

**FIRST POINT MINERALS CORP.**

Condensed Consolidated Interim Financial Statements

June 30, 2014 & 2013

*(Unaudited)*

*(Stated in Canadian Dollars)*

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of First Point Minerals Corp. (the “Company”) have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

**FIRST POINT MINERALS CORP.**  
Condensed Consolidated Interim Statements of Financial Position  
*(Unaudited)*  
*(Stated in Canadian Dollars)*

	<b>Jun. 30</b>	Dec. 31
	<b>2014</b>	2013
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents (note 3)	3,029,720	3,709,955
Amounts receivable (note 4)	21,658	12,071
Prepaid expenses (note 5)	22,305	66,359
<b>Total Current</b>	<b>3,073,683</b>	3,788,385
Equipment (note 6)	22,823	32,996
Reclamation deposit (note 7)	22,995	22,835
Marketable securities (note 8)	103,892	135,059
Exploration and evaluation assets (note 9)	3,832,502	3,713,882
	<b>7,055,895</b>	7,693,157
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 10)	69,659	64,745
<b>EQUITY</b>		
Share capital (note 11)	28,606,814	28,606,814
Other equity reserve (note 11)	5,032,117	5,014,331
Deficit	(26,395,408)	(25,766,613)
Accumulated other comprehensive loss	(257,287)	(226,120)
	<b>6,986,236</b>	7,628,412
	<b>7,055,895</b>	7,693,157
Nature and continuance of operations (note 1)		
Commitments (note 15)		

Approved and authorized by the Board of Directors:

/s/ James S. Gilbert

James S. Gilbert, Director

/s/ Robert A. Watts

Robert A. Watts, Director

See notes to the condensed consolidated interim financial statements

## FIRST POINT MINERALS CORP.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Unaudited)

(Stated in Canadian dollars)

	Three Months Ended June 30		Six Months Ended June 30	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>EXPENSES</b>				
Accounting, legal and audit	16,758	27,966	24,193	44,404
Amortization	5,088	6,765	10,173	13,433
Communications	5,537	73,096	42,031	86,474
Foreign exchange loss	2,161	683	627	1,740
General exploration	54,919	228,364	117,641	342,900
Insurance	1,682	2,241	3,398	4,484
Management fees	43,178	60,777	100,398	145,278
Office and administration	5,459	21,724	11,476	45,459
Rent	11,948	15,396	24,649	28,131
Stock-based compensation	3,016	33,557	17,786	402,218
Travel and promotion	10,510	11,242	23,532	39,529
Trust and filing fees	8,213	1,197	30,028	26,921
Wages and benefits	124,474	136,478	264,657	356,963
<b>Loss before other items</b>	<b>(292,943)</b>	<b>(619,486)</b>	<b>(670,589)</b>	<b>(1,537,934)</b>
<b>OTHER ITEMS</b>				
Interest income	11,857	11,652	25,713	26,347
British Columbia mineral exploration tax credits	-	-	16,081	-
Properties/costs written off	-	-	-	(58,843)
	<b>11,857</b>	<b>11,652</b>	<b>41,794</b>	<b>(32,496)</b>
<b>Net loss for the period</b>	<b>(281,086)</b>	<b>(607,834)</b>	<b>(628,795)</b>	<b>(1,570,430)</b>
<b>Other comprehensive loss</b>				
Items that may be reclassified to income:				
Unrealized loss on marketable securities	(10,389)	(36,362)	(31,167)	(46,751)
<b>Comprehensive loss for the period</b>	<b>(291,475)</b>	<b>(644,196)</b>	<b>(659,962)</b>	<b>(1,617,181)</b>
<b>Basic and diluted loss per share</b> (note 11)	<b>(0.003)</b>	<b>(0.007)</b>	<b>(0.006)</b>	<b>(0.017)</b>
<b>Weighted average number of common shares outstanding</b>	<b>105,804,339</b>	<b>95,837,933</b>	<b>105,804,339</b>	<b>95,836,276</b>

See notes to the condensed consolidated interim financial statements

**FIRST POINT MINERALS CORP.**  
Condensed Consolidated Interim Statements of Changes in Equity  
(Unaudited)  
(Stated in Canadian Dollars)

	Share Capital		Other Equity Reserve	Deficit	Accumulated Other Comprehensive Income (Loss)	Total
	Number of Shares #	Amount \$				
<b>Balance, December 31, 2012</b>	<b>95,687,933</b>	<b>27,055,849</b>	<b>4,489,783</b>	<b>(23,438,567)</b>	<b>(205,342)</b>	<b>7,901,723</b>
Options exercised	150,000	35,445	(12,945)	-	-	22,500
Stock-based compensation	-	-	402,218	-	-	402,218
Loss for the period	-	-	-	(1,570,430)	-	(1,570,430)
Other comprehensive loss	-	-	-	-	(46,751)	(46,751)
<b>Balance, June 30, 2013</b>	<b>95,837,933</b>	<b>27,091,294</b>	<b>4,879,056</b>	<b>(25,008,997)</b>	<b>(252,093)</b>	<b>6,709,260</b>
Private placements	9,316,406	1,583,789	-	-	-	1,583,789
Share issue costs	-	(155,174)	29,925	-	-	(125,249)
Options exercised	650,000	86,905	(21,905)	-	-	65,000
Stock-based compensation	-	-	127,255	-	-	127,255
Loss for the period	-	-	-	(757,616)	-	(757,616)
Other comprehensive loss	-	-	-	-	25,973	25,973
<b>Balance, December 31, 2013</b>	<b>105,804,339</b>	<b>28,606,814</b>	<b>5,014,331</b>	<b>(25,766,613)</b>	<b>(226,120)</b>	<b>7,628,412</b>
Stock-based compensation	-	-	17,786	-	-	17,786
Loss for the period	-	-	-	(628,795)	-	(628,795)
Other comprehensive loss	-	-	-	-	(31,167)	(31,167)
<b>Balance, June 30, 2014</b>	<b>105,804,339</b>	<b>28,606,814</b>	<b>5,032,117</b>	<b>(26,395,408)</b>	<b>(257,287)</b>	<b>6,986,236</b>

See notes to the condensed consolidated interim financial statements

## FIRST POINT MINERALS CORP.

### Condensed Consolidated Interim Statements of Changes in Cash Position

(Unaudited)

(Stated in Canadian dollars)

	Three Months Ended June 30		Six Months Ended June 30	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>Cash provided by (used for):</b>				
<b>Operating activities</b>				
Net loss for the period	(281,086)	(607,834)	(628,795)	(1,570,430)
Add items not involving cash:				
Amortization	5,088	6,765	10,173	13,433
Stock-based compensation	3,016	33,557	17,786	402,218
Properties/costs written off	-	-	-	58,843
	<u>(272,982)</u>	<u>(567,512)</u>	<u>(600,836)</u>	<u>(1,095,936)</u>
Changes in non-cash working capital components:				
Amounts receivable	(4,946)	(12,508)	(9,587)	190,842
Prepaid expenses	5,337	27,837	44,054	2,021
Accounts payable and accrued liabilities	(44,586)	(41,868)	(13,602)	(66,538)
	<u>(317,177)</u>	<u>(594,051)</u>	<u>(579,971)</u>	<u>(969,611)</u>
<b>Financing activities *</b>				
Cash proceeds from shares issued	-	-	-	22,500
	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,500</u>
<b>Investing activities *</b>				
Reclamation deposit	-	11,060	-	485
Mineral property costs	(104,600)	(247,181)	(211,837)	(385,404)
Recovery of property costs incurred	-	12,353	111,573	12,398
Management fees earned	-	-	-	-
Equipment rental fee earned	-	-	-	-
Acquisition of capital assets	-	(1,745)	-	(1,745)
	<u>(104,600)</u>	<u>(225,513)</u>	<u>(100,264)</u>	<u>(374,266)</u>
<b>Net cash provided (used) during period</b>	<b>(421,777)</b>	<b>(819,564)</b>	<b>(680,235)</b>	<b>(1,321,377)</b>
<b>Cash – beginning of period</b>	<b>3,451,497</b>	<b>4,036,139</b>	<b>3,709,955</b>	<b>4,537,952</b>
<b>Cash - end of period</b>	<b>3,029,720</b>	<b>3,216,575</b>	<b>3,029,720</b>	<b>3,216,575</b>

\* *Supplemental disclosure of non-cash financing and investing activities*

Interest received	7,131	11,652	13,042	26,347
Accounts payable related to mineral properties	18,506	11,506	18,506	11,506

See notes to the condensed consolidated interim financial statements

# FIRST POINT MINERALS CORP.

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2014

(Unaudited)

(Stated in Canadian Dollars)

## 1. NATURE AND CONTINUANCE OF OPERATIONS

First Point Minerals Corp. (the “Company”) is incorporated under the *Business Corporations Act* (Alberta) and is involved in the acquisition and exploration of mineral property interests that are considered potential sites of economic mineralization. At the date of these condensed consolidated interim financial statements, the Company has not identified a known body of commercial grade ore on any of its properties and the ability of the Company to recover the costs it has incurred to date on these properties is dependent upon the Company being able to identify a commercial ore body, to finance its exploration and development costs and to resolve any environmental, regulatory, or other constraints which may hinder the successful development of the property.

The Company has not generated revenue from operations. The Company incurred a net loss of \$628,795 during the six months ended June 30, 2014 and as of that date the Company’s deficit was \$26,395,408. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties.

While the Company’s working capital position at June 30, 2014 was \$3,004,024, the Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. These condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

These condensed consolidated interim financial statements include the financial statements of the Company and its subsidiaries. They are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries.

The head office and principal address of the Company is Suite 200 – 1155 West Pender Street, Vancouver, British Columbia V6E 2P4. The Company’s registered and records office is 4500 Bankers Hall East, 855 Second Street SW, Calgary, Alberta T2P 4K7.

## 2. BASIS OF PREPARATION

### (a) *Statement of compliance*

The condensed consolidated interim financial statements for the three and six months ended June 30, 2014 were prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (“IASB”) on a basis consistent with those followed in the most recent annual consolidated financial statements.

These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and were approved and authorized for issue by the Board of Directors on August 13, 2014.

### (b) *Basis of measurement*

These condensed consolidated interim financial statements have been prepared on a historical costs basis except for financial instruments classified as financial instruments at fair value through profit or loss or available-for-sale, which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting.

