

**MARGAUX RESOURCES LTD.
(FORMERLY CARMEN ENERGY INC.)**

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED SEPTEMBER 30, 2014

Margaux Resources Ltd. (formerly Carmen Energy Inc.).
Management's Discussion and Analysis
For the year ended September 30, 2014

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Margaux Resources Ltd. (formerly Carmen Energy Inc.) ("Margaux" or the "Corporation") constitutes management's review of the factors that affected the Corporation's financial and operating performance for the year ended September 30, 2014. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited financial statements of the Corporation for the year ended September 30, 2014, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The financial statements for the year ended September 30, 2014 have been prepared in accordance International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Margaux common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity. The date of this MD&A is January 28, 2015.

Further information about the Corporation and its operations can be obtained from the offices of the Corporation or from www.sedar.com.

Cautionary Note Regarding Forward-Looking Information

This document contains certain forward-looking statements, including management's assessment of future plans and operations, and capital expenditures and the timing thereof, that involve substantial known and unknown risks and uncertainties, certain of which are beyond Margaux's control. Forward looking information does not relate strictly to historical or current facts and can be identified by words such as "anticipate", "believe", "estimate", "expect", "forecast", "intend", "may", "project", "should", "will" or similar expressions. These statements represent management's reasonable projections, expectations and estimates as of the date of this document but undue reliance should not be placed upon them, as they are derived from many assumptions. Such assumptions are subject to known and unknown risks and uncertainties, including the business risks discussed in the MD&A, which may cause actual performance and financial results to differ materially from any projections of future performance or results implied by such forward looking statements.

The forward looking information in the MD&A is subject to significant risks and uncertainties and is based on many factors and assumptions which may prove to be incorrect; including, but not limited to, the following:

- The Corporation has sufficient financial resources with which to conduct its capital program;
- The Corporation can obtain additional capital through equity issuance; and
- Drilling rigs and field service providers will be available as required and that the costs of securing such services and equipment will not materially exceed expectations.

The forward looking information represents management's views as of the date of this MD&A and such information should not be relied upon as representing our views as of any date subsequent to the date of this document. Management has attempted to identify important factors that could cause actual results to vary from those current expectations or estimates expressed or implied by the forward looking information. However, there may be other factors that cause actual results or performance to differ materially from current estimates and expectations. Other risks and uncertainties include, but are not limited to:

Normal risks common to the oil and natural gas industry, including various operational risks in the implementation of exploration, development and production operations;

Margaux Resources Ltd. (formerly Carmen Energy Inc.).
Management's Discussion and Analysis
For the year ended September 30, 2014

- Risks and uncertainties of oil and natural gas geological reserves;
- Revisions or amendments to capital expenditure programs, including development and exploitation opportunities;
- The Corporation's ability to attract and retain qualified professional employees and consultants;
- Risks as to the availability and pricing of appropriate financing alternatives on acceptable terms; and
- Potential changes in government policies, rules, approval process changes, delays or enhancements, or income tax regulations.

Normal risks common to the mining industry, including various operational risks in the implementation of exploration, development and production operations;

- Risks and uncertainties of mining economic geological reserves;
- Revisions or amendments to capital expenditure programs, including development and exploitation opportunities;
- The Corporation's ability to attract and retain qualified professional employees and consultants;
- Risks as to the availability and pricing of appropriate financing alternatives on acceptable terms; and
- Potential changes in government policies, rules, approval process changes, delays or enhancements, or income tax regulations.

The preparation of financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. Estimating reserves is also critical to several accounting estimates and requires judgment and decisions based on available geological, engineering and economic data. These estimates may change, having either a negative or positive effect on net earnings as further information becomes available, and as the economic environment changes.

Margaux's actual results, performance or achievements could differ materially from those expressed in, or implied in, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits, including the amount of proceeds, that Margaux will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive. All subsequent forward-looking statements, whether written or oral, attributable to Margaux or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this document are made as of the date of this document and Margaux does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

BOE Presentation

Barrels of oil equivalent (BOE) may be misleading, particularly if used in isolation. The BOE conversion ratio used in this report is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All BOE conversions in this report are derived by converting gas to oil in the ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 Mcf = 1 BOE). It is important to note that the 1:6 ratio is based on an energy equivalency and the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1; utilizing a conversion on a 6:1 maybe misleading as an indication of value.

Description of Business and Overall Performance

The Corporation was incorporated on August 5, 2009 pursuant to the *Business Corporations Act* (Alberta), on August 16, 2010 the Corporation amended its Articles to remove the private Corporation and share transfer restrictions and completed the process of applying for status as a Capital Pool Corporation as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4, on July 4, 2011.

Margaux Resources Ltd. (formerly Carmen Energy Inc.).
Management's Discussion and Analysis
For the year ended September 30, 2014

On December 16, 2010, the Corporation filed its Final Prospectus with the Alberta Securities Commission, British Columbia Securities Commission, Ontario Securities Commission and Nova Scotia Securities Commission offering a minimum offering of 2,000,000 common shares at \$0.10 per share and a maximum offering of 3,000,000 common shares at \$0.10 per share as an initial public offering ("IPO"). On January 14, 2011, the Corporation completed its IPO of 3,000,000 common shares at a price of \$0.10 per share, for gross proceeds of \$300,000. Pursuant to an Agency Agreement with PI Financial Corp. (the "Agent"), the Agent received a commission of 10% of the gross proceeds, the Agent will receive a non-refundable corporate finance fee of \$10,000 plus applicable taxes, and will be reimbursed for expenses, including legal fees incurred pursuant to the Offering, plus applicable taxes and disbursements. The Corporation grant to the Agent, non-transferable options to purchase up to 300,000 Common Shares at a price of \$0.10 per Common Share, which may be exercised for a period of 24 months from January 18, 2011.

On January 18, 2011, the Corporation's common shares commenced trading on the TSX Venture Exchange under the symbol "CEL.P".

On April 25, 2011, the Corporation announced details concerning its proposed qualifying transaction involving the acquisition of certain assets from four private companies for consideration comprised of a mix of cash and work commitments (collectively the "Acquisitions").

Additionally, in order to finance the Acquisitions as well as fund Margaux's proposed future development program, Margaux announced that it engaged Macquarie Private Wealth Inc. to lead, on a commercially reasonable efforts basis, an offering (the "Brokered Offering") by way of private placement of a minimum of 10 million units, to a maximum of 14 million units of Margaux (the "Units") for gross proceeds of a minimum of \$2.5 million, to a maximum of \$3.5 million. Margaux further announced that it would place an additional 4 million Units, up to a maximum of 6 million Units on a non-brokered private placement basis (the "Non-Brokered Offering") for gross proceeds of a minimum of \$1.0 million, to a maximum of \$1.5 million.

On June 28, 2011, the Corporation announced the closing of the Acquisitions, the Brokered Offering and non-Brokered Offering. Collectively, these transactions constituted the Corporation's qualifying transaction pursuant to the applicable policies of the TSX Venture Exchange.

On July 19, 2011, the Corporation announced that it had entered into a farm-in agreement to drill an exploratory well in the Hamburg Area of Alberta with an option for follow-up drilling. The election was made pursuant to the exercise of an option to acquire 3D seismic on a minimum of four square miles covering the Option Lands.

On September 9, 2011, the Corporation announced that it had entered into a subordination agreement to participate in a farmout agreement to drill two test wells in the Sylvan Lake Area of Alberta.

