symbol "NVM".

The Company has one wholly owned subsidiary, Nevada Moray Inc., incorporated in the State of Nevada. Nevada Moray Inc. manages the exploration work on the Company's Nevada properties.

The Company's head office is located at 2A-15782 Marine Drive, White Rock, British Columbia V4B 1E6.

Mineral exploration projects

The Company currently has eight exploration projects.

- *Windpass Sweethome Property, Kamloops Mining Division.* The Windpass Sweethome property is located 50 kilometres northeast of Barriere in the Thompson Plateau area of Central British Columbia, consists of 8 contiguous mineral leases totalling 737 hectares in size, and is owned 100% by the Company.

In March 2012, the Company entered into an option agreement whereby MillenMin Ventures Inc. ("MillenMin") may earn up to 70% of the Company's interest in the Windpass Sweethome property by paying \$120,000 to the Company, incurring \$750,000 aggregate exploration expenditures, and issuing 400,000 common shares over a period of four years. Upon MillenMin earning the 70% interest, MillenMin and the Company will form a joint venture to further explore and develop the property. The original vendors of the property will retain a 3% net smelter royalty.

- *Crowrea Empress Property, Osoyoos and Similkameen Mining Division.* The Crowrea property is a Molybdenum prospect and is approximately 9,720 hectares (24,018 acres) in size. Located 15 miles south of Brenda Mines in the Osoyoos and Similkameen Mining Division near Summerland, B.C. This project is a 50/50 joint venture with Goldrea Resources Corp.
- *Flap Property, Nicola and Vernon Mining Divisions.* The Flap property is located in the Tadpole Lake area about 45 kilometres west of Kelowna, British Columbia, consists of 9 claims totalling approximately 706 hectares in size, and is a jointly controlled venture with Goldrea Resources Corp.

During the year ended October 31, 2012, an impairment loss was recorded on the property in the amount of \$112,847, bringing the carrying value to nil.

- *Beaverdell Property, Greenwood Mining Division.* The Beaverdell property is located 3 kilometres southeast of Beaverdell, British Columbia, consists of 27 claims totally approximately 706 hectares in size, and is owned 100% by the Company.
- *Dobbin I Property, British Columbia.* The Dobbin I property consists of 52 claims. This Platinum, Palladium & Copper prospect covers approximately 4,150 hectares (9,960 acres) in size. Located 27 kilometres Northeast of Kelowna, British Columbia and adjacent to the Dobbin II - Tadpole Lake Property, British Columbia. This project is a 50/50 joint venture with Goldrea Resources Corp. (TSX.V:GOR).

During the year ended October 31, 2010, the Company recorded a write down of \$426,490 on property to bring carrying value down to nil.

- *Dobbin II Property, British Columbia.* The Dobbin II Tadpole Lake property is a Molybdenum prospect that hosts a quartz stockwork and molybdenum soils anomaly measuring approximately 1,000 x 1,500 metres. Located 27 kilometres Northwest of Kelowna, British Columbia and adjacent to the Dobbin I property, in the Whiterocks Mountain region. This project is a 50/50 joint venture with Goldrea Resources Corp.

During the year ended October 31, 2010, the Company recorded a write down of \$70,206 on property to bring carrying value down to nil.

Nevada Clean Magnesium Inc.
(formerly Molycor Gold Corporation)
Management's Discussion and Analysis
For the Year Ended October 31, 2012

Page 3 of 17

Mineral exploration projects (continued)

- *Griffon Property, Nevada.* The Griffon property is located in White Pine County, Nevada, 45 miles southeast of Eureka, and 13 miles southeast of Mount Hamilton. The property originally consisted of 64 unpatented mining claim totalling 535 hectares in size, but following the optioning of the property in February 2012, the optionee (noted below) elected to stake an additional 149 unpatented mining claims in the name of the Company's 100% owned US subsidiary, later dropping 27 of these claims to reduce the number of current claims staked by the optionee to 122. The claims are 100% owned by the Company and are subject to a 2% net smelter royalty in favor of the originating vendors.

In February 2012, the Company entered into an option agreement with Pilot Gold Inc. ("Pilot Gold"). Under the terms of the agreement, to acquire a 60% interest in the property, over the subsequent four years Pilot Gold Inc. must:

- pay the Company \$119,636 USD;
- issue 120,000 common shares to the Company; and
- expend \$750,000 USD on exploration of the property or pay an additional \$750,000 USD to the Company.

Pilot Gold Inc. may earn an additional 10% interest in the property by expending an additional \$2,500,000 US on exploration during the five year period following the initial four years.

- *TKO, Hot Dog Ridge & Ridge Top Property, Nevada.* The TKO - Hot Dog Ridge property is a gold prospect consisting of 8 unpatented claims totalling 160 acres. The Ridgetop property is a gold prospect consisting of 23 unpatented claims totalling 460 acres. Located in the Schell Creek Range of White Pine County, Nevada approximately 14 miles south east of Ely and 3 miles north of the Taylor Springs Mine. This project is 100% owned by the Company. During the year ended October 31, 2012, the Company recorded a write down of \$416,619 on property to bring carrying value down to nil.
- *Silverado Property, Nevada.* The Silverado property is located in the Pinto mining district of Nevada, consists of 3 patented mining claims totalling 6.24 hectares, and is 100% owned by the Company.
- *Tami-Mosi Property, Nevada.* The Tami-Mosi property is located approximately 8 miles southeast of Ely, Nevada in the -Nevada mining district and consists of 81 unpatented mining claims totalling approximately 677 hectares and 4 quartz unpatented claims totalling approximately 33 hectares. The project is 100% owned by the Company and subject to a 2.0% (two percent) Net Smelter Return (royalty) in favor of the originating vendors.
- *BCS Davis Property, Nevada.* The BCS Davis property is located approximately 8 miles south/southeast of Gabbs, Nevada in the Fairplay mining district in Nye County, Nevada, consists of 61 unpatented lode mining claims totalling approximately 510 hectares, is 100% owned by the Company, and is subject to a 2% net smelter return in favor of the originating vendors.