## FIRST POINT MINERALS CORP.

### Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2014

(Unaudited)

(Stated in Canadian Dollars)

#### 2. BASIS OF PREPARATION (continued)

##### (b) Basis of measurement (continued)

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and the reported expenses during the period. Although management uses historical experience and its best knowledge of the amounts, events or actions to form the basis for judgments and estimates, actual results could differ from these estimates.

#### 3. CASH AND CASH EQUIVALENTS

	June 30, 2014	December 31, 2013
Cash on deposit	\$ 55,029	\$ 146,977
Liquid short term investments	2,974,691	3,562,978
Cash and cash equivalents	\$ 3,029,720	\$ 3,709,955

#### 4. AMOUNTS RECEIVABLE

The Company's receivables arise mainly from GST receivable due from Canadian government taxation authorities.

#### 5. PREPAID EXPENSES

The Company's prepaid expenses consist of the following:

	June 30, 2014	December 31, 2013
Prepaid rent	\$ -	\$ 20
Insurance	9,884	6,880
Vendor prepayments	12,421	59,459
Total	\$ 22,305	\$ 66,359



**FIRST POINT MINERALS CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2014

*(Unaudited)*

*(Stated in Canadian Dollars)*

**6. EQUIPMENT**

	<b>Computer hardware and software</b>		<b>Office furniture and equipment</b>		<b>Field equipment</b>		<b>Total</b>
Cost at December 31, 2012	\$ 80,161	\$	\$ 79,438	\$	\$ 92,050	\$	\$ 251,649
Additions	1,124		620		-		1,744
Cost at December 31, 2013	81,285		80,058		92,050		253,393
Accumulated depreciation at December 31, 2012	65,914		73,933		53,598		193,445
Depreciation/depletion	8,656		1,147		17,149		26,952
Accumulated depreciation at December 31, 2013	74,570		75,080		70,747		220,397
Net book value December 31, 2013	\$ 6,715	\$	\$ 4,978	\$	\$ 21,303	\$	\$ 32,996

  

	<b>Computer hardware and software</b>		<b>Office furniture and equipment</b>		<b>Field equipment</b>		<b>Total</b>
Cost at December 31, 2013	\$ 81,285	\$	\$ 80,058	\$	\$ 92,050	\$	\$ 253,393
Additions	-		-		-		-
Cost at June 30, 2014	81,285		80,058		92,050		253,393
Accumulated depreciation at December 31, 2013	74,570		75,080		70,747		220,397
Depreciation/depletion	2,336		498		7,339		10,173
Accumulated depreciation at June 30, 2014	76,906		75,578		78,086		230,570
Net book value June 30, 2014	\$ 4,379	\$	\$ 4,480	\$	\$ 13,964	\$	\$ 22,823

**7. RECLAMATION DEPOSIT**

The Company has provided deposits as security against potential future reclamation work relating to three of its mineral properties. As at June 30, 2014, a total of \$22,995 (December 31, 2013 - \$22,835) has been provided in the form of Guaranteed Investment Certificates posted with the Minister of Finance for the Province of British Columbia for the benefit of the provincial Ministry of Energy and Mines.

**8. MARKETABLE SECURITIES**

Marketable securities consist of equity securities over which the Company does not have control or significant influence. Marketable securities are designated as available for sale. Unrealized gains and losses due to period end revaluations to fair value are included in other comprehensive income or loss for the period. At June 30, 2014, the Company owned 1,038,916 (December 31, 2013 - 1,038,916) shares of Aquila Resources Inc., the shares of which are traded on the Toronto Stock Exchange.

	June 30, 2014	December 31, 2013
Marketable securities – fair value	\$ 103,892	\$ 135,059
Marketable securities – cost	361,165	361,165

## FIRST POINT MINERALS CORP.

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2014

(Unaudited)

(Stated in Canadian Dollars)

### 9. EXPLORATION AND EVALUATION ASSETS

As at June 30, 2014, the Company holds interests in seven nickel properties, five of which are located in British Columbia, with one property in each of the Yukon Territory and Norway. These properties were acquired by staking and the Company has a 100% interest in each of the properties, other than the Decar property located in central British Columbia, which is under option to Cliffs Natural Resources Exploration Inc. (“Cliffs”), a wholly-owned subsidiary of Cliffs Natural Resources Inc., and Cliffs’ wholly-owned Canadian exploration subsidiary. With the exception of the Decar property, the Company’s nickel properties are all in the early stage of exploration. The Company also holds one concession in Honduras that is presently on “care and maintenance” but which has been explored for gold in the past.

#### *Canada*

##### *Nickel Properties, British Columbia and Yukon Territory*

Under the terms of an option agreement entered into in November 2009, Cliffs had the right to earn an initial 51% interest in the Decar property by spending US\$4,500,000 on the property over four years. In mid-September, 2011, Cliffs committed to completing a National Instrument 43-101 compliant preliminary economic assessment (“PEA”) on the Decar property. Pursuant to an amended agreement dated September 21, 2011, by agreeing to complete the scoping study within 18 months, Cliffs is deemed to have earned an initial 51% interest in the Decar property and the Company is deemed to have earned a 1% net smelter return (“NSR”) royalty in the Decar property.

On delivery of the PEA in April 2013, Cliffs earned an additional 9% interest in the Decar property, bringing its aggregate interest to 60%. In September 2013, the Company announced that Cliffs has elected to proceed to the pre-feasibility study (“PFS”) phase. By sole funding completion of a NI 43-101 compliant PFS, Cliffs has the option to earn an additional 5% interest in the Decar project. By making the election to proceed to the PFS phase, Cliffs also maintains the right to earn a further 10% interest in the Decar project by sole funding a feasibility study.

Cliffs may elect at any time to form a joint venture, with Cliffs acting as operator. The Company will retain a 1% NSR royalty in the Decar property when the joint venture is formed. After the joint venture is formed, the parties’ funding obligations to approved budgets will be in proportion to their respective participating interests. A party that does not fully fund its share of approved budgets will have its participating interest diluted and the other party’s participating interest will be correspondingly increased. Should either party’s participating interest in the joint venture be reduced to less than 10%, its interest will automatically be converted to a 1% NSR royalty interest. If the Company is the converting party, it will have, in the aggregate, a 2% NSR royalty interest.

Deferred acquisition and exploration costs incurred on two of the Company’s British Columbia nickel properties (Ogden and Wolv) totaling \$58,842 were written off during the year ended December 31, 2013, when it was determined that the resource potential of the properties was unlikely to warrant further expenditures.

The Company holds a 100% interest in all of its other nickel properties located in British Columbia and the Yukon Territory.

#### *Australia*

##### *Light Concession, New South Wales*

In 2013, the Company became the beneficial holder of an Exploration Licence issued by the New South Wales government for the Light Concession. During the year ended December 31, 2013, the Company dropped that license and wrote off deferred acquisition and exploration costs totaling \$38,078.

## **FIRST POINT MINERALS CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2014

(Unaudited)

(Stated in Canadian Dollars)

### **9. EXPLORATION AND EVALUATION ASSETS** *(continued)*

#### *Norway*

##### *Fera & Leka Exploration Concessions*

In 2012, the Company acquired mining licenses comprising the Fera and Leka exploration concessions, covering approximately 160 square kilometres ("sq km"). When it was subsequently determined that the resource potential of certain concessions was unlikely to warrant further expenditures, the Company dropped the Leka property and reduced its holdings at Fera and now controls a 100% interest in seven licenses covering 70 sq km.

#### *Honduras*

##### *Camporo Property*

The Company acquired a 60% interest in the Camporo property in southern Honduras, subject to a 0.6% NSR royalty interest, from Minera Battle Mountain Gold Company ("BMG") by incurring exploration expenditures of US\$1,000,000 (incurred) and issuing 700,000 common shares (issued). The Company has an option to earn the remaining 40% interest in this property from a Honduran subsidiary of Breakwater Resources Ltd. The consideration to be paid to acquire Breakwater's interest in the property will consist of: (i) 500,000 First Point common shares ("Common Shares") if the value of a Common Share is \$0.20 or higher to a maximum of \$1.00 per Common Share provided that the number of Common Shares to be issued will have a maximum fair market value of not more than \$500,000, or (ii) if the fair market value of a Common Share is less than \$0.20, a combination of 500,000 Common Shares and a cash payment in an amount equal to \$100,000 less the value of the 500,000 Common Shares, which value shall be determined using the weighted average price per Common Share calculated over the five trading days preceding the relevant date.

Breakwater will retain a sliding scale royalty of 0.4% of the gross gold sale proceeds starting at US\$325 per ounce and rising to a maximum of 1.2% of the gross gold sale proceeds at US\$400 per ounce and of 0.4% of the gross silver sale proceeds starting at US\$5.25 per ounce and rising to a maximum of 1.2% of the gross silver sale proceeds at US\$7.00 per ounce. The property is carried at a nominal value of \$1.00.

##### *Cedros Property*

During 2008 the Company re-acquired an option to obtain a 100% interest in three mineral concessions and exploration permits in the Cedros region. To complete its acquisition and obtain title to the property the Company would have been required to issue 225,000 shares at any time and would have been obligated to pay a 2% NSR royalty on production, which royalty could have been purchased by the Company at any time for US\$1,000,000. During the year ended December 31, 2013, the Company dropped its option on the Cedros Property and wrote off the property's \$1 nominal carrying value.