On September 19, 2011, the Corporation announced that it entered into a letter of intent to acquire all the issued and outstanding shares of a Calgary based private Company and advanced a deposit of \$600,000 in Trust. Subsequent to year end, on November 17, 2011, the Corporation announced it was terminating its obligations under the letter of intent and half of the deposit was refunded to the Corporation. The Corporation retained a 60% working interest in the horizontal Glauconitic development well in the Viking-Kinsella, Alberta area. The Corporation was refunded \$300,000 of the deposit advanced.

On September 20, 2011, the Corporation announced with its Partners that it completed drilling to the contracted depth of the first Leduc Reef Exploration well (14-7-38-3-W5) in the Sylvan Lake, Alberta area. After a review of the logs and samples, the Corporation and its Partners made the decision to case the well for further testing.

On September 27, 2011, the Corporation announced with its Partners that it spud the second Leduc reef light oil exploration well (12-22-38-4W5) in the Sylvan Lake, Alberta area.

On October 19, 2011, the Corporation announced that testing operations were completed on the Leduc D3 well drilled at 14-7-38-3 W5M in the Sylvan Lake area of Alberta. The well was tested at a restricted rate of production

Margaux Resources Ltd. (formerly Carmen Energy Inc.).
Management's Discussion and Analysis
For the year ended September 30, 2014

over a three day testing period without the aid of artificial lift equipment. The oil rate increased over the three day test period and the last oil samples tested at 44.5 degree API. After recovery of substantially all load fluid and over a 24 hour test period, the well flowed at an approximate rate of 225 barrels of oil equivalent per day comprised of 43 barrels of light oil, an estimated 78 barrels of natural gas liquids and 630 thousand cubic feet of natural gas at a stable flowing pressure of 609 PSIG on a 20/64th inch choke. The well also produced approximately 87 barrels of formation water per day.

During the quarter ended December 31, 2011, the well-produced sporadically without the aid of artificial lift which has been delayed due to a dispute with the operator and during the three months end June 30, 2012.

On December 5, 2011, the Corporation announced the filing of a preliminary short form prospectus, with respect to a public offering of up to \$3,000,000 worth of common shares issued as "flow through shares" pursuant to the Income Tax Act (Canada) and up to \$3,000,000 worth of units. Each Unit to be comprised of one common share of the Corporation and one half of one Common Share purchase warrant.

On December 9, 2011, the Corporation announced that it executed an amending agreement with the farmers to amend the terms of a farmin agreement relating to the Hamburg lands increasing the potential working interest to Margaux and eliminating the convertible term of the overriding royalty (the "Amended Farmin"). Pursuant to the Amended Farmin, Margaux now has the right to earn a 100% working interest in four sections of land in the Hamburg area of Alberta. To earn this working interest in the first two sections of land, Margaux is required to contribute 100% of the costs to drill to the contract depth, abandon, cap or complete, equip and tie-in the first option well. The Amended Farmin provides that the first option well is to be spudded on or before February 15, 2012. The working interest is subject to a non-convertible overriding royalty calculated on 100% of production of 1/15 (min. 5/10% and max 15/20%) on crude and 15/20% on all other petroleum substances.

Subsequent to fulfilling its obligations for the first option well, Margaux shall have the right under the Amended Farmin to elect, within 90 days from the rig release of the first option well, to drill the second option well to earn a 100% working interest in the remaining two sections of land. The Amended Farmin provides that the second option well must be spudded within 9 months of Margaux's election to drill same. The earning provisions of the second option block are the same as for the first option well and Margaux's working interest in all four sections of Hamburg land shall be subject to the overriding royalty discussed above.

On December 13, 2011, the Corporation filed and obtained a receipt for the final short form prospectus.

On December 30, 2011, the Corporation announced that it completed the first tranche of its previously announced public offering of: (i) up to 11,111,111 common shares issued as "flow-through shares" pursuant to the Income Tax Act (Canada) at a price of \$0.27 per Flow-Through Share and (ii) up to 13,043,478 units ("Units") at a price of \$0.23 per Unit. The first tranche closed with the issuance of 1,301,777 Flow-Through Shares and 3,308,282 Units for aggregate gross proceeds of \$1,112,385. Concurrently with the first tranche closing of the Offering, Margaux privately placed 1,604,348 Units for aggregate gross proceeds of \$369,000. The Common Shares and Warrants comprising the Units issued pursuant to the Concurrent Private Placement were subject to a statutory four month and one day hold period.

On January 30, 2012, the Corporation announced that it completed the second and last tranche of its public offering of Units at a price of \$0.23 per Unit. Macquarie Private Wealth Inc. acted as agent for the offering and at this closing 1,594,000 Units were issued for aggregate gross proceeds of \$366,620.

On February 2, 2012, the Corporation announced that it spudded a well in its Hamburg area of Alberta.

Additionally a privately owned energy company based in Calgary, Alberta ("Privco") participated in the well and had the right to earn a 45% working interest in two sections of land in the Hamburg area of Alberta. Privco was required to contribute 45% of the costs to drill to the contract depth, abandon, cap or complete, equip and tie-in the first option well. The working interest is subject to the same non-convertible overriding royalty calculated on 100% of production of 1/15 (min. 5/10% and max 15/20%) on crude and 15/20% on all other petroleum substances that

Margaux Resources Ltd. (formerly Carmen Energy Inc.).
Management's Discussion and Analysis
For the year ended September 30, 2014

Margaux is subject to and payable to the original party whose property Margaux's farmin is with (as previously disclosed in a press release of the Corporation dated December 9, 2011) and subject to Crown Royalties.

The Sylvan Lake 12-22-38-4w5 Leduc well has been completed and tested at noncommercial rates and is standing awaiting further evaluation. During the nine months ended June 30, 2012, the Corporation recorded an impairment with respect to the capital expenditures relating to the well.

Production at the Jumpbush area of Alberta well which Margaux owns a 37.5% working interest has maintained stable production rates of 8 BOE/d (net) comprised of 5 barrels of oil per day and 18 Mcf/day.

On February 21, 2012, the Corporation announced that it received the resignation of its President and Director, D.T. Brian Doherty. Mr. Doherty resigned as both an officer and a director of the Corporation to pursue other interests. The Corporation also announced that it appointed H. Tyler Rice as Interim President while it searches for a permanent replacement for Mr. Doherty. Mr. Rice will continue to act as Chief Financial Officer while acting in this new capacity and will report to the Executive Committee.

On February 23, 2012, the Corporation announced that due to unforeseen cost overruns associated with its Hamburg area, Alberta well (the "Well"), the Corporation, in conjunction with its partner, amended their participation agreement, previously announced on February 2, 2012.

The revised terms of the participation agreement provide that Privco will carry one-hundred percent (100%) of the costs associated with the Well to completion, effective 12:00 am Thursday February 16, 2012 and assume operatorship of the Well. Furthermore, in the event that the partners proceed to equip and tie-in the well, Margaux will be responsible for a net ten percent (10%) of the costs, risks, obligations and liabilities associated therein.

Upon Privco having complied with the terms and conditions of the amended participation agreement, Privco earned a net one hundred percent (100%) interest in the Well and the first option well earning block reserving unto Margaux a net ten percent (10%) carried working interest following payout of a net fifty five percent (55%) of all the costs and expenses associated to the first option well that occur between 12:00 am Thursday February 16, 2012 and the point at which Margaux earns its remaining net ten percent (10%) of the Well by electing to fund ten percent (10%) of the costs to equip and tie-in the Well.

Additionally, Margaux will be entitled to participate as to a net ten percent (10%) working interest in both the second option well and second option blocks in the event of future activity.

On March 22, 2012, the Corporation announced that the Hamburg area, Alberta well reached the targeted total depth and the operator has initiated abandonment of the primary target zone, the Slave Point. The well has been cased to surface to evaluate the potential of up-hole zones. The rig was moved off the lease prior to spring breakup and any secondary objective testing will be conducted next winter.