In December 2012, the Company announced that Edward Lee has accepted the position of Chairman of the Board and Chief Executive Officer and James Sever will assume the President's seat. Peter Stuntz has been appointed Independent Director and Rob Bailey is added as a new Director and the new Chief Operating Officer. Marlyn Ballain has also been added to the Company's Technical Advisory Committee.

Larry Reaugh has resigned as a Director and CEO to focus on other interests. He will sit on the Technical Advisory Committee and continue to be an asset to the Company.

Robert Brown has tendered his resignation to pursue a contract position with an engineering firm in order to avoid any conflicts of interest at the request of the aforementioned firm. He will however transition onto the Technical Advisory Committee on a consulting basis.

Nevada Clean Magnesium Inc.
(formerly Molycor Gold Corporation)
Management's Discussion and Analysis
For the Year Ended October 31, 2012

Page 4 of 17

Dr. William Pfaffenberger and Dr. David Madill are leaving the position as members of the Board of Directors but will continue to assist the company as members of the Technical Advisory Committee.

CONVERSION TO IFRS

The Company adopted IFRS on November 1, 2011, with the conversion date of November 1, 2010 representing the date of the Company's opening IFRS balance sheet. As required by IFRS 1, *First-time Adoption of IFRS*, the Company has applied the IFRS in effect as at October 31, 2012 on a full retrospective basis, except where permitted or required under an IFRS 1 exemption.

SELECTED ANNUAL INFORMATION

The following table shows total revenues, loss, assets, liabilities, and shareholders' deficiency for each of the five most recent fiscal years of the Company.

	2012	2011	2010	2009	2008
(a) Total Revenues	\$ 264	\$ 91	\$ 1,096	\$ 15,109	\$ 29,031
(b) Loss:					
i) In Total	\$ 1,036,319	\$ 542,527	\$ 1,236,922	\$ 856,840	\$ 1,015,355
ii) On a per share basis ⁽¹⁾	\$ 0.01	\$ 0.01	\$ 0.015	\$ 0.012	\$ 0.016
(c) Total Assets	\$ 3,731,647	\$ 4,540,802	\$ 3,957,006	\$ 4,353,409	\$ 4,263,311
(d) Total Liabilities	\$ 431,340	\$ 226,043	\$ 73,367	\$ 207,318	\$ 56,110
(e) Total shareholders' deficiency	\$ (12,874,264)	\$(11,837,945)	\$(11,295,418)	\$(10,136,361)	\$(9,279,520)

⁽¹⁾ Fully diluted loss per share amounts have not been calculated as they would be anti-dilutive

RESULTS OF OPERATIONS

Analysis of income statement items

Net loss for the fiscal year ended October 31, 2012 was \$1,036,319, compared to \$542,527 for the previous fiscal year. The Company does not generate revenue from operations, and has no revenues other than interest earned on the Company's balances of cash and cash equivalents. Accordingly, the change in the Company's net loss results principally from the write-down of capitalized mineral property expenditure amounts for the Flap, TKO, Hot Dog ridge and Ridge Top properties and changes in the Company's operating and non-cash expenses.

The Company has recorded net cash flow decrease of \$170,094 (2011 - \$188,805). The decrease in net cash flow is principally as result of lack of equity financing.

Analysis of income statement items for the fiscal year ended October 31, 2012

During the fiscal year ended October 31, 2012, the Company incurred write down of mineral property in the amount of \$529,466 (2011 - \$nil). The company wrote down Flap property in the amount of \$112,847 and TKO, Hot Dog Ridge Top property in the amount of \$416,619. The company no longer holds claims for these properties.

During the fiscal year ended October 31, 2012, the Company incurred interest and penalties in the amount of \$27,105 (2011 - \$nil) in connection with flow through financing indemnity.

During the fiscal year ended October 31, 2012, consulting fees of \$6,450 (2011 - \$32,464) was recorded. The company reduced consulting services due to lack of financing and cash flow constraints.

During the fiscal year ended October 31, 2012, the Company incurred research and development expenses of \$nil (2011 - \$51,370) for testing work relating to the Company's magnesium properties the Tami Mosi. The Company

Nevada Clean Magnesium Inc.
(formerly Molycor Gold Corporation)
Management’s Discussion and Analysis
For the Year Ended October 31, 2012

Page 5 of 17

put hold on metallurgy research services due to lack of financing and cash flow.

Analysis of balance sheet items – October 31, 2012

Cash and cash equivalents decreased from \$173,750 as at October 31, 2011 to \$3,656 as at October 31, 2012, principally as a result of lack of private placement financings and increased operating and capital project expenditures. Additional detail on the financings is set out below under “Liquidity and Capital Resources”.

Mineral property interests decreased from \$4,221,707 as at October 31, 2011 to \$3,697,776 as at October 31, 2012. Additional information on this item is given below under “*Analysis of mineral property costs*”.

Payable to related parties increased from \$152,237 as at October 31, 2011 to \$379,701 as at October 31, 2012, principally as a result expenses related to the common office facilities are shared among the companies and are allocated according to the relative amount of office space used by each of the companies. The amount is non-interest bearing, unsecured and has no fixed terms of repayment. Additional information on this item is given below under “*Related party transactions*”.

The Company recorded a share capital increase from \$14,845,043 as at October 31, 2011 (111,243,450 shares) to \$14,872,543 (111,793,450 shares) as at October 31, 2012 as a result of a private placement. Additional information on the share issuances is contained under “*Liquidity and Capital Resources*”.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes information derived from the Company’s financial statements for each of the eight most recently completed quarters:

Quarter Ended: Year:	31-Oct 2012	31-Jul 2012	30-Apr 2012	31-Jan 2012	31-Oct 2011	31-Jul 2011	30-Apr 2011	31-Jan 2011	31-Oct 2010
Interest Income	\$98	\$99	\$67	\$-	\$41	\$7	\$43	\$-	\$15
Loss in Total	\$525,398	\$172,066	\$168,254	\$170,601	\$81,470	\$111,344	\$152,530	\$151,570	\$689,187
Per share basis ⁽¹⁾	\$0.005	\$0.001	\$0.001	\$0.001	\$0.005	\$0.001	\$0.001	\$0.001	\$0.008

⁽¹⁾ Fully diluted loss per share amounts have not been calculated as they would be anti-dilutive

Analysis of income statement items for the three-month period ended October 31, 2012

The net loss for the fourth quarter ended October 31, 2012 was \$525,398, compared to \$81,470 for the prior year fourth quarter. The increase in the Company’s net loss for the three-month period ended October 31, 2012 was principally due to mineral property writedown.