**FIRST POINT MINERALS CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2014

*(Unaudited)*

*(Stated in Canadian Dollars)*

**9. EXPLORATION AND EVALUATION ASSETS** *(continued)*

**Consolidated Schedule of Costs – Exploration and Evaluation Assets**

	<b>Balance Dec. 31, 2012</b>	<b>Acquisition Costs</b>	<b>Exploration Costs</b>	<b>Recoveries</b>	<b>Costs Written Off</b>	<b>Balance Dec. 31, 2013</b>
	\$	\$	\$	\$	\$	\$
<b>CANADA</b>						
Decar	336,881	-	363,046	(13,705)	-	686,222
Wale	1,491,325	-	240,499	(13,729)	-	1,718,095
Orca	51,075	-	68,045	-	-	119,120
Klow	717,241	-	6,556	(20,719)	-	703,078
Mich	125,198	-	159,728	-	-	284,926
Letain	46,624	-	1,834	(6,234)	-	42,224
Ogden	29,098	-	-	-	(29,098)	-
Wolv	29,286	-	458	-	(29,744)	-
<b>Subtotal, Canada</b>	<u>2,826,728</u>	<u>-</u>	<u>840,166</u>	<u>(54,387)</u>	<u>(58,842)</u>	<u>3,553,665</u>
<b>AUSTRALIA</b>						
Light	-	3,638	34,440	-	(38,078)	-
<b>Subtotal, Australia</b>	<u>-</u>	<u>3,638</u>	<u>34,440</u>	<u>-</u>	<u>(38,078)</u>	<u>-</u>
<b>NORWAY</b>						
Fera	127,090	12,593	20,533	-	-	160,216
<b>Subtotal, Norway</b>	<u>127,090</u>	<u>12,593</u>	<u>20,533</u>	<u>-</u>	<u>-</u>	<u>160,216</u>
<b>HONDURAS</b>						
Camporo	1	-	-	-	-	1
Cedros	1	-	-	-	(1)	-
<b>Subtotal, Honduras</b>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>1</u>
<b>Total Costs – Exploration &amp; Evaluation Assets</b>	<u>2,953,820</u>	<u>16,231</u>	<u>895,139</u>	<u>(54,387)</u>	<u>(96,921)</u>	<u>3,713,882</u>

**FIRST POINT MINERALS CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2014

*(Unaudited)*

*(Stated in Canadian Dollars)*

**9. EXPLORATION AND EVALUATION ASSETS** *(continued)*

**Consolidated Schedule of Costs – Exploration and Evaluation Assets**

	Balance Dec. 31, 2013 \$	Acquisition Costs \$	Exploration Costs \$	Recoveries \$	Costs Written Off \$	Balance Jun. 30, 2014 \$
<b>CANADA</b>						
Decar	686,222	-	157,081	(150)	-	843,153
Wale	1,718,095	-	9,391	(39,688)	-	1,687,798
Orca	119,120	-	3,840	(1,960)	-	121,000
Klow	703,078	-	255	(68,886)	-	634,447
Mich	284,926	-	41,607	-	-	326,533
Letain	42,224	-	-	(1,039)	-	41,185
<b>Subtotal, Canada</b>	<b>3,553,665</b>	<b>-</b>	<b>212,174</b>	<b>(111,723)</b>	<b>-</b>	<b>3,654,116</b>
<b>NORWAY</b>						
Fera	160,216	12,306	5,863	-	-	178,385
<b>Subtotal, Norway</b>	<b>160,216</b>	<b>12,306</b>	<b>5,863</b>	<b>-</b>	<b>-</b>	<b>178,385</b>
<b>HONDURAS</b>						
Camporo	1	-	-	-	-	1
<b>Subtotal, Honduras</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>Total Costs – Exploration &amp; Evaluation Assets</b>	<b>3,713,882</b>	<b>12,306</b>	<b>218,037</b>	<b>(111,723)</b>	<b>-</b>	<b>3,832,502</b>

**10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities for the Company are broken down as follows:

	June 30, 2014	December 31, 2013
Trade payables	\$ 24,842	\$ 26,947
Accrued liabilities	44,817	37,798
<b>Total</b>	<b>\$ 69,659</b>	<b>\$ 64,745</b>

## FIRST POINT MINERALS CORP.

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2014

*(Unaudited)*

*(Stated in Canadian Dollars)*

### 11. SHARE CAPITAL

- (a) Authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of first and second preferred shares. None of the preferred shares have been issued.
- (b) Issued and outstanding

During the six months ended June 30, 2014, the Company issued no common shares.

On November 18 and November 26, 2013, the Company closed the first and second tranches, respectively, of a private placement of 9,316,406 units at a price of \$0.17 per unit, for gross proceeds of \$1,583,790. Each unit consists of one common share of the Company and one-half of a common share purchase warrant, where each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.25 per share for a period of 36 months from the closing of the offering. Finders' fees of \$89,465 in cash and 420,384 finders' warrants were paid on a portion of the proceeds. The terms of the finders' warrants are identical to the terms of the warrants.

During the year ended December 31, 2013, the Company issued 800,000 shares as the result of a like number of options being exercised. The amount recorded as share capital was \$122,350 which amount consisted of cash of \$87,500 and an additional sum of \$34,850, the latter being the fair value originally attributable to the options upon vesting, which amount was removed from other equity reserve.

- (c) Stock options

The Company has an incentive stock option plan that conforms to the requirements of the Toronto Stock Exchange. Options to purchase common shares have been granted to directors, employees and consultants of the Company at exercise prices determined by their market value on the date of the grant. The options vest immediately on the date of the grant or as otherwise determined at the discretion of the Board. Stock option transactions during the periods ended December 31, 2013 and June 30, 2014 and the number of stock options outstanding and exercisable at June 30, 2014 are summarized as follows:

	Number of Options	Weighted- Average Exercise Price	Weighted-Average Contractual Remaining Life (Years)
<b>Balance, December 31, 2012</b>	<b>8,681,000</b>	<b>0.61</b>	<b>2.92</b>
Granted	1,135,000	0.43	
Cancelled	(113,000)	0.77	
Exercised	(800,000)	0.11	
<b>Balance, December 31, 2013</b>	<b>8,903,000</b>	<b>0.63</b>	<b>2.39</b>
Cancelled	(30,000)	0.75	
<b>Balance, June 30, 2014</b>	<b>8,873,000</b>	<b>0.63</b>	<b>1.89</b>
<b>Exercisable at June 30, 2014</b>	<b>8,806,333</b>		

The weighted average share price for stock options exercised during the six months ended June 30, 2014 is nil (2013 – \$0.58).

**FIRST POINT MINERALS CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

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*(Unaudited)*

*(Stated in Canadian Dollars)*

**11. SHARE CAPITAL** *(continued)*

(c) Stock options *(continued)*

Summary of stock options outstanding at June 30, 2014:

<u>Number Outstanding</u>	<u>Exercise Price (\$)</u>	<u>Expiry Date</u>
1,600,000	0.35	December 23, 2014
50,000	0.63	May 3, 2015
1,575,000	0.68	May 27, 2015
75,000	0.85	January 5, 2016
1,800,000	0.80	April 14, 2016
150,000	0.95	June 30, 2016
2,288,000	0.75	February 14, 2017
200,000	0.50	September 1, 2017
885,000	0.50	February 8, 2018
250,000	0.20	August 19, 2018
<b><u>8,873,000</u></b>		

(d) Stock-based compensation:

On February 8, 2013, the Company granted officers, employees and consultants an aggregate of 885,000 options to purchase shares at an exercise price of \$0.50 per share, all of which options vested immediately. The options will expire on February 8, 2018. The fair value of the options granted was \$343,793, or \$0.3885 per option.

On August 19, 2013, the Company granted a consultant 250,000 options to purchase shares at an exercise price of \$0.20 per share, all of which options vested immediately. The options will expire on August 19, 2018. The fair value of the options granted was \$31,341, or \$0.1254 per option.

The weighted average fair value of stock options granted during the six months ended June 30, 2014 and the year ended December 31, 2013 was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	<u>Six months ended</u>	<u>Year ended</u>
	<u>June 30, 2014</u>	<u>December 31, 2013</u>
Expected dividend yield	Nil	0%
Risk-free interest rate	Nil	1.55%
Expected stock price volatility	Nil	128%
Expected life of options	Nil	5 years
Weighted average fair value per stock option	Nil	\$0.3305

Stock-based compensation expense of \$17,786 was recorded during the six months ended June 30, 2014 (2013 - \$402,218). The offsetting credit was to other equity reserve.

Option pricing models require the input of highly subjective assumptions, particularly as to the expected price volatility of the stock. Changes in these assumptions can materially affect the fair value estimate and therefore it is management's view that the existing models do not necessarily provide a single reliable measure of the fair value of the Company's stock option grants.

**FIRST POINT MINERALS CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

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*(Unaudited)*

*(Stated in Canadian Dollars)*

**11. SHARE CAPITAL** *(continued)*

(e) Warrants

On November 18 and November 26, 2013, the Company closed a private placement of units at \$0.17 per unit. At closing, a total of 4,658,201 warrants and 420,384 finders' warrants were issued in connection with the private placement. The warrants and the finders' warrants are exercisable at a price of \$0.25 per share for a period of 36 months from the closing of the offering. The fair value of the finders' warrants reported as share issuance costs (\$29,925) was estimated using the Black-Scholes Option Pricing Model and the following weighted average assumptions:

Expected dividend yield (percent)	0.0
Risk free interest rate (percent)	1.200
Expected stock price volatility (percent)	92.5
Expected life of warrants (years)	3

During the year ended December 31, 2013, 3,962,500 common share purchase warrants with an exercise price of \$0.80 per share expired unexercised. Warrant transactions during the year ended December 31, 2013 and the six months ended June 30, 2014 and the number of warrants outstanding at June 30, 2014 are summarized as follows:

	<b>Number of Warrants</b>	<b>Weighted- Average Exercise Price</b>	<b>Weighted-Average Contractual Remaining Life (Years)</b>
<b>Balance, December 31, 2012</b>	<b>4,152,025</b>	<b>0.80</b>	<b>0.37</b>
Expired	(3,962,500)	0.80	
Issued	5,078,585	0.25	
<b>Balance, December 31, 2013</b>	<b>5,268,110</b>	<b>0.27</b>	<b>2.81</b>
Expired	(189,525)	0.72	
<b>Balance, June 30, 2014</b>	<b>5,078,585</b>	<b>0.25</b>	<b>2.40</b>

Warrants outstanding at June 30, 2014:

<b>Number Outstanding</b>	<b>Exercise Price \$</b>	<b>Expiry Date</b>
210,190 <sup>(1)</sup>	0.25	Nov. 18, 2016
2,633,940	0.25	Nov. 18, 2016
210,194 <sup>(1)</sup>	0.25	Nov. 26, 2016
2,024,261	0.25	Nov. 26, 2016
<b>5,078,585</b>		

Notes (1) Finders' warrants with a fair value of \$0.0712 per warrant



## FIRST POINT MINERALS CORP.

Notes to the Condensed Consolidated Interim Financial Statements

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(Unaudited)

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### 11. SHARE CAPITAL (continued)

#### (f) Other equity reserve

The following is a summary of the components of other equity reserve at the dates indicated:

	June 30, 2014	December 31, 2013
Share options	\$ 4,674,470	\$ 4,656,684
Finders' warrants	357,647	357,647
Total other equity reserve	\$ 5,032,117	\$ 5,014,331

### 12. LOSS PER SHARE

Loss per share has been calculated using the weighted-average number of common shares outstanding during the period. Diluted loss per share has not been calculated as it is anti-dilutive.