On April 2, 2012, the Corporation entered into a loan arrangement with certain insiders of the Corporation including two directors and an officer of the Corporation. An aggregate amount of \$500,000 has been borrowed by the Corporation to address its immediate capital concerns. The loans, being incurred by way of promissory notes will pay a 10% interest rate and are repayable to the holders over a period of two years from the date of issuance. In addition, the Corporation has granted the holders of the promissory note a pro rata allocation of a pooled five percent Gross Overriding Royalty on certain of the existing properties of the Corporation.

On December 17, 2012, the Corporation announced that it entered into a purchase and sale agreement ("PSA") to sell the Corporation's 60% non-operated working interest in certain oil and gas assets (the "Assets") in the Viking-Kinsella area of Alberta, namely the Corporation's 16-17-049-12 W4 well.

Margaux Resources Ltd. (formerly Carmen Energy Inc.).
Management's Discussion and Analysis
For the year ended September 30, 2014

The PSA was entered into with two companies (the "**Purchasers**"), both of which are considerate "related parties" to the Corporation under applicable securities laws. R & D Asset Management Ltd. and Red Mountain Resources Ltd. are owned or controlled by Mr. Tyler Rice, Margaux's interim President and Chief Financial Officer and by Mr. Randy Harrison, a director of the Corporation, respectively.

On January 8, 2013, the Corporation announced that it has quitclaimed its entire interest in and to its Hamburg 14-34-097-11 W6M Well and related tangibles and miscellaneous interests to Privco in exchange for Privco canceling outstanding debts payable by Margaux and related to the drilling of the Well.

In addition and pursuant to the quitclaim, Margaux relinquished its entire interest in and to the Seismic and Drilling Option Agreement dated February 17, 2011, as amended, to Privco and the participation agreement between Margaux and Privco was terminated as of the date of the quitclaim.

On May 6, 2013 the Corporation closed the previously announced purchase and sale agreement to sell the Corporation's non-operated working interest in certain oil and gas assets in the Viking-Kinsella area of Alberta to a director and officer of the Corporation. Completion of the transaction was conditional upon receipt of approval from the Corporation's independent board and shareholders which was obtained during the year ended September 30, 2013.

On May 24, 2013 the Corporation closed the private placement to raise \$300,000 at a share price of \$0.02. This resulted in the issuance of 15,000,000 shares.

On July 22, 2013, the Corporation announced that it changed its name to "Margaux Resources Ltd." The name change was approved by the shareholders of the Corporation at the annual and special meeting of the Corporation held on February 15, 2013. The Corporation now trades under its new name and new symbol of MRL.

On August 22, 2013, the Corporation announced the approval of the proposed consolidation of its issued and outstanding common shares on a basis of 10 pre-consolidated shares for each post-consolidation share at the special meeting of Shareholders held on August 22, 2013.

On October 16, 2013, the Corporation announced that it commenced a non-brokered private placement offering for up to \$750,000. The Corporation will issue up to 9,375,000 common shares to exempt buyers on a private placement basis at a price of \$0.08 per Common Share.

On January 15, 2014, the Corporation announced that it completed the first tranche of its previously announced non-brokered public offering of common shares issued at a price of \$0.08 per share. The Corporation issued 4,625,000 shares at closing for aggregate gross proceeds of \$370,000. The securities issued under the private placement are subject to a resale restriction period of four months and one day.

On January 21, 2014, the Corporation announced that it completed the second tranche of its previously announced non-brokered public offering of common shares issued at a price of \$0.08 per share. The Corporation issued 4,750,000 shares at closing for aggregate gross proceeds from both tranches totalling \$750,000. The securities issued under the private placement are subject to a resale restriction period of four months and one day.

On November 11, 2013, the Corporation announced that it has entered into an option agreement (the "Option Agreement") dated November 8, 2013 with an arms-length third party, Sultan Minerals Inc. (TSX-V: SUL; "Sultan"), a British Columbia company, for the acquisition of 100% of the Jersey-Emerald Tungsten-Zinc Property (the "Property"), located in southeastern B.C. With the purchase of the Property, Margaux intends to switch its strategic focus to the exploration and development of the Property.

Margaux Resources Ltd. (formerly Carmen Energy Inc.).
Management's Discussion and Analysis
For the year ended September 30, 2014

On January 27, 2014, the Corporation announced that it has entered into an amendment (the Amendment) to its previously announced Option Agreement. (See notes detailed on April 1, 2014.)

On February 21, 2014, the Corporation announced that it commenced a non-brokered private placement offering for up to \$300,000. The Corporation will issue up to 2,000,000 common shares to exempt buyers on a private placement basis at a price of \$0.15 per Common Share.

On March 12, 2014, the Corporation announced that it closed its previously announced non-brokered private placement. The Corporation issued 2,000,000 common shares in the capital of the Corporation to exempt buyers on a private placement basis at a price of \$0.15 per Common Share for aggregate proceeds of \$300,000.

On April 1, 2014, the Corporation announced that it satisfied the TSX Venture Exchange's conditions for approval of the Corporation's previously announced option agreement dated November 8, 2013 with Sultan in respect of the Jersey-Emerald Tungsten-Zinc Property, located in southeastern B.C. The company also announced that it filed a NI 43-101 compliant technical report in respect of the Property.

Under the terms of the Option Agreement, Margaux will have the exclusive option to acquire a 100% working interest in the Property by:

- 1) Making payments to Sultan of an aggregate \$4.0 million. Paid in several installments paid on or before November 8, 2016 as follows:
 - a. Initial deposits of \$200,000 paid previously;
 - b. Release of cash payment of \$300,000, previously held in trust pending receipt of TSX Venture Exchange approval for the transaction;
 - c. on or before the first anniversary of the Agreement Date, a cash payment of \$750,000;
 - d. on or before the second anniversary of the Agreement Date, a cash payment of \$1,250,000; and
 - e. on or before the third anniversary of the Agreement Date, a cash payment of \$1,500,000; and
- 2) incurring not less than \$2,000,000 in expenditures on the Property on or before the third anniversary of the Agreement Date.

Margaux will use its best efforts to incur expenditures of \$6,000,000 on the Property on or prior to the third anniversary of the Agreement Date.

Sultan retains a 1.5% NSR on the Property. For a period of 60 days following the earlier of (a) the commencement of commercial production on the Property or (b) the completion of a feasibility study on the Property, Margaux may purchase 50% of the NSR (being a 0.75% net smelter returns royalty) from Sultan for a payment to Sultan of \$5.0 million. The Property is also subject to several additional NSRs, ranging from 1-3% on various areas of the Property.

On June 26, 2014, The Corporation announced that it commenced a non-brokered private placement offering to raise up to \$1,000,000 USD through the issuance of Convertible Debenture Units and \$1,000,000 CAD through the issuance of common shares issued on a flow through share basis of the Corporation.

Terms of the Offering are as follows:

- Treasury offering of units ("Units"), each Unit consisting of one (1) US\$1,000 par value Convertible Debenture of the Corporation (the "Debentures"), 2,000 warrants ("Warrants") to purchase common shares ("Warrant Shares") of the Corporation.