There were no significant impact on the Company’s financial condition, nor which could be considered extraordinary – except elsewhere disclosed in the this document.

The principal reasons for the increase in expenses were as follows:

- Write down of mineral property in the amount of \$510,000 (2011 – \$nil). The company wrote down Flap property in the amount of \$89,685 and TKO, Hot Dog Ridge Top property in the amount of \$420,315. The company no longer hold claims in these properties.
- The company due to lack of financing and cash constraint reduced expenses in all other categories.

Nevada Clean Magnesium Inc.
(formerly Molycor Gold Corporation)
Management's Discussion and Analysis
For the Year Ended October 31, 2012

Page 6 of 17

Analysis of mineral property costs

The following table shows a breakdown of the Company's capitalized exploration and development costs for the period ended October 31, 2012 and the fiscal year ended October 31, 2011.

British Columbia, Canada Mineral Properties

British Columbia, Canada	Windpass Sweethome	Crowrea Empress	Flap	Beaverdell	Total
	\$	\$	\$	\$	\$
Balance, November 1, 2010	634,142	447,162	132,621	6,737	1,220,662
2011:					
Acquisition costs	5,610	1,610	-	3,608	10,828
Exploration costs	2,175	5,264	-	320,312	327,751
Balance, October 31, 2011	641,927	454,036	132,621	330,657	1,559,241
2012:					
Acquisition costs	2,302	-	-	-	2,302
Exploration costs	-	-	-	5,482	5,482
BC Mineral Exploration Tax Credits	(4,357)	(2,313)	(19,774)	(1,005)	(27,449)
Option payments received	(30,000)	-	-	-	(30,000)
Write-downs	-	-	(112,847)	-	(112,847)
Balance, October 31, 2012	609,872	451,723	-	335,134	1,396,729

Status of Canadian exploration projects

Windpass and Sweethome Properties, British Columbia

Both properties are 100% owned and located 50 kilometres northeast of Barriere, BC. The property consists of seven contiguous mineral leases totalling 389.34 hectares. Subsequently, the Company acquired by staking additional 1,048 hectares. Both are past producers with Windpass believed to have producing 34,456 ounces of gold from 102,996 tonnes of milled over six year period from 1933-1939. On September 9, 2009, the Company announced the commencement of a 10-12 BQ thin wall diamond drill holes exploring the previously sampled outcrop zones, including the new are located at the east end of the Hail Zone, as well as four holes at twenty-five meter spacing along east-west trending Weather Station Zone below the previously announced rock sample #WP09-AR07, which graded 316,500 ppb AU (see news release dated July 27, 2009).

On November 30, 2009, the Company released assays from trenching of 7 of the 12 holes drilled. The holes were drilled normal to the plane of the veins giving intersections representing the true widths of veins. Hole #WP09DDH1 returned 10.67 meters (935ft) grading 0.83g/t gold and hole #WP09DDH05 returned 1.52 meters (5.0 ft) 15.85g/t gold. The surface trenches announced channel samples grading up to 0.73 g/t over 2.2 meters from Trench 1, S16-17 (for more results, see news release dated November 3, 2009)

The trenching program consist of trenches covering untested zones between the Windpass and the Sweet Home Mines. The property has eighteen gold zones (two of which produced 34,456 troy ounces of gold from 102,946 tons from 1933 – 1939). Prior trench sampling on three of the gold zones returned 36.94 grams Au/tonne (1.08 troy ounces/ton) over 0.58 meters (1.9 ft) and 44.97 grams Au/tonne (1.32 opt Au) over 0.10 meters (0.33 ft) on the North, Sleet and Weather Station Zones.

In April 2012, the Company announced that it has entered into an option agreement with MillenMin Ventures Inc. whereby MillenMin can earn up to 70% of Nevada CMI's 100% owned undivided interest in the Windpass gold property. Under the Option Agreement, MillenMin has been granted the exclusive right and option to acquire an undivided 70% interest in the Property by paying \$120,000 to Nevada CMI, incurring \$750,000 aggregate exploration expenditures on the Property and issuing 400,000 common shares in the capital of MillenMin to Nevada

Nevada Clean Magnesium Inc.
 (formerly Molycor Gold Corporation)
Management's Discussion and Analysis
For the Year Ended October 31, 2012

Page 7 of 17

CMI over a period of four years.

In October 2012 MillenMin Ventures completed a 910 meter diamond drilling program. The drilling program consisted of 4 diamond drillholes designed to test the geophysical anomalies identified by earlier survey work. The locations of the drill holes are defined by the "Local Grid" as laid out by the geophysical survey team. The first hole (Wp12-4) was drilled on Section 5+50 W, at 410 meters south, with a dip of -60 degrees and an azimuth of 180 degrees, to a depth of 201 meters (660 feet). The second hole (Wp12-5) is on Section 7+00W, 500 meters south, dipping at -60 degrees south, with an azimuth of 180 degrees, to a depth of 265 meters (870 feet). The third hole (Wp12-2) was drilled on Section 6+00W, 152 meters south, dipping at -60 degrees south, with an azimuth of 180 degrees, to a depth of 262 meters (860 feet). The fourth hole (Wp12-7) was drilled on Section 8+00W, at 70 meters south, dipping at -60 degrees south, with an azimuth of 180 degrees, to a depth of 182 meters (597 feet). The first hole intercepted 13 sections of moderate to intense propylitic alteration, with sericite and quartz carbonate veinlets or with sericite disseminated sulphides, at a depth of 5 meters to 200 meters (15-655 feet). The second hole intersected numerous sections of moderate to intense propylitic alteration with silicification and pyritization from 79 meters to 85 meters (260- 280 feet) and between 133 meters and 265 meters (435- 870 feet). The pyritized sections contained up to 5% pyrite in a width of 35 meters at a depth of 133 meters to 168 meters (435- 550 feet). Pyrrhotite, chalcopyrite, magnetite, calcite and chlorite are visible in these altered sections. The third hole intercepted more sulphides of up to 10% in a more continuous interval of the intense propylitization from 143 meters to 262 meters (470-860 feet). No mineralization of interest was observed in the fourth hole. A total of 209 core samples were split and sent to ALS Minerals in North Vancouver for assaying. Assay results are currently pending and will be released as they become available.