### 13. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	2014	2013
Cash paid during the period for income taxes	\$ -	\$ -
Cash paid during the period for interest	\$ -	\$ -

### 14. RELATED PARTY TRANSACTIONS

At June 30, 2014, accounts payable and accrued liabilities included \$24,596 (December 31, 2013 – \$20,821) due to related parties. Amounts due to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

During the six months ended June 30, 2014, the Company entered into the following related party transactions:

- paid or accrued \$162,500 (2013 - \$162,500) in salary to James S. Gilbert, who was appointed the Company's President and Chief Executive Officer effective February 13, 2012 for management and administrative services.
- paid or accrued \$15,000 (2013 - \$30,000) in salary to Peter M.D. Bradshaw, who served as the Company's President and Chief Executive Officer until February 12, 2012 and as Non-executive Chairman thereafter, for management and administrative services.
- paid or accrued \$95,000 (2013 - \$95,000) in salary to Ronald M. Britten, the Company's Vice President - Exploration, for management and administrative services.
- paid or accrued \$29,350 (2013 - \$57,500) in salary to Rob Robertson, the Company's Vice President – Corporate Development, for management and administrative services.

## FIRST POINT MINERALS CORP.

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#### 14. RELATED PARTY TRANSACTIONS (continued)

- paid or accrued \$42,638 (2013 - \$63,998) in fees to Adera Company Management Inc., a private company controlled by J. Christopher Mitchell, the Company's Corporate Secretary, for management and administrative services.
- Paid or accrued \$57,760 (2013 - \$81,280) in fees to Martin Turenne Consulting Ltd., a private company controlled by Martin Turenne, the Company's Chief Financial Officer, for management and administrative services.

The amounts charged to the Company for the services provided have been determined by negotiations between the parties and are covered by a signed agreement. These services were in the normal course of operations and management believes that they were incurred on a basis consistent with comparable transactions between other non-related parties.

The Company considers its Officers to be key management personnel. Amounts paid to the key management personnel during the six months ended June 30, 2014 and 2013 are shown in the following table:

	2014		2013	
Salaries or fees	\$	402,248	\$	490,278
Share-based payments		17,088		296,925
Total key management personnel	\$	419,336	\$	787,203

#### 15. COMMITMENTS

The Company's current lease on its existing premises will expire on May 31, 2016. At June 30, 2014, the remaining lease obligation is \$189,680.

#### 16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments are classified into one of the following five categories: fair value through profit and loss, held to maturity investments, loans and receivables, available-for-sale financial assets and other financial liabilities. The Company classifies its cash and cash equivalents as fair value through profit and loss, marketable securities as available-for-sale and reclamation bond as loans and receivables. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

##### *Fair value*

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## FIRST POINT MINERALS CORP.

### Notes to the Condensed Consolidated Interim Financial Statements

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#### 16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial instruments measured at fair value on the consolidated statement of financial position are summarized in levels of fair value hierarchy as follows:

	June 30, 2014	December 31, 2013
	Level 1	Level 1
Cash and cash equivalents	\$ 3,029,720	\$ 3,709,955
Marketable securities	103,892	135,059

The carrying value of receivables, reclamation bonds and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

#### *Risk Management*

The Company is exposed to a variety of financial risks by virtue of its activities, including credit risk, interest rate risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. Risk management is carried out by management under the direction and guidance of the Board of Directors. Management is responsible for establishing controls and procedures to ensure that financial risks are mitigated to acceptable levels.

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

#### *Credit risk*

Credit risk is the risk of potential loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying amount on the statement of changes in financial position and arises from the Company's cash, marketable securities, receivables and reclamation bonds.

The Company's cash and marketable securities are held in accounts with Canadian chartered banks and a brokerage firm. Cash in excess of the amounts needed to fund the Company's day-to-day operating expenses is invested in securities guaranteed by the federal or British Columbia government. The reclamation deposits are in the form of Guaranteed Investment Certificates pledged to the Minister of Finance for the Province of British Columbia to cover the estimated cost of reclaiming the Company's exploration projects. The Company's receivables primarily consist of goods and services tax rebates due from the federal government and a receivable due from Cliffs.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2014, the Company had cash balances of \$3,029,720 to settle current liabilities of \$69,659. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

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### 16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Since inception, the Company has financed its cash requirements primarily by issuing securities.

The timing of cash outflows relating to financial liabilities is outlined in the table below:

	< 1 year	1 – 3 years	4 -5 years	Total
Accounts payable and accrued liabilities	\$ 69,659	\$ -	\$ -	\$ 69,659

At June 30, 2014, the Company had met all the obligations associated with its financial liabilities.

#### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates. At June 30, 2014, the Company was not exposed to significant market risk due to the short-term nature of the receivable balance.

#### (a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of the financial institutions it deals with and the securities in which its funds are invested.

#### (b) Foreign currency rate risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses in the United States and other foreign countries by converting funds from its Canadian dollar bank accounts and wiring US funds to the foreign counterparty. Management believes the foreign exchange risk derived from currency conversions is insignificant and therefore does not hedge its foreign exchange risk.

#### *Sensitivity Analysis*

The Company works toward its capital management objectives to the extent possible while facing the challenges of market conditions and the public's assessment of the Company's risk profile. Its capital management objectives have not changed over the period presented.

The carrying value of cash, marketable securities, receivables, reclamation bond, accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturities of these financial instruments.

Based on management's knowledge of and experience in the financial markets, management does not believe that the Company's current financial instruments will be materially affected by credit risk, liquidity risk or market risk.

The Company has no debt and accordingly is not subject to any financial covenants. The Company monitors its financing requirements through cash forecasting, consideration of current economic conditions and reviews of economic and political commentaries in respect of future developments. Financing decisions are based on the timing and extent of expected operating and capital cash outlays. Factors considered when determining whether to issue equity include the amount of cash sought, the availability of these sources and their terms.

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### 17. CAPITAL MANAGEMENT

At June 30, 2014, the Company had working capital of \$3,004,024. The Company manages its cash, cash equivalents and common shares as capital. The Company's objectives in managing its capital are to:

- Maintain sufficient cash and cash equivalents to last a minimum of one year;
- Have the flexibility to achieve its on-going business objectives, including but not limited to funding work programs on its exploration and evaluation assets and pursuing new business opportunities as they arise, and
- Minimize dilution to existing shareholders.

The Directors have not specified a quantitative return on capital criteria for management, but rather rely on the expertise of management to sustain future development of the business.

The Company's exploration and evaluation assets are in the development stage and the Company does not generate a positive cash flow. As a consequence, the Company relies on accessing the capital markets to obtain the funds needed to carry on its business. It is the Company's intention to utilize its existing working capital and to raise additional funds as needed. The additional funds will be raised primarily through the issuance of its securities in private placements.

### 18. SEGMENTED INFORMATION

The Company operates in one reportable operating segment being the exploration of mineral properties. A geographic summary of minerals properties and net loss by country, as at and for the six months ended June 30, 2014, is as follows:

	<u>Canada</u>	<u>Honduras</u>	<u>Australia</u>	<u>Norway</u>	<u>Consolidated</u>
Net loss for the period	\$ 628,795	\$ -	\$ -	\$ -	\$ 628,795
Mineral properties	3,654,116	1	-	178,385	3,832,502

**FIRST POINT MINERALS CORP.**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**FORM 51-102F1** for the three and six months ended June 30, 2014

This Management's Discussion and Analysis ("MD&A") has been prepared as of August 13, 2014 (the "**Report Date**") with reference to National Instrument 51-102 – "*Continuous Disclosure Obligations*" of the Canadian Securities Administrators and contains information up to and including the Report Date. It should be read in conjunction with the condensed consolidated interim financial statements for the three and six months ended June 30, 2014 (the "**First Half 2014**") together with the audited consolidated financial statements of First Point Minerals Corp. ("**First Point**", or "**the Company**") for the year ended December 31, 2013 and the related notes thereto.

Certain dollar amounts in this MD&A have been rounded for ease of reading. All amounts are expressed in Canadian dollars unless otherwise noted.

The condensed consolidated interim financial statements for the three and six months ended June 30, 2014 were prepared in accordance with International Accounting Standard ("**IAS**") 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("**IASB**") on a basis consistent with those followed in the most recent annual consolidated financial statements.

Additional information relating to the Company is available for viewing under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com).

## **1. Overview**

The Company was incorporated as a junior capital pool company in the province of Alberta on February 2, 1995, and established itself as a mineral exploration company in June 1996. The Company's shares are listed on the Toronto Stock Exchange ("**TSX**"), trading under the symbol "**FPX**". See Note 3(a) to the audited consolidated financial statements for the year ended December 31, 2013 for a list of the Company's subsidiaries.

First Point explores primarily for nickel deposits, none of which have been advanced to the point where a production decision can be made. As a consequence, the Company has no producing properties, and no sales or revenues.

The Company's exploration efforts are focused on the exploration and development of properties containing **awaruite**, a **nickel-iron alloy**. The alloy typically contains approximately 75% nickel, is widely disseminated and represents a bulk tonnage target that would potentially be mineable by open pit methods should a mineral reserve be delineated. First Point holds a 100% interest in seven awaruite properties: five properties in British Columbia, and one property in each of the Yukon Territory and Norway. During the First Half 2014, First Point incurred costs of approximately \$212,000 in exploring its nickel properties in Canada, \$6,000 in exploring its properties internationally, and \$118,000 in reconnaissance exploration in Canada and internationally seeking additional awaruite deposits. For summaries of exploration expenditures by property and by material component, see Section 2 of this MD&A.

In addition to its 100% owned properties, First Point holds a 40% interest in the Decar property in British Columbia ("**Decar**" or "**the Project**") as of the Report Date. First Point optioned the Project in late 2009 to Cliffs Natural Resources Exploration Canada Inc., an affiliate of Cliffs Natural Resources Inc. ("**Cliffs**"), which holds a 60% interest in the Project as of the Report Date. Cliffs can increase its interest in Decar in stages to an aggregate 75% interest.