Margaux Resources Ltd. (formerly Carmen Energy Inc.).
Management's Discussion and Analysis
For the year ended September 30, 2014

- Each Debenture will have a par value of US\$1,000, bear interest of 1% per annum payable annually on the anniversary of issuance, and will be convertible into common shares (the "Debenture Shares") of the Corporation at a price of CAD\$0.50 per Debenture Share at the option of the holder of the Debentures on the business day prior to the Maturity Date.
- The Corporation may, at its option, subject to providing not more than 60 and not less than 30 days' prior notice, convert the Debentures into Debenture Shares at their conversion price, in whole or, from time to time, in part, provided that the Market Price is 140% above the conversion price of the Debentures and Additional Debentures, respectively.
- The maximum size of the Debenture Offering is up to US\$1,000,000 of Units.
- The Debentures and Additional Debentures will mature five (5) years after the date of their respective issuance (the "Maturity Date").
- Each warrant will be exercisable into Warrant Shares at a price of CAD\$0.55 per Warrant Share for a period of five (5) years from the Closing Date.

Terms of the Flow-Through Share component of the Offering are as follows:

- Up to 2,000,000 Flow-Through Shares at a price of CAD\$0.50 per Flow-Through Share. The Corporation has agreed to pay a finder's fee of 6% in certain circumstances in connection with the flow-through share component of the Offering.

On July 15, 2014, the Corporation announced that it engaged the services of Frontier Merchant Capital Group for investor relations services. Frontier is an experienced and reputable investor relations group with a home office in Toronto, Canada. Frontier will assist the Corporation by increasing market awareness for the Corporation by utilizing a number of financial market communications initiatives, the core of which will be facilitating in-person introductions for Margaux with institutional and retail brokers and investors in a number of cities across Canada, the U.S., Europe and Australasia. Under the terms of the engagement, Frontier has been retained for a 12 month period at \$6,000 per month plus direct expenses.

On August 8, 2014, the Corporation announced that it closed the first tranche of its previously announced non-brokered private placement. The Corporation issued 750,000 common shares in the capital of the Corporation, issued on a flow through basis under the Income Tax Act to exempt buyers on a private placement basis at a price of \$0.50 per Common Share for aggregate proceeds of \$375,000. In addition, the Corporation amended the terms of its previously announced debenture unit offering. Subscribers for debenture units will no longer receive an additional subscription privilege to purchase additional debentures as previously announced. It is anticipated that certain subscribers for debentures units may be granted a pre-emptive right to participate in future financings of the Corporation.

On August 27, 2014, the Corporation announced that it closed a second tranche of its previously announced non-brokered private placement. The Corporation issued 440,000 common shares in the capital of the Corporation, issued on a flow through basis under the Income Tax Act to exempt buyers on a private placement basis at a price of \$0.50 per Flow-Through share for aggregate proceeds of \$220,000.

On September 5, 2014, the Corporation announced it had closed the final tranche of its previously announced non-brokered private placement. The Corporation issued 400,000 common shares in the capital of the Corporation, issued on a flow through basis under the Income Tax Act to exempt buyers on a private placement basis at a price of \$0.50 per Flow-Through share for aggregate proceeds of \$200,000. The Corporation paid a finder's fee in the amount of 6.0% on the proceeds of this tranche of the Flow-Through Share Private Placement.

Margaux Resources Ltd. (formerly Carmen Energy Inc.).
Management's Discussion and Analysis
For the year ended September 30, 2014

In addition, the Corporation closed on USD \$365,000 of the convertible debenture unit portion of the private placement debenture unit consisting of USD \$1,000 principle amount of 1% convertible, redeemable debentures and 2,000 common share purchase warrants of the Corporation exercisable at a price of \$0.55 per share for a period of five years from the closing date.

As of September 5, 2014, the Corporation issued 1,590,000 Flow-Through Shares for aggregate gross proceeds of \$795,000 and 365 Debenture units for aggregate proceeds of USD \$365,000 pursuant to the private placement.

Subsequent events

On October 8, 2014, the Corporation announced a drill rig was mobilized and drilling commenced on the Corporation's 2014 drilling program on its Jersey Emerald Tungsten-Zinc property, located in southeastern B.C. In addition, the Corporation announced the addition of Mr. Douglas Foster to the Board of Directors of the Corporation. The Corporation also announced the resignation of Mr. Gerald Facciani as Director of the Corporation.

On November 5, 2014, the Corporation announced the release of the initial results from its 2014 core drilling program at the Jersey Emerald Property. The program comprised of 5,740 metres in 32 drillholes. Drilling focused on the East Emerald Tungsten target.

Assay results returned for the 10 of the 32 holes drilled and the remaining core samples were received by the laboratory and underwent analysis. The composites for tungsten are presented in Table 1. Some highlights include:

- **0.23% tungsten over a drilled length of 8.65 m in E1402**
- **0.49% tungsten over a drilled length of 2.75 m in E1404**
- **0.50% tungsten over a drilled length of 4.50 m in E1409**
- **0.52% tungsten over a drilled length of 3.35 m in E1410**

Note: The true widths on mineralization are likely less than the drilled lengths as presented.

On November 6, 2014, the Corporation reported Drill hole E1411 was designed to continue testing the tungsten ("WO3") mineralized target, similar to holes E1401 through E1410. Hole E1411 intersected altered granitic rocks, with mineralization different from the skarn that hosts the majority of the tungsten property. The granitic rock contains significant bismuthinite, with associated gold.

The gold intercept continues to provide evidence that the property has the potential to host gold, similar to the Bismuth-Gold zone documented in the Corporation's 43-101 technical report dated March 15, 2014. The Corporation is encouraged by the results of this hole and while drill hole E1411, as a single stand-alone-hole, does not provide enough information to assess the size of this gold mineralization, it anticipates exploring this area in further detail in the future.

On November 10, 2014, the Corporation announced it had entered into an agreement with Sultan Minerals Inc to amend the Option Agreement dated November 8, 2013 between Sultan and the Corporation granting the Corporation an option to purchase 100% of the Jersey Emerald Property for payments totaling \$4 million according to terms set therein.

Pursuant to the Amending Agreement, the option payment of \$750,000 due November 8, 2014 was divided into two payments, of which the first payment of \$400,000 due on November 8, 2014 was received and a second payment of \$350,000 will be due on March 15, 2016. All other terms of the Option Agreement remain unchanged.

In addition, subsequent to year-end the Corporation announced it had entered into a loan agreement with Mr. Tyler Rice, the Corporation's President and Chief Executive Officer whereby the Corporation borrowed \$150,000 from

Margaux Resources Ltd. (formerly Carmen Energy Inc.).
Management's Discussion and Analysis
For the year ended September 30, 2014

Mr. Rice. The loan is repayable on April 30, 2015 and bears interest at 6.0% per annum. The Corporation will use the proceeds of the loan towards the required Option Payments.

Financial Instruments, Liquidity and Capital Resources

The Corporation's financial instruments, consisting of cash, trade receivables and trade payables, approximate fair values due to the relatively short-term maturities of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

As at September 30, 2014, the Corporation has trade and other payables of \$243,346 due within 12 months and has cash of \$808,935 and accounts receivables of \$40,040. As a result of the financing the Corporation closed during the year ended September 30, 2014, the Corporation has raised sufficient cash to fulfill its current obligations.

The Corporation includes equity, comprised of share capital including warrants, contributed surplus and deficit, in the definition of capital.

The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions and to maintain the development program for the assets acquired pursuant to the Qualifying Transaction and the Jersey Emerald Property. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity, by securing strategic partners or assuming debt. During the year ended September 30, 2014, the Corporation implemented several cost saving initiatives which include but are not limited to reduced management salaries and lower office rent expense.

Off-Balance Sheet Arrangements

The Corporation has not engaged in any off-balance sheet arrangements such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Corporation or engages in leasing or hedging services with the Corporation.