Crowrea/Empress Property, British Columbia.

The Crowrea Project is a mineral rich occurrence within a 650 meter northeast trending dyke zone, potentially extending another 400 meters. The discovery was contained in a trench which returned 0.209% MoS² over 38 meters. Subsequent drilling returned up to 0.273% MoS² over 39 meters in holes #95-03-09 and 4.6 meters grading 3.39% MoS² in Hole # 96-14-56. Diamond drilling entailing 30 holes returned significant values in 14 of the holes up to 10.6 meters grading 0.292% molybdenum. In April 2007 the Company acquired additional property consisting of 82 claim units totalling 1629.8 hectares (4027.5 acres) and adjoins the northwest border of the Crowrea Molybdenum property. The Company completed drilling program in 2007 – 2008 on the Empress molybdenum occurrence. The program started with 10 BQW drill holes being drilled in the central portion of a 730 X 360 meter area for molybdenum (and copper/gold) bearing mineralization. And together the 2007 and spring 2008 program consisted of 19 holes drilled totalling 3,493 meters (11,459 feet). Mineralization observed in core from all 19 holes consists of disseminated and fracture filling molybdenite-pyrite-chalcopyrite associated with secondary alteration of K-feldspar-magnetite-chlorite-biotite-sericite. From the October 14, 2008 news release the program returned significant results one of which included hole # Emp 19-08 assaying 0.18% Mo over 15 meters near surface. The Company contracted Norm Tribe & Associates of Kelowna, B.C. to complete a NI 43-101 resource study on the Empress. The report was announced on January 28, 2009 and the results as follows:

	0.02% Mo cut-off	0.05% Mo cut-off
Indicated	3,996,155 tonnes @ 0.0605% Mo	1,703,000 tonnes @ 0.09% Mo
Inferred	3,498,000 tonnes @ 0.0619% Mo	1,657,498 tonnes @ 0.094% Mo

Assays were conducted by Eco Tech Laboratories of Kamloops, B.C. This project is a 50/50 joint venture with Goldrea Resources Corp. The Company is currently designing a drill program to explore and possibly expand the resource for spring / summer 2011.

Beaverdell Property, British Columbia

The Company's 27 mineral claims entail the southern half of the Beaverdell silver, lead, zinc vein camp. The Beaverdell Mine (North portion) believed to have produced almost continuously from 1913-1991, mining 1,321,140 tons producing 35,594,385 oz silver, 16,725 ounces gold, 25,569,475 lbs lead, 30,644,112 lbs zinc, 128,244 lbs cadmium and 25,699 lbs of copper. The Company's southern section believed to have produced 1,507,393 ounces of silver, 1,456,185 lbs of zinc, 960,482 lbs lead and 367 ounces of gold from 8,003 tons. In February 2008 the

Nevada Clean Magnesium Inc.
(formerly Molycor Gold Corporation)
Management's Discussion and Analysis
For the Year Ended October 31, 2012

Page 8 of 17

Company entered into an option agreement with Glen Eagle Resources Inc., formerly Temoris Resources Inc. ("Temoris") of Quebec whereby Glen Eagle will acquire a 70% interest in the Beaverdell silver property. Glen Eagle Resources Inc. reported in their interim quarterly financial statements as at March 31, 2009 that they do not intend to continue the exploration of the Beaverdell property and the option will not be exercised. Consequently, there are no receivables and the project is owned 100% by the Company. In the fall of 2010, the Company conducted property assessment work via a geochemical of 59 soil and 33 rock chip sampling program. The results were announced in December 2010.

In July 2011, the Company completed the drilling program consisting of 2,457.6 meters (8,063 feet) of diamond drilling in 16 holes from 9 drill pads and ranged from 47.85 - 270.5 meters (157 - 886 feet) in depth, 4 of the holes targeted depth extensions of silver-lead-zinc-copper-gold bearing mineralization located on the Duncan-Bounty quartz veins, and the remaining 12 holes targeted the Kokomo-Tiger zones. A total of 1,771 samples ranging from 0.3 - 2.5 meter interval lengths and were been split and shipped to Pioneer Labs Inc, Richmond, BC for 30 element ICP and Au geochemical analysis, and subsequent assaying for over detection limit geochemical analysis samples.

Nevada, USA Mineral Properties

Nevada, USA	Griffon	Silverado	TKO, Hot Dog Ridge, and Ridge Top	Tami-Mosi	BCS Davis	Total
	\$	\$	\$	\$	\$	\$
Balance, November 1, 2010	208,030	314,510	419,977	755,585	584,585	2,282,687
2011:						
Acquisition costs	5,440	1,275	2,635	57,590	-	66,940
Exploration costs	(7,332)	81,226	800	261,435	26,166	362,295
Translation adjustments	(4,100)	(7,053)	(8,351)	(18,114)	(11,838)	(49,456)
Balance, October 31, 2011	202,038	389,958	415,061	1,056,496	598,913	2,662,466
2012:						
Acquisition costs	3,676	(1,275)	-	24,073	1,013	27,487
Exploration costs	7,915	28,262	(2,635)	21,791	(16,442)	38,891
Option payments received	(39,636)	-	-	-	-	(39,636)
Write-downs	-	-	(416,619)	-	-	(416,619)
Translation adjustments	2,194	4,216	4,193	11,410	6,445	28,458
Balance, October 31, 2012	176,187	421,161	-	1,113,770	589,929	2,301,047

Status of USA exploration projects

Griffon Property, Nevada.