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On March 22, 2013, the Company announced the positive results of a Preliminary Economic Assessment (“PEA”) for the Decar property. The PEA was prepared by Tetra Tech Inc. (“Tetra Tech”) on behalf of Cliffs. The Decar property PEA assumptions and highlights are as follows:

<b>Highlights -</b>	
Pre-tax NPV (8% discount rate)	C\$ 1,125 million
Pre-tax IRR	15.7%
Post-tax NPV (8% discount rate)	C\$ 579 million
Post-tax IRR	12.8%
Cash operating cost	C\$ 3.23/lb nickel
First Point 1% NSR royalty, Post-tax NPV	C\$ 46 million
<b>Key Assumptions -</b>	
Throughput	114,000 tonnes per day
Mine life	24 years
Life-of-mine strip ratio	0.17:1
Life-of-mine average annual nickel in concentrate	82.4 million lbs
Concentrate grade *	13.5% Ni
Realized nickel price **	US\$ 7.04/lb
Initial capital expenditure	C\$ 1,384 million
Sustaining capital expenditure	C\$ 763 million
Payback	6.4 years
Statutory tax rate ***	39%
Exchange rate	0.97 US\$ per 1.00 C\$

\* Concentrate includes by-product iron (45% - 50%) and chromium (~2.0%)

\*\* Based on early-stage marketing studies, the PEA assumes that a nickel-iron-chromite concentrate grading 13.5% nickel will realize 75% of the three-year trailing average London Metal Exchange (“LME”) nickel price of US\$9.39 per pound. The PEA assumes no by-product credits are realized for iron or chromium.

\*\*\* Includes Federal income tax at 15%, Provincial income tax at 11%, and the British Columbia Mineral Tax at 13% (applied to adjusted net revenue).

The PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. Furthermore, there is no certainty that the conclusions or results as reported in the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

First Point has made significant progress in advancing its 100% owned portfolio of nickel properties, in particular the **Mich** property located 50 kilometres (“**km**”) southeast of Whitehorse in the Yukon Territory.

First Point carried out further exploration on several of the properties in its portfolio during 2013, and is continuing with its search internationally to acquire additional promising properties.

## **2. Exploration Projects**

### *Nickel Projects:*

First Point’s nickel exploration program involves a search for disseminated nickel-iron alloy targets that occur in a very specific geological environment found within ultramafic rocks. Awaruite, the nickel-iron alloy of interest, contains approximately 75% nickel, the rest being iron with occasional minor cobalt and copper. The alloy is strongly magnetic and quite dense, two

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**MANAGEMENT'S DISCUSSION & ANALYSIS**

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properties which allow for an efficient physical separation of the awaruite into a nickel-iron concentrate, using a combination of magnetic and gravity separation. There is virtually no sulphur in the alloy, which eliminates a number of environmental issues typically associated with mining and processing nickel sulphide deposits. Furthermore, because of the virtual absence of sulphur, the concentrates produced when recovering the nickel-iron alloy from the mineralized rock do not require conventional smelting. On April 22, 2014, the Company announced the positive results from an initial market test of awaruite concentrates produced from a bulk sample from Decar, a first step in determining the best market for this unique product. A more detailed discussion of the market test results appears later in this section, under the heading "Decar Nickel Project, British Columbia".

The following table provides a summary of exploration expenditures on a property-by-property basis for the year ended December 31, 2013.

	<b>Balance, December 31, 2012</b>	<b>Acquisition Costs</b>	<b>Exploration Costs</b>	<b>Recoveries</b>	<b>Costs Written Off</b>	<b>Balance December 31, 2013</b>
<b>Canada</b>						
Decar	336,881	-	363,046	(13,705)	-	686,222
Wale	1,491,325	-	240,499	(13,729)	-	1,718,095
Orca	51,075	-	68,045	-	-	119,120
Klow	717,241	-	6,555	(20,719)	-	703,078
Mich	125,198	-	159,728	-	-	284,926
Letain	46,624	-	1,834	(6,234)	-	42,224
Ogden	29,098	-	-	-	(29,098)	-
Wolv	29,286	-	458	-	(29,744)	-
Subtotal, Canada	2,826,728	-	840,166	(54,387)	(58,842)	3,553,665
<b>Australia</b>						
Light	-	3,638	34,440	-	(38,078)	0
Subtotal, Australia	-	3,638	34,440	-	38,078	0
<b>Norway</b>						
Fera	127,090	12,593	20,533	-	-	160,216
Leka	-	-	-	-	-	-
Subtotal, Norway	127,090	12,593	20,533	-	-	160,216
<b>Honduras</b>						
Camporo	1	-	-	-	0	1
Cedros	1	-	-	-	(1)	-
	2	-	-	-	(1)	1
<b>Total</b>	<b>2,953,820</b>	<b>16,231</b>	<b>895,139</b>	<b>(54,387)</b>	<b>(96,921)</b>	<b>3,713,882</b>



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The following table provides a summary of the material components of exploration expenditures for the year ended December 31, 2013.

	Canada	Australia	Norway	Honduras	General Exploration	Total
Field Expenses	88,446	4,470	4,507	-	38,362	135,786
Metallurgical Testing	218,304	-	-	-	-	218,304
Assay Testing	62,417	-	123	-	26,350	88,890
Wages and Benefits	304,970	766	377	-	226,793	532,906
Geological Contract Services	10,455	16,963	10,061	-	56,142	93,620
Project Administration	138,227	-	5,461	-	54,390	198,077
Other	17,348	12,241	4	-	14,922	44,515
<b>Total</b>	<b>840,166</b>	<b>34,440</b>	<b>20,533</b>	<b>-</b>	<b>416,959</b>	<b>1,312,098</b>

The following table provides a summary of exploration expenditures on a property-by-property basis for the six months ended June 30, 2014.

	Balance, December 31, 2013	Acquisition Costs	Exploration Costs	Recoveries	Costs Written Off	Balance June 30, 2014
<b>Canada</b>						
Decar	686,222	-	157,081	(150)	-	843,153
Wale	1,718,095	-	9,391	(39,688)	-	1,687,798
Orca	119,120	-	3,840	(1,960)	-	121,000
Klow	703,078	-	255	(68,886)	-	634,447
Mich	284,926	-	41,607	-	-	326,533
Letain	42,224	-	-	(1,039)	-	41,185
Subtotal, Canada	3,553,665	-	212,174	(111,723)	-	3,654,116
<b>Norway</b>						
Fera	160,216	12,306	5,863	-	-	178,385
Subtotal, Norway	160,216	12,306	5,863	-	-	178,385
<b>Honduras</b>						
Camporo	1	-	-	-	-	1
Subtotal, Honduras	1	-	-	-	-	1
<b>Total</b>	<b>3,713,882</b>	<b>12,306</b>	<b>218,037</b>	<b>(111,723)</b>	<b>-</b>	<b>3,832,502</b>

The following table provides a summary of the material components of exploration expenditures for the six months ended June 30, 2014.

	Canada	Norway	Honduras	General Exploration	Total
Field Expenses	9,180	144	-	3,889	13,213
Assay Testing	9,758	-	-	480	10,238
Wages and Benefits	120,065	-	-	71,776	191,841
Geological and Contract Services	12,854	589	-	4,232	17,675
Project Administration	59,903	5,130	-	32,602	97,635
Other	414	-	-	4,662	5,076
<b>Total</b>	<b>212,174</b>	<b>5,863</b>	<b>-</b>	<b>117,641</b>	<b>335,678</b>

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Decar Nickel Project, British Columbia:

First Point's flagship nickel property is the **Decar Project**, which is 245 square kilometres ("sq km") in size, covering part of the Mount Sidney Williams ultramafic complex northwest of Fort St. James in central BC. The property is a two hour drive from Fort St. James on a high-speed logging road (the first 40 minutes of which is a paved road) and the property is within sight of a branch line of the Canadian National Railway ("CNR"). The presence of these infrastructure facilities will be of significant economic benefit if a decision is made to construct an open-pit mining and/or processing facility on this property.

Decar is under option to Cliffs pursuant to an option agreement (the "**Decar Option Agreement**") entered into in November 2009. Cliffs is a major supplier of iron ore and coking coal to the steel industry and operates several large open pit iron ore mines in eastern Canada, the United States and Australia. Currently, Cliffs is funding all of the costs to evaluate the Decar Project.

Three highly prospective targets, (Sidney, Van and Baptiste) were identified by the Company at Decar from samples taken at 50 m to 200 m intervals, where the alloy was recognized in outcrop and confirmed by assaying. In addition, there are several other targets on the property at an earlier stage of exploration. The nickel-iron alloy is disseminated and relatively uniformly distributed in the rocks. Thus it presents an excellent potential target for bulk-tonnage open-pit mining, using methods and equipment on a scale similar to those employed at the largest porphyry copper mines in production or currently under construction in British Columbia.

Following completion of a metallurgical testwork program in July 2011, a decision was made by Cliffs (who had by then assumed full operatorship of the Project, in accordance with the terms of the Decar Option Agreement) that all drill core would be assayed and reported as Davis Tube Recoverable ("**DTR**") nickel. The Davis Tube uses a strong magnetic field to recover the magnetic constituents in a mineralized sample. The determination of the magnetically recoverable nickel grade of a sample involves the recovery of the magnetic fraction of the sample by magnetic separation using a Davis Tube followed by assaying to determine the nickel content of the magnetic fraction. The Davis Tube magnetic separation method recovers the highly magnetic nickel-iron alloy contained in the sample, as well as any other magnetic material, including magnetite, a primary ore mineral in many iron ores. The Davis Tube is the global industry standard geo-metallurgical test for determining magnetic recovery. The assay samples from the 2010 drilling campaign that had been analyzed with the Company's proprietary assay procedure were reanalyzed using the Davis Tube technique in order to maintain the comparability of the information going into the resource database.

Tetra Tech prepared a PEA for the Decar property dated March 22, 2013 on behalf of Cliffs. The PEA was amended and re-filed under the Company's profile on SEDAR on August 16, 2013 as a Technical Report meeting the requirements of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**").

The results of the PEA demonstrate the positive potential for establishing a greenfield open-pit nickel mine and an on-site magnetic separation and gravity concentration processing plant, using conventional technology and equipment. At a projected throughput rate of 114,000 tonnes per day (or 40 million tonnes per year) over a mine life of 24 years, annual production averages 37,369 tonnes of nickel, or 82.4 million lbs., in concentrate at an on-site operating cash cost of C\$3.23 per pound of nickel.