Selected Quarterly Information

The following selected financial data has been prepared in accordance with International Financial Reporting Standards ("IFRS") and should be read in conjunction with the Corporation's yearly and unaudited condensed interim financial statements. All dollar amounts are in Canadian dollars. Prior to the quarter ended December 31, 2011, the Corporation prepared its financial statements in accordance with Canadian generally accepted accounting principles. Note 18 of the financial statements for the year ended September 30, 2012 explains the impact of adopting IFRS on the Corporation's financial statements.

Fiscal Quarter Ended	Oil & Natural		Average Sales Price				Capital Expenditures
	Gas sales	Oil (bbls)	Gas (mcf)	BOE	Oil (\$/bbl)	Gas (\$/mcf)	
September 30, 2014	\$11,443	-	-	-	-	-	\$ 336,806
June 30, 2014	\$24,162	297	666	408	\$73.45	\$3.52	\$ 9,253
March 31, 2014	\$14,134	153	1,074	332	\$84.39	\$3.52	\$ 521,996
December 31, 2013	\$19,942	234	810	369	\$73.75	\$3.27	\$ -
September 30, 2013	\$10,336	145	668	187	\$53.12	\$3.94	\$ -
June 30, 2013	\$25,993	181	714	300	\$90.45	\$2.69	\$ -
March 31, 2013	\$29,277	307	2,283	687	\$77.46	\$2.41	\$ -
December 31, 2012	\$251,521	3,578	8,050	4,161	\$63.27	\$3.12	\$ 19,616
September 30, 2012	\$249,516	3,276	8,767	4,737	\$80.52	\$2.30	\$ 4,484
June 30, 2012	\$215,981	2,988	7,927	4,309	\$66.77	\$2.08	\$ 160,452

Margaux Resources Ltd. (formerly Carmen Energy Inc.).
Management's Discussion and Analysis
For the year ended September 30, 2014

March 31, 2012	\$99,432	1,111	1,496	1,360	\$83.25	\$3.23	\$ 2,409,956
December 31, 2011	\$58,788	487	1,672	765	\$91.88	\$3.71	\$ 1,895,786

Fiscal Quarter Ended	Interest Income	Net loss	Basic & Diluted loss/Share
September 30, 2014	\$ -	\$ 220,503	\$ 0.05
June 30, 2014	\$ -	\$ 123,704	\$ 0.01
March 31, 2014	\$ -	\$ 189,805	\$ 0.01
December 31, 2013	\$ -	\$ 164,128	\$ 0.01
September 30, 2013	\$ -	\$ 142,674	\$ 0.14
June 30, 2013	\$ -	\$ 445,451	\$ 0.01
March 31, 2013	\$ -	\$ 250,848	\$ 0.01
December 31, 2012	\$ -	\$ 171,619	\$ 0.00
September 30, 2012	\$ -	\$ 881,951	\$ 0.01
June 30, 2012	\$ -	\$ 1,334,896	\$ 0.04
March 31, 2012	\$ 2,181	\$ 2,084,643	\$ 0.06
December 31, 2011	\$ 2,091	\$ 1,465,121	\$ 0.05

Summary of Quarterly Results

For the quarter ended December 31, 2011, the Corporation had interest income of \$2,091 and a loss from operations of \$1,465,121, which was primarily the result of a \$1,013,216 expense for the impairment of exploration and evaluation assets for the suspended Sylvan Lake, Alberta area well (12-22-38-4W5). Although the well is suspended, pending up-hole evaluation, it is management's opinion that the well will not be economic in relation to the capital expenditure. Additionally, the Corporation incurred \$339,498 of General and Administrative expenses which included salaries, professional fees and office rent, among other items.

For the quarter ended March 31, 2012, the Corporation had interest income of \$2,181 and a loss from operations of \$2,175,767, which was primarily the result of a \$1,847,283 expense for the impairment of exploration and evaluation assets for the suspended Hamburg, Alberta area well. Although the well is being evaluated for up-hole potential, it is management's opinion that the well will not be economic in relation to the capital expenditure. Additionally, the Corporation incurred \$202,033 of General and Administrative expenses which included salaries, professional fees and office rent, among other items.

For the quarter ended June 30, 2012, the Corporation had interest income of \$nil and a loss from operations of \$1,334,896 which was primarily the result of a \$1,081,626 expense for the impairment of exploration and evaluation assets for the Sylvan Lake, Alberta area well. Although the well is being evaluated for up-hole potential, it is management's opinion that the well will not be economic in relation to the capital expenditure. Additionally, the Corporation incurred \$132,716 of General and Administrative expenses which included salaries, professional fees and office rent, among other items and \$115,740 of depreciation and depletion.

For the quarter ended September 30, 2012, the Corporation had interest income of \$nil and a loss from operations of \$881,961 which was primarily the result of a \$688,324 expense for the impairment of exploration and evaluation assets for the Viking-Kinsella, Alberta area well. Additionally, the Corporation incurred \$113,857 of General and Administrative expenses which included salaries, professional fees and office rent, among other items and \$206,363 of depreciation and depletion.

For the quarter ended December 31, 2012, the Corporation had interest income of \$nil and a loss from operations of \$171,619 which was primarily the result of a \$136,601 expense for General and Administrative expenses which included salaries, professional fees and office rent, among other items and \$104,223 of depreciation and depletion.

Margaux Resources Ltd. (formerly Carmen Energy Inc.).
Management's Discussion and Analysis
For the year ended September 30, 2014

For the quarter ended March 31, 2013, the Corporation had interest income of \$nil and a loss from operations of \$250,848 which was primarily the result of a \$79,144 expense for General and Administrative expenses which included salaries, professional fees and office rent, among other items and \$56,664 of stock-based compensation. Additionally, the Corporation incurred a loss on disposal of assets of \$137,779 during the quarter ended March 31, 2013.

For the quarter ended June 30, 2013, the Corporation had interest income of \$nil and a loss from operations of \$445,451 which was primarily the result of a \$155,077 expense for General and Administrative expenses which included salaries, professional fees and office rent, among other items and \$56,664 of stock-based compensation. Additionally, the Corporation incurred an impairment of exploration and evaluation assets of \$251,938 during the quarter ended June 30, 2013 as a result of the Jumpbush lands in Alberta expiring.

For the quarter ended September 30, 2013, the Corporation had interest income of \$nil and a loss from operations of \$142,672 which was primarily the result of a \$108,342 expense for General and Administrative expenses which included salaries, professional fees and office rent, among other items and \$82,475 for operating and production. Additionally, the Corporation incurred an impairment of exploration and evaluation assets of \$26,463 during the quarter ended September 30, 2013.

For the quarter ended December 31, 2013, the Corporation had interest income of \$nil and a loss from operations of \$164,128 which was primarily the result of a \$155,957 expense for General and Administrative expenses which included salaries, professional fees and office rent, among other items and \$17,850 for operating and production.

For the quarter ended March 31, 2014, the Corporation had interest income of \$nil and a loss from operations of \$189,804 which was primarily the result of a \$282,951 expense for General and Administrative expenses which included salaries, professional fees and office rent, among other items and \$51,615 for operating and production.

For the quarter ended June 30, 2014, the Corporation had interest income of \$nil and a loss from operations of \$123,704 which was primarily the result of \$367,090 expense for General and Administrative expenses which included salaries, professional fees and office rent, among other items and \$108,204 for operating and production.

For the quarter ended September 30, 2014, the Corporation had interest income of \$nil and a loss from operations of \$220,503 which was primarily the result of \$163,185 expense for General and Administrative expenses which included salaries, professional fees and office rent, among other items and \$60,760 for operating and production.