The property is located 45 miles southwest of Eureka, in the southern portion of the Battle Mountain Eureka Gold Trend. Alta Gold believed to have produced a total of 90,000 oz of gold from two zones of mineralization in the lower Chainman Shale at Griffon. The Company believes potential exists for deeper, more extensive gold mineralization in the underlying Pilot Shale Formation and/or high grade Carlin-type epithermal gold associated with feeder faults beneath the mined -out surface deposits. On February 22, 2012, the Company optioned the Griffon Gold Property located in Nevada, to Pilot Gold Inc., a TSX listed company that allows Pilot Gold to earn an initial 60% by paying Nevada Clean Magnesium Inc. a total of \$US119,636 cash, issuing 120,000 of its common shares and incurring \$US750,000 in exploration and development expenses over a four year period with the right to earn an additional 10% in the Property.

TKO, Hot Dog Ridge and Ridge Top Properties, Nevada.

The property is located in the Schell Creek Range of White Pine County, consisting of 8 unpatented claims. At year

Nevada Clean Magnesium Inc.
(formerly Molycor Gold Corporation)
Management's Discussion and Analysis
For the Year Ended October 31, 2012

Page 9 of 17

end, the Company wrote down the capitalized mineral property costs associated with this property.

Silverado Property, Nevada.

The property is situated at the southern end of the gold-rich Battle Mountain-Eureka Trend in Nevada. Grab samples assays up to 4415.5 grams silver (128.7 oz per ton) from old dumps. Silver values up to 23 ounces with combined lead and zinc values of nearly 30%. Exploration will focus on mapping and sampling on the range front and surrounding pediment where alluvium may be covering receptive host rocks hosting Carlin-Type mineralization similar to Barrick's two million ounce Archimedes gold deposit. During the fiscal year ended October 31, 2007 the Company completed acquisition of the 3 patented claims "the Michigan, American Eagle and Silverstone" from J.A. Terteling & Sons of Idaho.

Tami-Mosi Property, Nevada

The Company owns 100% interest in the unpatented mining claims located in the Schell Creek Range, 6.5 miles south-east of the town of Ely. On August 22, 2007 the Company announced the start of a drill program. The program consists of 25 holes, totalling 15,000 feet (4500 meters) in 25 reverse circulation rotary holes to test four target areas along a strike length of more than 3 miles (5000 meters) as identified by the geological mapping, outcrop sampling, a biogeochemical survey and a resistivity/spontaneous potential geophysical surveys. The drilling will test alluvium-covered extensions of known surface mineralized zones. The 2007 planned drilling is complete and all assays have been received for the program which consisted of 14 reverse circulation holes totalling 8,420 feet (2,567 meters) being drilled into the four identified gold bearing areas located out on the pediment under the alluvial cover as identified by biogeochemical and geophysical surveys. In February 2008 the company announced the discovery of high grade manganese grading 35.2% Mn over 15 feet (4.60 meters) in hole # TM-07-003 during the Phase I drilling program. In May, 2008 the Company resumed the drilling program on the new manganese and magnesium discoveries at the Tami-Mosi project. Nine diamond drill holes were completed. These ranged from 27.5 meters (90 ft) grading 10.5% Mg (17.12% MgO), to 164.63 meters (540 ft) grading 11.4% Mg (18.60% MgO), reporting Mg values over 2,600 meter (8,500 ft) strike length . Most of the drill holes ended in mineralization. The deposit remains open to the north along strike and to depth.

The Company engaged Teck Cominco Global Discovery Labs to analyze a 9.2 meter (30 ft) section of hole # TM 07-13 from 270 – 300 feet (82.3 m – 91.5 m), for purity of the dolomite. Hole # TM 07-13 averaged 11.4% Mg (18.6% MgO) over 164.4 meters (540ft). Results returned a high purity form of dolomite that is virtually identical with the National Bureau of Standards (NBS), Standard 88B.

SAMPLE	SiO ₂	TiO ₂	Al ₂ O ₃	Fe ₂ O ₃	MnO	MgO	CaO	Na ₂ O	K ₂ O	P ₂ O ₅	Ba	L0I	Total
Hole #TM-07-13 270ft - 300ft	1.25%	0.01%	0.22%	0.10%	0.01%	20.95%	29.91%	0.01%	0.01%	<0.01%	<0.01%	46.78%	99.27%
NBS "Standard 88B"	1.15%	0.02%	0.35%	0.30%	0.07%	21.14%	29.79%	0.01%	0.03%	0.01%	<0.01%	46.93%	99.80

Nevada Clean Magnesium Inc.
 (formerly Molycor Gold Corporation)
Management's Discussion and Analysis
For the Year Ended October 31, 2012

Page 10 of 17

In news release dated July 7, 2009, the Company announced receipt of NI 43-101 updated resource report from Norm Tribe and Associates quoting 236,183,772 tonnes of an inferred resource at a grade of 10.0% Magnesium. The NI 43-101 resource study estimate at 8.0% Magnesium cut-off is summarized as follows:

RESOURCE CALCULATIONS FOR TAMI-MOSI							
SECTION	AREA Sq.m.	HORIZ. m.	VOLUME Cu.m.	TONNAGE Tonnes		GRADE % Mg	POUNDS Mg.
1	43500N	72,450	100	7,245,000	205,75,800	12.12	5,486,331,312
2	43200N	78,378	100	7,837,800	22,259,352	10.62	5,200,675,001
3	43100N	58,873	100	5,887,300	16,719,932	10.16	3,737,239,201
4	4300N	62,513	100	6,251,300	177,53,692	12.22	4,772,902,557
5	42700N	46,354	100	4,635,400	13,164,536	10.09	2,922,263,701
6	42600N	64,290	100	6,429,000	18,258,360	9.19	3,691,475,225
7	42500N	99,316	100	9,931,600	28,205,744	10.5	6,515,526,864
8	42000N	29,483	100	2,948,300	8,373,172	10.16	1,871,571,405
9	4200N	65,001	100	6,500,100	18,460,284	11.02	4,475,511,253
10	41800N	26,558	100	2,655,800	7,542,472	9.74	1,616,200,900
11	41800N	16,897	100	1,689,700	4,798,748	11.38	1,201,414,549
12	41300N	26,491	100	2,649,100	7,523,444	9.45	1,564,124,008
13	4100N	37,326	100	3,732,600	10,600,584	9.33	2,175,875,872
14	40900N	17,436	100	1,743,600	4,951,824	10.21	1,112,278,707
15	40900N	19,400	100	1,940,000	5,509,600	9.1	1,103,021,920
16	40800N	35,264	100	6,526,400	10,014,976	9.95	2,192,278,246
TOTAL POUNDS Mg.							49,638,690,722
TOTAL TONNES AND GRADE UNDILUTED					214,712,520	10.51	
WITH 10% DILUTION AT THE LISTED GRADE					21,471,252	4.89	2,309,877,290
DILUTED TONNAGE AND GRADE					236,183,772	10.00	51,748,568,012