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The PEA provides a preliminary assessment of the nickel-iron alloy's economic potential, based on early-stage marketing studies. The PEA assumes that a nickel-iron-chromite concentrate grading 13.5% nickel will realize 75% of the London Metal Exchange ("LME") nickel price. The study assumes no by-product credits are realized for iron or chromite.

Based on these first-pass assumptions, the Decar project, on a 100% basis, generates a pre-tax net present value ("NPV") at an 8% discount rate of C\$1,125 million and an internal rate of return ("IRR") of 15.7%, using an average realized nickel price of US\$7.04 per lb. The nickel price is calculated based on realizing 75% of the three-year trailing average nickel price of US\$9.39 per pound. On a post-tax basis, the project has a NPV of C\$579 million and a 12.8% IRR.

The process flowsheet and projected nickel recoveries are based on initial laboratory scale metallurgical studies carried out by SGS Canada Inc. and Knelson Research and Technology Centre in 2011 and 2012 on representative mineralized composites from the Baptiste deposit. At the assumed processing rate, the forecast in situ Ni metal in the concentrate is as follows.

	Nickel
<i>In situ</i> Ni metal in concentrate, LOM	896,865 tonnes (or 1,977,200,000 pounds)
Average Annual <i>in situ</i> Ni metal in concentrate	37,369 tonnes (or 82,385,000 pounds)
Overall Head Grade, LOM*	0.118%
Overall process recovery, LOM	82%

\*Head grade takes into account 8% dilution (zero grade material).

The results of the PEA show Decar has the potential to be a low-cost producer, with operating costs potentially averaging in the lower half of the industry cost curve. The Project benefits significantly from the low strip ratio, relatively moderate terrain, simple conventional processing and close proximity to major infrastructure. A breakdown of the operating cash costs (compiled with an accuracy level of +/- 27.5%) is provided below:

General & Administrative	C\$0.80 per tonne
Mining	C\$2.86 per tonne
Milling	C\$3.25 per tonne
<b>Total operating cash costs</b>	<b>C\$6.91 per tonne or C\$3.23 per lb.</b>

Total capital cost estimates (compiled with an accuracy level of +/- 23%) are outlined below.

Initial Direct Costs	C\$ 970 million
Initial Indirect & Owner's Costs	C\$ 197 million
Initial Contingency (20%)	C\$ 217 million
<b>Total Initial Capital Costs</b>	<b>C\$1,384 million</b>
Life-of-Mine Sustaining Capital Costs	C\$ 763 million

The PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. Furthermore, there is no certainty that the conclusions or results as reported in the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

For further discussion of the PEA results, see the Company's news release dated March 22, 2013.

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The Baptiste deposit remains open along strike in both directions, to the southeast in the higher-grade south-central area and at depth over the entire system providing future potential to significantly increase the size of the resource. Further drilling to determine the extent of the higher-grade mineralization in the southeast area is recommended by Caracle Creek International Consulting Inc. ("**Caracle Creek**"). Caracle Creek prepared the updated mineral resource estimate for Decar which is discussed in a NI 43-101 compliant Technical Report dated February 27, 2013, a copy of which is filed under First Point's profile on the SEDAR website. The limited amount of exploration drilling on the Decar property completed to date also clearly indicates there is substantial potential for additional discoveries.

The potential for additional similar nickel-iron alloy mineralization at Decar is illustrated by limited drilling on the Sidney and Target B prospects in 2010 and 2011, respectively. The Sidney target area is located 3 km north of Baptiste on a broad ridge at approximately 600 metres higher elevation. The Sidney target currently measures 500 by 400 metres by surface mapping and is open to the northwest and southeast, where it is covered by overburden. Sidney was drilled with two holes in 2010 that intersected a previously reported 0.129% nickel-in-alloy across 163 metres in the lower half of hole 10SID-09 and 0.143% nickel-in-alloy across 282 m in hole 10SID-10 (see First Point's news release dated October 19, 2010).

Nickel-in-alloy is analyzed using a partial extraction analytical method that selectively dissolves nickel present as nickel-iron alloy and does not extract the nickel present within rock forming silicate materials. Following independent studies, including the development of certified standards to monitor accuracy, this partial extraction method was commercially certified by Dr. Barry Smee of Smee & Associates Consulting Ltd. for the exclusive use of First Point. This assaying procedure is proprietary to First Point and provides the Company with a significant advantage in exploring for nickel-iron alloy deposits world-wide.

As previously reported (see First Point's news release dated December 16, 2011), Target B, located about 5 km north of Baptiste, was tested with a single exploration hole during the 2011 drilling campaign. Hole 11B-01 cut 258 metres averaging 0.138% DTR nickel.

In September 2011, First Point and Cliffs agreed to amend the Decar Option Agreement. In consideration for Cliffs agreeing to complete a PEA within 18 months (i.e., by March 2013, which was more than two years sooner than it would otherwise have been required to complete such a study under the initial terms of the Decar Option Agreement), Cliffs was deemed to have earned a 51% interest in the Decar project. Upon delivery of the PEA in April 2013, Cliffs earned an additional 9% interest in the Decar Project, bringing its aggregate interest to 60%.

In September 2013, the Company announced that Cliffs has elected to proceed to the pre-feasibility study ("**PFS**") phase. By sole funding completion of a NI 43-101 compliant PFS, Cliffs has the option to earn an additional 5% interest in the Decar Project. By making the election to proceed to the PFS phase, Cliffs also maintains the right to earn a further 10% interest in the Decar Project by sole funding a feasibility study.

Cliffs may elect at any time to form a joint venture, with Cliffs acting as operator. The parties' initial participating interests in the joint venture will equal their respective interests in the Decar Project at the time the joint venture is formed. Thereafter, each party must contribute to approved joint venture budgets in proportion to its participating interest, or have its participating interest diluted in accordance with the terms of the joint venture agreement. A party whose participating interest is diluted to less than 10% will have its interest converted to a 1% net smelter return ("**NSR**") royalty interest, its participating interest will be transferred to the other participant and

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the joint venture will terminate. First Point, in addition to holding a participating interest in the joint venture, will retain a 1% NSR, which will increase to 2% if First Point is the party whose participating interest is diluted to less than 10%.

In October 2013, the Company announced the positive results of preliminary lab scale test work, in which ferronickel was produced using Decar awaruite concentrate and conventional processing technology and parameters. Processing Decar concentrate on a stand-alone basis produced a high-grade ferronickel, ranging from 35% to 52% nickel. The high-grade ferronickel was successfully produced by application of proven and widely-used processes. In addition, Decar concentrates were blended with saprolite ores and processed under conventional kiln-reduction/ferronickel furnace circuit conditions, producing a 17% - 19% nickel product within generally accepted specifications. Taken together, the two process scenario results demonstrated potential amenability of Decar product to processing in existing ferronickel plants. These results represented a key advancement in demonstrating the potential for market acceptance of Decar awaruite concentrate. For further details, see the Company's news release dated October 10, 2013.

Following on the successful lab-scale ferronickel smelting tests on Decar concentrates, the Company initiated a preliminary market test, in which sample concentrates were prepared from a bulk sample of Decar material, and then provided to six potential offtakers for test processing. In its news release dated April 22, 2014, the Company announced the positive results from this market test. Each of the six potential consumers participating in the test indicated satisfactory technical success in their analysis and test processing of the concentrates, which had never before been presented to potential offtakers for evaluation. Alternative process routes examined included blending as feedstock to ferronickel production and direct feed to stainless steel circuits. The majority provided indicative commercial terms for the purchase of such concentrates. All participants expressed interest in continuing discussions around potential long term availability of Decar concentrates on the world market for nickel products.

Key results from the tests, based on written responses from test participants, are as follows:

- All participants achieved generally satisfactory technical results from their analysis and testing of the samples of Decar concentrates provided, and ruled out the presence of deleterious or penalty elements that would render the product technically unacceptable.
- Test processing and analyses indicated amenability of Decar concentrates to treatment in a variety of conventional processing configurations: as blending material in the kiln stage of kiln-reduction/ferronickel smelting configuration; as post-kiln feed to the furnace stage of similar ferronickel configurations; and as direct feed to stainless steel production. Direct feed to stainless steel circuits was achieved by agglomeration with a reducing agent, a preparation stage that may enhance performance in ferronickel processes as well. Very high rates of metallization (i.e. recovery of the nickel in the concentrate in the target product, ferronickel or stainless steel metal) and accountability were noted across the various processes assessed, ranging from 85% to more than 97%.
- Commercial feedback indicates the potential to achieve payability for nickel in awaruite concentrates in the range of 85% to more than 95% of the LME nickel price, depending on end use and prevailing nickel price, with no credits for iron or chromite. By comparison, the PEA of the Decar project was based on a revenue assumption of 75% of LME payable for nickel in concentrates, with no credits for other elements.

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It should be noted that both technical results and commercial indications are preliminary and subject to confirmation following further testing and analysis, including larger scale, more continuous processing runs. For further details, see the Company's news release dated April 22, 2014.

Environmental baseline studies at the Decar project, which commenced in May 2011, continue to assess surface and ground water quality, meteorological conditions, archeological significance, vegetation, fish and wildlife habitats.

Both First Point and Cliffs are actively engaged in the community with all stakeholders to provide social and economic benefits from responsible mineral exploration and mining in a way that also safeguards the health of people and the local environment. A Memorandum of Understanding regarding exploration activities at the Decar Project was signed in May 2012 with the Tl'atz'en First Nation, which formalizes protocols for continuing the working relationship between Cliffs, First Point and the Tl'atz'en and its constituent Keyoh families. During the exploration phase, the focus has been on local training, in partnership with the College of New Caledonia in Fort St. James, to maximize future employment opportunities.

In July 2014, the Company carried out a modest work program at Decar. Activities included detailed mapping and ground magnetic surveys on the western margin and the southeast extension of the Baptiste deposit, mapping and sampling of the Van target, weather station monitoring, water sampling, and camp repair and cleanup.

As of the Report Date, Cliffs has not provided the Company with formal notification of its Decar Project program and budget for 2014.