Selected Annual Information

The following selected financial data has been prepared in accordance with International Financial Reporting Standards ("IFRS") and should be read in conjunction with the Corporation's yearly audited financial statements. All dollar amounts are in Canadian dollars. Prior to the quarter ended December 31, 2011, the Corporation prepared its financial statements in accordance with Canadian generally accepted accounting principles. Note 18 of the financial statements for the year ended September 30, 2012 explains the impact of adopting IFRS on the Corporation's financial statements.

Fiscal year Ended	Net sales	Loss from Operations	Net Loss	Total Assets	Long-term Financial liabilities	Cash Dividends
September 30, 2014	\$ 69,681	\$ 735,199	\$ 698,140	\$1,826,067	\$ 314,535	\$ -
September 30, 2013	\$317,127	\$1,010,592	\$1,010,592	\$ 127,851	\$ 126,974	\$ -
September 30, 2012	\$623,717	\$5,766,621	\$5,766,621	\$1,310,917	\$ 771,437	\$ -
September 30, 2011	\$ 46,334	\$ 768,271	\$ 768,271	\$4,524,170	\$ 76,687	\$ -

For the year ending September 30, 2011, the Corporation completed its Qualifying Transaction and generated revenue of \$46,334 from production from the Jumpbush, Alberta area well. The Corporation incurred losses from operations and a net loss of \$768,271 primarily due to general and administrative expenses. The Corporation had

Margaux Resources Ltd. (formerly Carmen Energy Inc.).
Management's Discussion and Analysis
For the year ended September 30, 2014

assets of \$4,524,170 which primarily consisted of cash from the closing of the private placement concurrent to the qualifying transaction and liabilities of \$76,687 which were primarily due to trade and other payables.

For the year ending September 30, 2012, the Corporation had net sales of \$623,717 which was an increase from the prior year that was primarily attributable to the revenues generated by the addition of the Viking-Kinsella, Alberta area well. The Corporation incurred losses from operations and a net loss of \$5,766,621 primarily due to general and administrative expenses and impairments recognized on unsuccessful drilling activities. The Corporation had assets of \$1,310,917 which primarily consisted of cash and oil and gas producing wells and liabilities of \$771,437 which were primarily due to trade and other payables and the note payable.

For the year ending September 30, 2013, the Corporation had net sales of \$317,127 which was a decrease from the prior year that was primarily attributable the disposition of the Viking-Kinsella, Alberta area well midway through the year. The Corporation incurred losses from operations and a net loss of \$1,010,592 primarily due to general and administrative expenses and impairments recognized on unsuccessful drilling activities. The Corporation had assets of \$127,851 which primarily consisted of cash, trade receivables and an oil and gas producing well and liabilities of \$126,974 which were primarily due to trade and other payables.

For the year ending September 30, 2014, the Corporation had net sales of \$69,681 which was a decrease from the prior year that was primarily attributable the disposition of the Viking-Kinsella, Alberta area well midway through the year. The Corporation incurred losses from operations and a net loss of \$698,140 primarily due to general and administrative expenses and impairments recognized on unsuccessful drilling activities. The Corporation had assets of \$1,826,067 which primarily consisted of cash, trade receivables and an option in the Jersey-Emerald Property and liabilities of \$620,095 which were primarily due to trade and other payables and the convertible debenture.

As at September 30, 2014, there were nil common shares outstanding that are held in escrow.

Results of Operations

	<i>For the Three months ended</i>		<i>For the year ended</i>	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Revenues				
Petroleum and natural gas sales	11,442	10,336	69,681	317,127
Royalties	997	(163)	(8,408)	(62,452)
	12,440	10,173	61,273	254,675
Expenses				
Operating and production	60,760	82,475	168,964	157,526
General and administrative	163,185	108,342	529,714	479,166
Impairment of exploration and evaluation assets	27,259	26,463	27,259	278,401
Share-based payments	9,406	1,997	50,166	171,989
Depreciation and depletion	1,720	8,219	12,701	127,280
Accretion	463	81	459	1,465
Foreign Exchange Gain/Loss	7,209	-	7,209	-
Total expenses	270,002	227,577	(796,472)	1,215,827

Margaux Resources Ltd. (formerly Carmen Energy Inc.).
Management's Discussion and Analysis
For the year ended September 30, 2014

Loss from operations	(257,567)	(217,404)	(735,199)	(961,152)
Flow through share premium	37,059	-	37,059	-
Loss on disposal of assets	-	74,732	-	(49,440)
Net loss and comprehensive loss attributable to shareholders	(220,503)	(142,672)	(698,140)	(1,010,592)
Basic and diluted loss per common share	(0.01)	(0.01)	(0.05)	(0.24)

For the three months and year ended September 30, 2014, the Corporation reported a loss of \$220,503 (2013 - \$142,672) and \$698,140 (2013 - \$1,010,592), respectively. The Corporation had Petroleum and natural gas sales, associated operating expenses as well as general and administrative expense and expenses relating to Petroleum and natural gas exploration as well as mining exploration.

Oil and Gas Revenue

Margaux's net revenue for the three months and year ended September 30, 2014 was \$12,440 (2013 - \$10,173) and \$61,273 (2013 - \$254,675), respectively and net revenue per BOE for the three months ended September 30, 2014 was \$73.45/BOE (2013 - \$90.45/BOE). The decrease in revenue is primarily due to the sale of the Viking-Kinsella well which left the Corporation with only one producing well in the Jumpbush area of Alberta.

During the year ended September 30, 2011, the Corporation acquired a 37.5% interest in a producing well in the Jumpbush area of Southern Alberta. Additionally, during the three months and period ended December 31, 2011, Margaux added production from the Viking-Kinsella farm-in well.

On May 6, 2013 the Corporation closed the previously announced purchase and sale agreement to sell the Corporation's non-operated working interest in certain oil and gas assets in the Viking-Kinsella area of Alberta to a director and officer of the Corporation. Completion of the transaction was conditional upon receipt of approval from the Corporation's independent board and shareholders which was obtained during the year ended September 30, 2013. The transaction resulted in a loss on disposal of assets of \$137,779.

Royalties

Margaux's net royalties from operations for the three months and year ended September 30, 2014 was a recovery of \$(997) (2013 - expense of \$163) and expense of \$8,408 (2013 - \$62,452). Net royalties per BOE for the three months and year ended September 30, 2014 was \$nil and \$11.95/BOE (2013 - \$1.15/BOE and \$11.71/BOE). The decrease in royalties is attributable to the disposition of the Viking-Kinsella well.

Operating and production

The Corporation incurred operating and production costs of \$60,760 during the three months and \$168,964 for the year ended September 30, 2014 (2013 - three months \$82,475 and year ended \$157,526). The decrease for the three months ended September 30, 2014 is a result of an accrual reversal in the prior year and the decrease for the year ended September 30, 2014 as compared to the same period is due to a decrease in Oil & Gas operating activities for the same period ending in the prior year.

Margaux Resources Ltd. (formerly Carmen Energy Inc.).
Management's Discussion and Analysis
For the year ended September 30, 2014

Total expenses

Total expenses for the three months and year ended September 30, 2014 were \$270,002 and \$796,472 (2013 – three months \$227,577 and year ended \$1,215,827). The decrease for the three months ended is a result of the operating and production accrual reversal and the decrease for the year ended September 30, 2014 is a due to a decrease in Oil & Gas operating activities for the same period ending in the prior year.