RESOURCE CALCULATION

Pounds per 1%/Tonne 22.06
 Density 2.84 Tonnes per cubic meter

The Company engaged Hazen Research Inc. as Phase 1 Process Development Study for Exploitation of the Tami Mosi resource. The resource is a premium quality dolomite containing an estimated 236 million tonnes of dolomite

On September 15, 2010 the Company announced the results of Hazen Research Inc.'s Phase I Process Development Study for Exploitation of the Tami-Mosi Resource. Hazen's work included a review of technical literature for recovering magnesium from dolomite deposits and the work done on the drill core samples from the Tami-Mosi testing its purity. Hazen's initial assessment indicates the high quality dolomite is an ideal basis for the production of magnesium based refractory's, magnesium metal, cement and/or agricultural products. The report outlines potential process routes for production of both high value products and the recovery of magnesium metal and recommends Nevada Clean Magnesium Inc. to develop to a full feasibility for exploiting the resource. In December 2010, the Company engaged Wardrop, a Tetra Tech Company, to complete a Preliminary Economic Assessment for NI 43-101 magnesium production study. The work will include project management, geology, mining, metallurgical processing, environmental considerations, financial analysis, capital and operating cost estimates. In January 2011, the Company retained James Sever and Robert Brown, two renowned experts in magnesium industry to assist the Company with the completion of the preliminary economic assessment study for the Tami-Mosi magnesium project.

In September 2011, Wardrop Engineering, a Tetra Tech Company completed a preliminary economic assessment for the Company's 100% owned Tami-Mosi Magnesium Project. The NI 43-101 compliant Report has been filed with the Regulators on SEDAR. The Company received a paper on October 17, 2011, from Alpha Omega Engineering Inc. of Spokane Washington, USA, titled "A Discussion Paper for Potential Areas of Improvement within Nevada

Nevada Clean Magnesium Inc.
(formerly Molycor Gold Corporation)
Management's Discussion and Analysis
For the Year Ended October 31, 2012

Page 11 of 17

Clean Magnesium Inc. Tami-Mosi Magnesium Project and Possible Effects upon Projected Profitability". The Paper suggests additional potential savings in cost reductions to the current NI 43-101

Davis Property, Nevada

The property is located in Walker Lane Gold Trend, 5 miles east of past producing Paradise Peak Mine, Nye County, Nevada. The Davis vein has potential 3,000 foot strike length at surface. In June, 2008 the Company began drilling at the Davis Gold Property and completed seven diamond drill HQ core holes totalling 2945 ft (898 meters) in 2008 returned grades of up to 3.53 grams (0.102 apt Au) over 4.24 meters (13.91 ft) along a 200-meter strike length. The mineralization is open to the north, to the south and depth. The Davis property contains a historical resource of 33,000 ounces gold and 270,000 ounces of silver (USS Ram report). Drill core was sent to ALS Chemex Laboratory, Vancouver for sawing and analysis.

(Where historical estimates are referred to, the Company has no classification of the resource or reserve, and the Company has not obtained enough of the original data and has not done the work necessary to verify the classification of a resource or reserve. The Company is not treating the estimate as a NI 43-101 defined resource or reserve verified by a Qualified Person, and the historical estimate should not be relied upon)

In June 2, 2009, the Company announced the discovery of three additional new gold/silver zones that now brings the total to six. These anomalies include the Davis, the Butler 1, The Butler 2, the Central, the Sinter and the Atwood Zones.

The zones at the Davis project show potential for high-grade, epithermal gold/silver veins, as well as strata-bound mineralized zones similar to the nearby Paradise Peak Mine (1.46M oz gold and 38.9M oz silver) which was active from 1985 to 1995 and being maintained. Field exploration to date now covers approximately 50% of the property. The next phases of exploration and drill programs are currently being designed and will be subject to financing.

LIQUIDITY AND CAPITAL RESOURCES

As at October 31, 2012, the Company had a cash balance of \$3,656 and working capital deficiency of \$413,469 compared to working capital of \$66,897 at October 31, 2011.

In February 2013, Company closed the first portion of a non-brokered private placement for gross proceeds of \$52,000 comprising of 5,200,000 units at a price of \$0.01 per Unit. Each Unit is comprised of one common share in the capital of the Company plus a three year share purchase warrant. Each Warrant entitles the holder to purchase one common share at a price of \$0.05 in the first year and \$0.10 in the second and third year.

In August 2012, the Company completed a non-brokered private placement for gross proceeds of \$27,500 comprising of 550,000 units at a price of \$0.05 per Unit. Each Unit is comprised of one common share in the capital of the Company plus a two year share purchase warrant. Each Warrant entitles the holder to purchase one common share at a price of \$0.10 per share.

In September 2011, the Company completed a non-brokered private placement comprised of 3,975,000 units at a price of \$0.06 per unit, raising \$238,500. Each unit is comprised of one common share of the Company plus a two year share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.12 per share at any time before September 26, 2013. The Company paid cash finder's fees totaling \$12,660 and issued 8,000 share purchase warrants valued at \$262 in connection with the private placement.

In February 2011, the Company completed a non-brokered private placement comprised of 5,712,500 units at a price of \$0.08 per unit, raising a total amount of \$457,000. Each unit is comprised of one common share of the Company plus a two year share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.12 per share at any time up to February 23, 2013. The Company paid cash finder's fees totaling \$24,860 in connection with this private placement.