On August 5, 2014, Cliffs announced that, further to its July 29, 2014 annual general meeting, six new directors nominated by Casablanca Capital LP ("Casablanca") have been elected to its 11-member board. On August 7, 2014, one of the Casablanca nominees, Lourenco Goncalves, was appointed as Cliffs' new Chairman, President, and Chief Executive Officer. Based on the public disclosures made by Casablanca prior to Cliffs' annual general meeting, the election of the Casablanca nominees to the Cliffs board and the appointment of a new Chairman, President and Chief Executive Officer may result in significant changes in Cliffs' strategic direction in respect of its portfolio of operations and projects. First Point will continue to engage with Cliffs to understand the potential impact on the Decar Project of such changes in strategic direction by Cliffs, if any, and to explore opportunities for the continued advancement of the Decar Project.

Other North American Nickel Projects:

In the Yukon, the **Mich** property is located 50 km southeast of Whitehorse and covers an area 11.5 sq km in size. The property lies 15 km off the Alaska Highway and is accessible by an all terrain vehicle trail. The Company staked the Mich property after discovering a large anomalous zone of disseminated awaruite mineralization based on a first pass of wide-spaced reconnaissance sampling during the summer 2011 regional exploration program.

The Mich claims cover 1,932 hectares and are underlain by serpentized ultramafic rocks of the Cache Creek Terrane, the same belt of rocks that host the awaruite mineralization at the Orca, Wale and Decar properties in B.C.

The key target is located on the southeastern end of a low ridge measuring 540 m long and 290 to 570 m wide, remaining open to the southeast towards the valley floor where overburden masks

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the bedrock. DTR nickel values for 75 rock samples collected in 2012 and 2013 from the key target area range from 0.046% to 0.143%.

The target at Mich exhibits disseminated coarse-grained awaruite that ranges from 200 to 500 microns (0.2 to 0.5 mm) in maximum size in individual rock samples. First Point believes that surface sample assay results of greater than 0.08% DTR nickel, and alloy grain sizes larger than 50 microns (0.5 mm) are significant parameters to evaluate early-stage awaruite prospects, as a higher percentage of coarse awaruite grains will improve the recovery in both magnetic and gravity processing.

The results of a ground-based geophysical survey conducted in 2012 show a continuous high magnetic response extending southeast of the key target area along strike under the overburden. An additional 52 line km of magnetic surveys were completed in 2013. The program was designed to infill some of the previous magnetic work and to extend the 2012 survey grid another 1.5 km to the southeast to test the covered area.

A well-defined magnetic feature, associated with the key target mineralization, measures 3.4 km long and extends along strike to the southeast where it is covered by glacial till and alluvial overburden, with no known outcrop. The overburden is interpreted to be less than 25 m thick.

Work on the Mich property in 2014 will include additional detailed geological mapping and sampling in target areas, channel sampling to better define potential drill hole locations, and regional-scale mapping and sampling if appropriate.

A minimum 2,000 m, wide-spaced drilling program designed to test the key target area and associated magnetic anomaly is proposed for the next stage of exploration at Mich.

The **Orca** and **Wale** properties are located 45 km east of Dease Lake (situated on BC Highway 37 between Stewart and Cassiar) and together cover an area of 157 sq km in the Stikine Range of northern British Columbia. These neighbouring properties encompass a 30-km-long belt of serpentinized ultramafic rocks containing broad zones of disseminated awaruite mineralization. Access to the properties is by helicopter, directly from Dease Lake, and by a rough mining road and trails using all-wheel drive, heavy duty utility vehicles, which service the nearby jade and placer gold mining operations active in the area.

The Orca property was staked in November 2011 based on anomalous sample results generated from regional exploration work. Detailed mapping and sampling in 2012 outlined a promising nickel-iron alloy target along the top and northern flank of a northwest-southeast trending ridge. Disseminated fine-to-coarse grained awaruite mineralization begins on the flank at an elevation of 1,300 m and extends more than 700 m vertically to the summit, which reaches 2,020 m in elevation.

The target at Orca measures 1,350 m long and 300 to 800 m wide as defined by 53 surface rock samples taken in 2012 and 2013 that returned DTR nickel values ranging from 0.056% to 0.156%.

A ground-based magnetic geophysical survey consisting of an additional 36 line km was completed at Orca in 2013. At 200 m spacing, the magnetometer survey was designed to infill previous wide-spaced geophysical work and to extend the 2012 survey grid another 2 km to the southeast to test covered area.

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Results show a 4.8 km long corridor of magnetic high features that extends both northwest and southeast of the Orca target where overburden masks the bedrock. Exploration work in the coming months will involve thin section petrographic work on the surface rock samples and interpretation of all the data, particularly structural data, to gain a better understanding of the grade distribution in the Orca target.

The 2013 field program at Wale targeted the coarser-grained mineralized areas of the Eagle and Garth's Knob targets with detailed mapping, sampling and ground-based magnetic surveys. Work completed to date has identified zones of fine-grained disseminated awaruite mineralization, which is a key factor in the erratic grade distribution that has been observed in these targets.

At the **Klow property**, nickel-iron alloy mineralization was first discovered by the Company's exploration crews during 2010. The property totals 52 sq km in size and is located 120 km northwest of Fort St. James, 55 km north of the Decar project. An all-season public road runs along the eastern margin of the property, linking the town of Fort St. James to the village of Takla Landing. An active CNR rail line is located about 12 km west of the Klow property boundary.

Mineralization consists of a central coarse-grained nickel-iron alloy target that is enveloped by a halo of finer-grained mineralization to the north and south. The coarse-grained target measures 1,000 m long in a north-south direction and is inferred to be between 300 and 550 m wide. It remains open to the east where overburden masks the potential of the mineralized bedrock. It carries nickel-iron alloy grains ranging from 100 microns (or 0.1 mm) to greater than 400 microns (0.4 mm) in size. Nickel-in-alloy values range up to 0.13%.

Work on the Klow property in 2012 included a ground-based 28 line km magnetic geophysical survey, along with further mapping and sampling, and a helicopter-supported diamond drilling program to test the mineralization. Five holes totalling 1,579 m tested a 530 m long portion of the main target area. The drilling suggests the nickel-iron alloy mineralization is increasing in grade proceeding to the north. The northernmost hole, DH-4, is the best of the five holes, intersecting 316 m averaging 0.1% nickel-in-alloy from beneath 10 m of overburden to 326 m down-hole, ending in mineralization. For a summary of the drill results, see First Point's news release dated October 4, 2012.

International Search for Nickel-Iron Alloy Properties:

Using the Decar nickel project as a geologic model in combination with First Point's in-house exploration expertise to recognize and explore for this unique style of mineralization, First Point is deploying teams of geologists to prospective regions internationally to search for nickel-iron alloy mineralization. One of the challenges in exploring for this style of mineralization was the need to develop an analytical technique to accurately assay for the nickel present in the form of the nickel-iron alloy versus total nickel, which includes nickel sulphides and nickel-in-silicate minerals. The commercially certified, selective extraction process for analyzing nickel-iron alloy which was developed for the exclusive use of First Point, gives the Company a significant advantage in exploring for this style of mineralization.

The international exploration program is targeting permissive geological settings in politically stable countries, with sound mining and environmental laws and regulations. The objective is to acquire additional properties that will be wholly-owned by First Point.



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The **Fera** property in Norway is comprised of seven licenses totalling 70 sq km. Located 300 km north of Oslo in the historic mining district of Roros, the Fera property hosts several ultramafic bodies of variable size forming an 18 km long belt. A broad zone of anomalous awaruite mineralization was outlined in 2012; however grade distribution was erratic in the main ultramafic belt.

Given budget constraints, the Company does not plan to perform significant work at the Orca, Wale, Klow, Letain, and Fera properties in 2014. Plans for the Company's mineral properties are continually reviewed as part of the Company's ongoing strategic review process.

Investors are cautioned that each of the Company's 100%-owned exploration targets is an early-stage exploration prospect, conceptual in nature, defined by surface rock sampling and ground-based geophysical surveys. There has been insufficient exploration to define a mineral resource on any of the properties and it is uncertain if further exploration will result in any target being delineated as a mineral resource.

All technical information included in this MD&A was prepared under the supervision of the Company's Vice-President of Exploration, Dr. Ron Britten, Ph.D., P. Eng., a qualified person consistent with NI 43-101.

**3. Results of Operations**

***For the six months ended June 30, 2014***

The Company recorded a net loss of \$628,795 (2013 - \$1,570,430) in the First Half 2014. The comprehensive loss for the period was \$659,962 (2013 - \$1,617,181).

The following table provides a summary of general and administrative and other expenses for the six months ended June 30, 2014 and 2013.

	<b>2014</b>	<b>2013</b>
Accounting, legal and audit	\$ 24,193	\$ 44,404
Communications	42,031	86,474
Insurance	3,398	4,484
Management fees	100,398	145,278
Office and administration	11,476	45,459
Rent	24,649	28,131
Stock-based compensation	17,786	402,218
Travel and promotion	23,532	39,529
Trust and filing fees	30,028	26,921
Wages and benefits	264,657	356,963
<b>Total General &amp; Administrative</b>	<b>542,148</b>	<b>1,179,861</b>
General exploration	117,641	342,900
Other expenses	10,800	15,173
<b>Total Expenses</b>	<b>\$ 670,589</b>	<b>\$ 1,537,934</b>

Expenses in the First Half 2014 were \$670,589 (2013 - \$1,537,934), with the period-over-period decrease largely attributable to a \$384,432 decrease in stock-based compensation, a \$92,306

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decrease in wages and benefits, and a \$225,259 decrease in general exploration expenditures. Most other categories of expense were relatively unchanged, reflecting a level of overall corporate activity consistent with the prior year.

During the six months ended June 30, 2013, the Company wrote off \$58,843 in exploration expenditures after abandoning two British Columbia nickel-iron alloy properties (Ogden and Wolv). The properties were abandoned following an evaluation process that concluded the properties were unlikely to contain sufficient mineralization to warrant further exploration efforts.

**4. 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.

<b>Quarter Ended:</b>	<b>Jun. 30</b>	<b>Mar. 31</b>	<b>Dec. 31</b>	<b>Sep. 30</b>	<b>Jun. 30</b>	<b>Mar. 31</b>	<b>Dec. 31</b>	<b>Sept. 30</b>
<b>Year:</b>	<b>2014</b>	<b>2014</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2012</b>	<b>2012</b>
Net sales or total revenue (\$000s)	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Income (loss) from continuing operations:								
(i) in total (000s)	\$(281)	\$(348)	\$(327)	\$(431)	\$(608)	\$(963)	\$(2,995)	\$(670)
(ii) per share <sup>(1)</sup>	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.01)	\$(0.01)	\$(0.03)	\$(0.01)
Net income (loss):								
(i) in total (000s)	\$(281)	\$(348)	\$(327)	\$(431)	\$(608)	\$(963)	\$(2,995)	\$(670)
(ii) per share <sup>(1)</sup>	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.01)	\$(0.01)	\$(0.03)	\$(0.01)

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

Quarterly results can vary significantly depending on whether the Company realized a gain or loss on sale of its investments, abandoned any properties, incurred exploration expenditures funded by flow through monies, or granted stock options in a particular quarter. See "Results of Operations".