PROPERTY AND EQUIPMENT

	Petroleum and natural gas assets \$	Computer equipment \$	Total \$
Cost			
Balance as at October 1, 2012	2,257,740	9,949	2,267,689
Additions	19,616	-	19,616
Dispositions	(2,004,772)	-	(2,004,772)
Change in decommissioning liability estimates	(185)	-	(185)
Balance as at September 30, 2013	272,399	9,949	282,348
Additions	-	21,600	21,600
Dispositions	-	-	-
Change in decommissioning liability estimates	-	-	-
Balance as at September 30, 2014	272,399	31,549	303,948
Accumulated depletion and depreciation and impairment			
Balance as at October 1, 2012	1,345,504	3,470	1,348,974
Disposition	(1,258,921)	-	(1,258,921)
Impairment	26,463	-	26,463
Charge for the year	124,364	2,916	127,280
Balance as at September 30, 2013	237,410	6,386	243,796
Disposition	-	-	-
Impairment	27,259	-	27,259
Charge for the year	7,730	4,971	12,701
Balance as at September 30, 2014	272,399	11,357	283,756
Net book value			
September 30, 2013	34,989	3,563	38,522

Margaux Resources Ltd. (formerly Carmen Energy Inc.).
Management's Discussion and Analysis
For the year ended September 30, 2014

September 30, 2014	-	20,192	20,192
---------------------------	---	---------------	---------------

During the year, the Corporation capitalized \$nil (September 30, 2013 - \$nil) related to the decommissioning liability of petroleum and natural gas properties.

The depletion of petroleum and natural gas properties are recognized in depreciation and depletion in the statement of comprehensive loss. The impairment of the petroleum and natural gas properties are recognized in impairment of exploration and evaluation assets in the statement of comprehensive loss. During the year ended September 30, 2014, the Corporation fully impaired the Jumpbush 12-6 well due to suspending production during the quarter ended September 30, 2014.

EXPLORATION AND EVALUATION ASSETS

	\$
Balance as at October 1, 2012	251,938
Impairment	(251,938)
Change in decommissioning liability estimates	-
Balance as at September 30, 2013	-
Additions	
Acquisition costs	500,000
Exploration	336,706
Balance as at September 30, 2014	836,806

E&E assets consist of costs expended on the Corporation's projects which are pending determination of technical feasibility and commercial viability. In the year ended September 30, 2013, the Corporation fully impaired E&E assets with a carrying value of \$251,938 relating to unsuccessful projects on which no further exploratory activity was expected to be undertaken. The impairments of E&E assets during the year ended September 30, 2013, resulted from the expiration of leases in the Jumpbush areas of Alberta. The impairment was based on the value-in-use of the E&E assets. As of September 30, 2014 there was no further impairment.

The impairments of E&E assets during the year ended September 30, 2013, resulted from the expiration of leases in the Jumpbush areas of Alberta.

During the year ended September 30, 2014, the Corporation focused its activities to mining and entered into an option agreement ("Option Agreement") with Sultan Minerals ("Sultan") for the Jersey-Emerald Property, located in Salmo, British Columbia ("Property"), based on the following terms:

Under the terms of the Option Agreement dated November 8, 2013, as amended by an agreement dated January 22, 2014, Margaux will have the exclusive option to acquire a 100% working interest in the Property (subject to the net smelter returns royalties ("NSRs") discussed below) by:

- 1) by making payments to Sultan in aggregate of \$4.0 million, paid in several installments as follows:
 - a) initial deposits of \$200,000 (paid);
 - b) release of a cash payment of \$300,000, previously held in trust pending receipt of TSX Venture Exchange approval for the transaction (paid);
 - c) on or before November 8, 2014, a cash payment of \$750,000 (\$400,000 paid November 8, 2014 with the balance of \$350,000 due March 15, 2015);
 - d) on or before November 8, 2015, a cash payment of \$1,250,000; and
 - e) on or before November 8, 2016, a cash payment of \$1,500,000; and

- 2) incurring not less than \$2,000,000 in expenditures on the Property on or before the third anniversary of the Agreement Date.

Margaux Resources Ltd. (formerly Carmen Energy Inc.).
Management's Discussion and Analysis
For the year ended September 30, 2014

Margaux will use its best efforts to incur expenditures of \$6,000,000 on the Property on or prior to the third anniversary of the Agreement Date.

Sultan retains a 1.5% NSR on the Property. For a period of 60 days following the earlier of (a) the commencement of commercial production on the Property or (b) the completion of a feasibility study on the Property, Margaux may purchase 50% of the NSR (being a 0.75% net smelter returns royalty) from Sultan for a payment to Sultan of \$5.0 million.

The Property is also subject to several additional NSRs, ranging from 1-3% on various areas of the Property and these additional NSR's require advance royalty payments totalling \$53,000 per year. Subsequent to the year end the Corporation paid on an advance royalty payment of \$50,000.

Sultan may elect to receive up to one-half of any option payment in the form of common shares of the corporation. The number of shares to be issued in partial payment shall be calculated by reference to the trading price of the Corporation's shares at the election date.

The Corporation incurred \$336,706 of E&E on the Property during the year ended September 30, 2014 relating to exploration drilling activity.

Convertible Debt

On September 5, 2014, the Corporation issued an aggregate of \$365,000 USD (\$400,000 CDN) worth of convertible debt ("Debentures").

The Convertible Debt matures five years after the date of issue (the "Term") and accrues interest at 1.0% per annum, payable annually on September 5 of each year of the Term. At the holder's option, the Debentures may be converted at any time up to maturity into common shares of the Corporation at a conversion price of \$0.50 per share for a locked in number of shares totaling 800,000. Additionally, the holder also has received warrants convertible at \$0.55 CDN per common share for a period of 5 years based on the Canadian equivalent investment.

At any time during the Term, the Corporation may, at its option, subject to providing not more than sixty and not less than thirty days' prior written notice, convert the Convertible Debt into Common Shares at the Conversion Price, in whole or, from time to time, in part, provided that the Market Price is 140% above the Conversion Price.

As the convertible debt is denominated in US Dollars and the Corporation's functional currency is Canadian Dollars, the instrument contains an embedded derivative liability. The convertible debt was discounted using interest rates that would have been applicable to non-convertible debt of the Corporation at the time of issue. The derivative conversion liability feature and detachable warrants were measured using the Black Scholes model, and the excess value of the proceeds after allocation to the convertible debenture component, was allocated proportionately to the conversion liability feature and detachable warrants. . As a result the Corporation allocated \$172,713 CDN to the convertible debt liability component, \$108,769 CDN to the warrant component \$118,518 to the convertible debt derivative liability. The embedded derivative is treated as a financial liability carried at fair value through profit and loss.

Significant assumptions in the valuation of the convertible debenture, derivative conversion liability feature and detachable warrants are as follows:

- Convertible debt – discount rate of 20%
- Detachable warrants – risk free rate 1.45%, Weighted average life – 5 years, dividend yield - \$nil, expected volatility 121%, forfeiture rate – nil.

Margaux Resources Ltd. (formerly Carmen Energy Inc.).
Management's Discussion and Analysis
For the year ended September 30, 2014

- Derivative conversion liability feature - risk free rate 1.45%, Weighted average life – 5 years, dividend yield - \$nil, expected volatility 121%, forfeiture rate – nil.

The Corporation used an estimated volatility of 121% to value the derivative conversion liability feature. If the Corporation had estimated volatility at 131% the estimated fair value of the convertible debt – derivative liability would increase by approximately \$15,000 and net loss would increase by the same. If the Corporation had estimated a volatility of 111% the estimated fair value of the convertible debt – derivative liability would decrease by approximately \$11,000 and net loss would decrease by the same. In the year ended September 30, 2014 the Corporation has determined measurement uncertainty to not be significant.

Related Party Transactions

Except as disclosed elsewhere, all related party transactions are in the normal course of operations, and have been measured at the amount established and agreed upon by the related parties.