Nevada Clean Magnesium Inc.
(formerly Molycor Gold Corporation)
Management's Discussion and Analysis
For the Year Ended October 31, 2012

Page 12 of 17

In November 2010, the Company completed a non-brokered private placement of up to 5,250,000 flow-through units at a price of \$0.08 per unit, raising a total amount of \$420,000. Each unit consists of one flow-through common share and one non-flow-through common share purchase warrant. Each warrant entitles the holder to purchase one non-flow-through common share for a period of two years at a price of \$0.13. The Company paid cash finder's fees totaling \$23,000 and issued 350,000 broker warrants valued at \$15,750 in connection with this private placement.

In October 2010, the Company completed a non-brokered private placement of \$611,000 comprised of 12,220,000 units at a price of \$0.05 per unit. Each unit consisted of one common share and one common share purchase warrant exercisable for a two year period to acquire an additional common share for \$0.10.

In May 2010, the Company completed a non-brokered private placement of \$391,000 comprised of 5,585,714 units at a price of \$0.07 per unit. Each unit consisted of one common share and one common share purchase warrant exercisable for a two year period to acquire an additional common share for \$0.12.

Excluding exploration costs, the Company's current general administrative cash expenditures are approximately \$10,000 per month. The Company does not generate revenue from operations and is dependent upon its ability to raise equity capital through the issuance of shares to pay ongoing operating expenses and the costs associated with its exploration and development activities. The Company expects this to continue for the foreseeable future.

USE OF PROCEEDS FROM FINANCING

<u>Date of financing and planned use of proceeds</u>	<u>Actual use of proceeds</u>
September 2009 financing: \$711,940 \$711,940 to be used towards general working capital.	All funds have been committed as planned.
June 2010 financing: \$391,000 \$300,000 to be used towards general working capital. \$79,000 to be used towards BLM fees.	All funds have been committed as planned.
October 2010 financing: \$611,000 \$611,000 to be used towards general working capital.	All funds have been committed as planned.
November 2010 financing: \$420,000 \$420,000 to be used towards property exploration activity.	All funds have been committed as planned
February 2011 financing: \$457,000 \$457,000 to be used towards magnesium drilling program in Nevada.	All funds have been committed as planned
September 2011 financing: \$238,500 \$238,500 to be used towards general working capital	All funds committed as planned
August 2012 financing: \$27,500	Funds to pay for BLM fees and general working capital
December 2012 first tranche: \$52,000	Funds to pay for items as disclosed in press release.

OUTSTANDING SHARE DATA

As at October 31, 2012, the Company had 111,793,450 common shares issued and outstanding. As at the date of this report, the Company has 116,993,450 common shares issued and outstanding.

As at October 31, 2012, the Company had outstanding share purchase warrants to purchase 15,845,500 common shares of the Company. Each share purchase warrant entitles the holder to acquire one additional common share and warrants outstanding at October 31, 2012 had a weighted-average exercise price of \$0.12 per share. 17,771,714

Nevada Clean Magnesium Inc.
(formerly Molycor Gold Corporation)
Management's Discussion and Analysis
For the Year Ended October 31, 2012

Page 13 of 17

warrants expired during the year ended October 31, 2012.

As at October 31, 2012, the Company had 2,830,000 outstanding stock options with a weighted-average exercise price of \$0.14. 910,000 options expired during the year ended October 31, 2012.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have material off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

At October 31, 2012, the Company entered into the following related party transactions.

Office and personnel sharing arrangements

The Company shares its office premises with Goldrea Resources Corp., and American Manganese Inc. In addition, certain personnel are shared by the companies. The personnel in question include the following:

- Mr. Larry Reaugh is a director and officer of each of the companies;
- Mr. Edward Lee is a director and officer of each of the companies;
- Ms. Teresa Piorun is an officer of each of the companies.

Expenses relating to the common office facilities are recorded at their fair value amounts and were incurred in the normal course of business. Related expenses were shared amongst the companies and allocated according to the relative space used by each of the companies. The salary and related costs of common personnel were allocated according to the time expended by the personnel in question. Transactions with related parties do not bear interest, are unsecured and have no fixed term of repayment. There are no ongoing commitments or contractual obligations resulting from the transactions in place as at January 31, 2012.

At October 31, 2012, the balances due to or due from these parties were:

DUE TO RELATED PARTIES	October 31, 2012	October 31, 2011
Goldrea Resources Corp	\$22,214	\$14,702
American Manganese Inc.	\$320,063	\$125,535
Larry Reaugh	\$30,000	\$12,000
Edward Lee	\$9,000	\$nil
DUE FROM RELATED PARTIES	October 31, 2012	October 31, 2011
Edward Lee	\$nil	\$515

All transactions with related parties have occurred in the normal course of operations and are measured at their fair value as determined by management. The balances referred to below are non-interest bearing, unsecured, receivable or payable on demand with no specific terms for repayment and have arisen from the provision of services and expense reimbursements or advances described.

The Company has directors in common with Goldrea Resources Corp. ("Goldrea"), and American Manganese Inc. ("American Manganese").

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's

Nevada Clean Magnesium Inc.
(formerly Molycor Gold Corporation)
Management's Discussion and Analysis
For the Year Ended October 31, 2012

Page 14 of 17

experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and share-based payments and other equity-based payments, the value of the premium included in flow-through share issuances and the estimated useful life and recoverability of equipment. Actual results may differ from those estimates and judgments.

Changes in Accounting Policies including Initial Adoption

Adoption of IFRS

The consolidated financial statements of the Company have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting" and IFRS 1, "First time adoption of International Financial Reporting Standards ("IFRS")" using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC").

The Company adopted IFRS on November 1, 2011, with the conversion date of November 1, 2010 representing the Company's opening IFRS balance sheet. As required by IFRS 1, First-time Adoption of IFRS, the Company will apply the IFRS in effect as at October 31, 2012 on a full retrospective basis, except where permitted or required under an IFRS 1 exemption.