The loss in the first quarter 2013 was largely attributable to stock-based compensation associated with the vesting of stock options in that quarter.

The loss in the fourth quarter 2012 was largely attributable to the write-down of the Company's Camporo gold property in Honduras.

**5. Liquidity and Capital Resources**

The improvement in First Point's working capital position since 2009 has enabled the Company to more effectively plan and execute its exploration programs during the 2010 through 2014 period.

Debt financing has not been used to fund the Company's property acquisitions and exploration activities and First Point has no current plans to use debt financing. The Company has no "standby" credit facilities, or off-balance sheet arrangements and it does not use hedges or other financial derivatives.

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*Cash and Financial Conditions*

The Company's cash position was \$3,029,720 at June 30, 2014 (December 31, 2013 - \$3,709,955) while its working capital was \$3,004,024 (December 31, 2013 - \$3,723,640).

*Financing Activities*

During the First Half 2014, the Company received nil (2013 - \$22,500) from the exercise of stock options.

*Investing Activities*

During the First Half 2014, the Company incurred acquisition and deferred exploration cash costs of \$211,837 (2013 - \$385,404) on its exploration and evaluation assets. It incurred nil (2013 - \$1,745) in acquiring capital assets. It posted nil (2013 - recovery of \$485) as a reclamation deposit. It recovered \$111,573 (2013 - \$12,398) of property costs in association with activities on its B.C. projects.

*Outlook*

The Company received \$1,583,790 from a private placement in November 2013 of 9,136,406 units at a price of \$0.17 per unit. Each unit consists of one common share of the Company and one-half of a common share purchase warrant, where each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.25 per share for a period of 36 months from the closing of the offering. Cash share issue costs associated with the private placement amounted to \$125,249.

The search for geologic environments believed to be conducive for the occurrence of awaruite mineralization has been broadened to include other countries with stable political environments, sound economic policies and legal regimes that encourage investment in the minerals sector. With the funds from the November 2013 financing discussed above, it is anticipated that the Company will have sufficient working capital to fund its anticipated 2014 exploration activities and associated general and administrative expenditures, currently budgeted at approximately \$1.7 million. Nevertheless, if an opportunity arises that would allow First Point to raise additional equity on reasonable terms, the Company would be prepared to complete a financing. It will also consider entering into joint venture arrangements with third parties to advance the exploration and evaluation of one or more of its 100% owned nickel properties.

*Outstanding share data as at the Report Date*

As of the Report Date, the Company has 105,804,339 common shares outstanding (119,755,924 shares fully diluted). If the Company were to issue the 13,951,585 shares issuable upon conversion of all warrants and exercise of all incentive stock options outstanding, it would receive approximately \$6.887 million. There are 5,078,585 warrants outstanding with conversion prices of \$0.25 per share with expiry dates ranging to November 26, 2016. In addition, there are 8,873,000 stock options outstanding under the Company's incentive stock option plan. The stock options are exercisable at prices ranging from \$0.20 to \$0.95 per share, with expiry dates ranging to August 19, 2018.

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**6. Transactions with related parties**

At June 30, 2014, accounts payable and accrued liabilities included \$24,596 (December 31, 2013 - \$20,821) due to related parties. Amounts due to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

During the six months ended June 30, 2014, the Company entered into the following related party transactions:

- paid or accrued \$162,500 (2013 - \$162,500) in salary to James S. Gilbert, who was appointed the Company's President and Chief Executive Officer effective February 13, 2012 for management and administrative services.
- paid or accrued \$15,000 (2013 - \$30,000) in salary to Peter M.D. Bradshaw, who served as the Company's President and Chief Executive Officer until February 13, 2012 and as Chairman thereafter, for management and administrative services.
- paid or accrued \$95,000 (2013 - \$95,000) in salary to Ronald M. Britten, the Company's Vice President - Exploration, for management and administrative services.
- paid or accrued \$29,350 (2013 - \$57,500) in salary to Rob Robertson, the Company's Vice President – Corporate Development, for management and administrative services.
- paid or accrued \$42,638 (2013 - \$63,998) in fees to Adera Company Management Inc., a private company controlled by J. Christopher Mitchell, the Company's Corporate Secretary, for management and administrative services.
- Paid or accrued \$57,760 (2013 - \$81,280) in fees to Martin Turenne Consulting Ltd., a private company controlled by Martin Turenne, the Company's Chief Financial Officer, for management and administrative services.

The amounts charged to the Company for the services provided have been determined by negotiations between the parties and are covered by a signed agreement. These services were in the normal course of operations and management believes that they were incurred on a basis consistent with comparable transactions between other non-related parties.

The Company considers its Officers to be key management personnel. Amounts paid to the key management personnel during the six months ended June 30, 2014 and 2013 are shown in the following table:

	2014	2013
Salaries or fees	\$ 402,248	\$ 490,278
Share-based payments	17,088	296,925
<b>Total</b>	<b>\$ 419,336</b>	<b>\$ 787,203</b>

**7. Standards, Amendments and Interpretations not yet effective**

The following standard, which has not been early adopted in the condensed consolidated interim financial statements for the six months ended June 30, 2014, will or may have an effect on the Company's future results and financial position:

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- IFRS 9 – *Financial Instruments* is part of the IASB's wider project to replace IAS 39 – *Financial Instruments: Recognition and Measurement*. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortization costs and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial assets. The standard is effective for annual periods beginning on or after January 1, 2015. The Company anticipates that the adoption of this standard will have no material impact on the Company's consolidated financial statements except for additional disclosures.

### **8. Management's Report on Internal Control over Financial Reporting**

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can only provide assurance with respect to financial statement preparation and presentation.

For the three and six months ended June 30, 2014, no changes were made in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

### **9. Risk Factors Relating to the Company's Business**

As a company active in the mineral resource exploration and development industry, First Point 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. The Company has implemented comprehensive safety and environmental protection measures designed to comply with government regulations and ensure safe, reliable and efficient operations in all phases of its operations. The Company maintains liability and property insurance, where reasonably available, in such amounts it considers prudent. 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.

All of the Company's properties are still in the exploration stage. Mineral exploration and exploitation involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to avoid. The minerals business is characterized by long lead times from discovery to development, and few exploration projects successfully make the transition to development.

Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the material processed and to develop the mining and processing facilities and infrastructure at any site chosen for mining.

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There is no assurance that commercial quantities of ore will be discovered. Even if commercial quantities of ore are discovered, there is no assurance that the properties will be brought into commercial production or that the funds required to exploit mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The commercial viability of a mineral deposit once discovered is also 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 the above factors are beyond the control of the Company.

There can be no assurance that the Company's mineral exploration activities will be successful. In the event that such commercial viability is never attained, 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 acquisition of properties of merit, and the recruitment and retention of qualified employees and/or 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, by the status of the Company's projects in relation to these markets, and by the Company's ability to attract investor support for its projects.

There is no assurance that funding will be accessible to First Point at the times and in the amounts required to fund the Company's activities, as there are many circumstances that are beyond the control of First Point. For example, the Company is dependent on investor sentiment being positive towards the minerals exploration business in general and First Point in particular. Many factors influence investor sentiment, including a positive climate for mineral exploration, the experience and caliber of a company's management and a company's track record in discovering or acquiring economically viable mineral deposits.

*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. Although the exploration activities of the Company are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development activities. Amendments to current laws and regulations governing the activities of the Company, or more stringent implementation thereof, could have a substantial adverse impact on the Company.

*Political Instability and Operations in Developing Countries*

The Company currently has one gold property in Honduras. Developing countries such as Honduras typically have less developed, agrarian-based economies, lacking in infrastructure.

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Real and perceived political risk in such countries may adversely affect the Company's existing assets and operations and the ability to finance exploration programs and future mine development opportunities.

*Title to Properties, First Nations Issues*

While the Company has investigated the title to all of the properties on which it holds mineral claims or other forms of mineral rights or concessions 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.

Negotiations with First Nations' groups can add an additional layer of risk and uncertainty to efforts to explore and develop mineral deposits in many areas of Canada. This is particularly true in British Columbia, where protracted negotiations of land claims have resulted in settlement of only a fraction of the claims. The slow pace of resolving these claims is frustrating to both the First Nations peoples and explorers and could result in actions that would hinder timely execution of exploration programs.

*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.

*Inflation*

In the recent past, while inflation had not been a significant factor, the ongoing efforts of many governments to improve the availability of credit and stimulate domestic economic growth while incurring substantial deficits may result in substantial inflation and/or currency depreciation in the future.

**Forward-Looking Statements**

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the British Columbia Securities Act, the Alberta Securities Act and the Ontario Securities Act. This includes statements concerning the Company's plans at its mineral properties, which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, the ability of the Company to continue to be able to access the capital markets for the funding necessary to acquire and maintain exploration properties and to carry out its desired exploration programs; inability to fund the Company's share of costs incurred under joint venture agreements to which it is a party,

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and reduction or elimination of its joint venture interest as a result; competition within the minerals industry to acquire properties of merit, and competition from other companies possessing greater technical and financial resources; difficulties in executing exploration programs on the Company's proposed schedules and within its cost estimates, whether due to weather conditions in the areas where it operates, increasingly stringent environmental regulations and other permitting restrictions, or other factors related to exploring of its properties, such as the availability of essential supplies and services; factors beyond the capacity of the Company to anticipate and control, such as the marketability of mineral products produced from the Company's properties, government regulations relating to health, safety and the environment, and the scale and scope of royalties and taxes on production; the availability of experienced contractors and professional staff to perform work in a competitive environment and the resulting adverse impact on costs and performance and other risks and uncertainties, including those described in each management's discussion and analysis of financial condition and results of operations. In addition, forward-looking information is based on various assumptions including, without limitation, assumptions associated with exploration results and costs and the availability of materials and skilled labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.