The condensed consolidated financial statements include all of the information required for full annual financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Company as at and for the year ended October 31, 2011 prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"). The basis of presentation of these condensed consolidated financial statements is different to that of the Company's most recent annual financial statements due to the first time adoption of IFRS.

The impact of the conversion from GAAP to IFRS is explained in Note 17 to the consolidated financial statements of the Company. Note 17 includes reconciliations of the Company's statements of financial position and statements of loss and comprehensive loss for comparative periods prepared in accordance with GAAP and as previously reported to those prepared and reported in these audited financial.

Nevada Clean Magnesium Inc.
(formerly Molycor Gold Corporation)
Management's Discussion and Analysis
For the Year Ended October 31, 2012

Page 15 of 17

Future accounting changes

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Company:

a) IFRS 9 – Financial Instruments

IFRS 9, 'Financial Instruments' was issued in November 2009 as the first step in its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets that must be applied starting January 1, 2013, with early adoption permitted. The IASB intends to expand IFRS 9 during the intervening period to add new requirements for classifying and measuring financial liabilities, de-recognition of financial instruments, impairment and hedge accounting. The Company is currently assessing the impact of this standard.

b) IFRS 10 – Consolidated Financial Statements

IFRS 10, 'Consolidated Financial Statements' was issued in May 2011 and will supersede the consolidation requirements in SIC-12 'Consolidation – Special Purpose Entities' and IAS 27 'Consolidated and Separate Financial Statements' effective for annual periods beginning on or after January 1, 2013, with early application permitted. IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard also provides additional guidance to assist in the determination of control where this is difficult to assess. The Company is currently assessing the impact of this standard.

c) IFRS 11 – Joint Arrangements

IFRS 11, 'Joint Arrangements' was issued in May 2011 and will supersede existing IAS 31, 'Joint Ventures' effective for annual periods beginning on or after January 1, 2013, with early application permitted. IFRS 11 provides for the accounting of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard also eliminates the option to account for jointly controlled entities using the proportionate consolidation method. The Company does not expect this standard to have a significant impact on the financial statements.

d) IFRS 12 – Disclosure of Interests in Other Entities

IFRS 12, 'Disclosure of Interests in Other Entities' was issued in May 2011 and is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. The Company does not expect this standard to have a significant impact on the financial statements.

e) IFRS 13 – Fair Value Measurement

IFRS 13, 'Fair Value Measurement' was issued in May 2011 and sets out in a single IFRS a framework for measuring fair value. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This definition of fair value emphasizes that fair value is a market-based measurement, not an entity-specific measurement. In addition, IFRS 13 also requires specific disclosures about fair value measurement. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Company is currently assessing the impact of this standard.

Nevada Clean Magnesium Inc.
(formerly Molycor Gold Corporation)
Management's Discussion and Analysis
For the Year Ended October 31, 2012

Page 16 of 17

RISK FACTORS RELATING TO THE COMPANY'S BUSINESS

As a company active in the mineral resource exploration and development industry, Nevada Clean Magnesium Inc. is exposed to a number of risks.

Exploration Stage Operations

The Company's operations are subject to all of the risks normally incident to the exploration for and the development and operation of mineral properties. Mineral exploration is a business of high inherent risk. Most exploration programs fail to locate a body of commercial ore. All exploration and mining programs face a risk of unknown and unanticipated geological conditions, and promising indications from early results may not be borne out in further exploration work. Few properties which are explored are ever developed into producing mines. A mineral exploration program often requires substantial cash investment, which can be lost in its entirety if it does not result in the discovery of a commercial ore body. The commercial viability of a mineral deposit is dependent 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. Most of these factors are beyond the control of the Company. Mineral exploration involves risks which even a combination of careful evaluation, experience, and knowledge cannot eliminate.

In addition, even if the Company is successful in locating a commercial ore body, there is no assurance that the Company will be able to bring such an ore body into commercial production. Development of a producing mine generally requires large capital investment and numerous permits from government regulatory agencies. There is no assurance that the funds required to exploit mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. There is also no assurance that the Company will be able to obtain the government permits required to exploit a commercial ore body. The costs and time involved in the permitting process may also delay the commencement of mining operations, or make the development of a producing mine uneconomic.

If the Company is able to bring an ore body into commercial production, operating mines also face substantial operating risks, which include, but are not limited to, unusual or unexpected geological conditions, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and inability to obtain adequate machinery, equipment or labour.

If the Company is unsuccessful in its attempts to locate a commercial ore body and to commence commercial production, the Company may seek to transfer its property interests or otherwise realize value, or may even be required to abandon its business and fail as a going concern.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with other companies with greater technical and financing resources than itself with respect to acquire properties of merit, and the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.

Financial Markets

The Company is dependent on the equity markets as its sole source of operating working capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

Nevada Clean Magnesium Inc.
(formerly Molycor Gold Corporation)
Management's Discussion and Analysis
For the Year Ended October 31, 2012

Page 17 of 17

Environmental and Government Regulation

Mining and exploration activities are subject to various laws and regulations relating to the protection of the environment, historical and archaeological sites and endangered and protected species of plants and animals. The Company has implemented safety and environmental measures designed to comply with government regulations, and to ensure safe, reliable and efficient operations in all phases of its operations. In addition, the Company maintains liability and property insurance, where reasonably available, in such amounts it considers prudent. However, the Company may become subject to liability for hazards against which it cannot insure or which it may elect not to insure against because of high premium costs or other reasons. In addition, 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 the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company.

Title to Properties

While the Company has investigated the title to all of the properties for which it holds concessions or other mineral leases or licenses or in respect of which it has a right to earn an interest, the Company cannot guarantee that title to such properties will not be challenged or impugned. The Company can never be certain that it will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under foreign law are often complex. The Company does not carry title insurance on its properties. A successful claim that the Company or its option partner does not have title to a property could cause the Company to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property.

Foreign Currency

A portion of the Company's expenses are incurred in foreign currencies. Fluctuations in the exchange rate between the Canadian dollar and such other currencies may have a material effect on our business, financial condition and results of operations. The Company does not hedge against foreign currency fluctuations.

ADDITIONAL INFORMATION

Additional information about the Company is available at the website of the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.