As at September 30, 2014, the Corporation had an amount of \$nil due to directors and officers. As at September 30, 2013, the Corporation had an amount of \$51,000 owing to directors and owed to the Corporation \$23,072 from Corporations controlled by directors.

There were no other amounts owing to or from the Corporation involving any related parties at September 30, 2014 and September 30, 2013.

During the year ended September 30, 2014, the Corporation was provided geological consulting services in the amount of \$33,015 (September 30, 2013 - Nil) from a Company controlled by a director of the Corporation. These fees have been capitalized to the mineral property as exploration costs. The Corporation also incurred equipment rental fees in the amount of \$10,000 (September 30, 2013 - Nil) provided by a Company controlled by an individual related to a director of the Corporation and administrative services in the amount of \$43,840 (September 30, 2013 - Nil) provided by a Company controlled by a director of the Corporation. These fees have been reflected in general and administrative expenses.

Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the period were as follows:

	September 30, 2014	September 30, 2013
	\$	\$
Short-term employee benefits	120,000	202,075
Share-based payments	45,500	171,989
	165,500	374,064

Outstanding Share Data

The common shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series. No preferred shares have been issued by the Corporation.

Issued	September 30, 2014		September 30, 2013	
	Common Shares	Amount	Common Shares	Amount
Opening balance	5,277,905	\$3,210,042	37,779,057	\$2,910,042
Shares issued (a)	-	-	15,000,000	300,000
Shares issued (c)(d)(e)(f)(g)	12,965,000	1,757,500	-	-
Share consolidation (b)	-	-	(47,501,152)	-

Margaux Resources Ltd. (formerly Carmen Energy Inc.).
Management's Discussion and Analysis
For the year ended September 30, 2014

Share issue costs	-	(13,200)		
Closing Balance	18,242,905	\$4,954,342	5,277,905	\$3,210,042

Warrants				
Opening balance	325,331	221,825	13,253,315	3,120,815
Warrant expiry	(325,331)	(221,815)	(10,000,000)	(2,898,990)
Warrant issuance (Note 9)	730,000	108,769	-	-
Share consolidation	-	-	(2,927,984)	-
Closing balance	-	108,779	325,331	221,825
Total Share Capital		5,063,121	-	3,431,867

(a) On May 24, 2013, the Corporation announced that it completed a non-brokered private placement for \$300,000 at a price of \$0.02 per Common Share or 15,000,000 Common Shares.

(b) On August 26, 2013, a 10 for 1 share consolidation of the Corporation's issued and outstanding common shares was effected.

(c) On January 27, 2014, the Corporation announced that it completed a non-brokered private placement for \$750,000 at a price of \$0.08 per Common Share or 9,375,000 Common Shares.

(d) On March 12, 2014, the Corporation announced that it completed a non-brokered private placement for \$300,000 at a price of \$0.15 per Common Share or 2,000,000 Common Shares.

(e) On August 8, 2014, the Corporation announced that it completed a non-brokered private placement for \$375,000 at a price of \$0.50 per Common Share issued on a flow-through basis or 750,000 Common Shares. A flow-through share premium liability of \$37,500 was recorded in connection with this financing.

(f) On August 28, 2014 the Corporation announced that it completed a non-brokered private placement for \$220,000 at a price of \$0.50 per Common Share issued on a flow-through basis or 440,000 Common Shares. A flow-through share premium liability of \$22,000 was recorded in connection with this financing.

(g) On September 5, 2014, the Corporation announced that it completed a non-brokered private placement for \$200,000 at a price of \$0.50 per Common Share issued on a flow-through basis or 400,000 Common Shares. A flow-through share premium liability of \$28,000 was recorded in connection with this financing.

Escrowed shares

Pursuant to an escrow agreement dated October 18, 2010, 5,930,000 common shares have been deposited in escrow. Upon the Corporation completing a Qualifying Transaction, as defined in Policy 2.4 of TSX Venture, common shares held pursuant to the escrow agreement shall be released as to 10% immediately following the issuance of the bulletin of the TSX Venture announcing final acceptance of the Qualifying Transaction (the "Initial Release") and an additional 15% shall be released every six months commencing six months following the Initial Release. For the year ended September 30, 2013, 15% or 889,500 shares held in escrow were released on January 4, 2013 and 15% or 889,500 shares held in escrow were released on July 4, 2013. The remaining balance in escrow at September 30, 2013 is 177,900 shares after adjusting for the Corporation's 10 for 1 share consolidation effected August 26, 2013. The remaining common shares were released during the year and at September 30, 2014 there is no remaining balance in escrow.

Flow Through Shares

Margaux Resources Ltd. (formerly Carmen Energy Inc.).
Management's Discussion and Analysis
For the year ended September 30, 2014

During the year the Corporation raised \$795,000 on a flow-through share basis and is required to incur \$795,000 of qualifying expenditures to renounce the tax deductions to investors. As at September 30, 2014, \$336,706 of qualifying expenditures have been incurred which requires the Corporation to expend a further \$458,294 in expenditures to meet its minimum flow through expenditure commitment. The total flow-through share premium recorded of \$87,500 on the issuance of the flow through Common Shares has been amortized in the amount of \$37,059 to reflect the proportion of expenditures incurred to September 30, 2014. The amortization is reflected as other income in the Statement of Comprehensive loss.

Stock Option Plan

The Corporation has adopted an incentive stock option plan in accordance with the policies of the TSX Venture (the "Stock Option Plan") which provides that the Board of Directors of the Corporation may from time to time, at its discretion, grant to directors, officers, employees and consultants of the Corporation non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding common shares exercisable for the period of up to ten (10) years. In addition, the number of common shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding common shares. The Board of Directors determines the price per common share and the number of common shares which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of TSX Venture.

The Corporation uses the Black-Scholes option pricing model to estimate the fair value of stock options, which is recognized as share-based payments expense over the related vesting term. The following assumptions were used in the determination of the fair value of options at the date of grant:

	<u>2014</u>	<u>2013</u>
Risk-free rate	1.32%	0.91% to 1.3%
Weighted-average life	5 years	1 - 5 years
Dividend yield	nil	nil
Expected volatility	126%	80%
Weighted-average fair value per option	\$0.10	\$0.09 to \$0.12
Forfeiture rate	nil%	nil%

Share-based payments expense of \$50,166 for period ended September 30, 2014 (September 30, 2013 – \$171,989) was recognized based on the estimated fair value of the options on the grant date in accordance with the fair value method of accounting for share-based payments.

A summary of the Corporation's stock option plan activity is as follows:

	Number of Options	Weighted-average Exercise Price
Outstanding as at September 30, 2012	2,400,000	\$0.20
Exercisable as at September 30, 2012	2,179,167	\$0.21
Cancelled (h)	2,400,000	
Outstanding as at September 30, 2013	-	-
Granted (i)	1,075,000	\$0.10
Outstanding as at September 30, 2014	1,075,000	\$0.10
Exercisable as at September 30, 2014	358,333	\$0.10

(h) On July 23, 2013, the Board of Directors of the Corporation approved the termination of all outstanding stock options.

Margaux Resources Ltd. (formerly Carmen Energy Inc.).
Management's Discussion and Analysis
For the year ended September 30, 2014

(i) On February 11, 2014, the Board of Directors of the Corporation approved the issuance of 1,075,000 stock options to the directors and officers of the Corporation. The options are exercisable at \$0.10 per share for a period of five years. The options vest one third immediately and one third on each of the first and second anniversaries of the grant date.

Contributed Surplus

<u>Description</u>	<u>September 30, 2014</u>	<u>September 30, 2013</u>
Opening balance	\$ 4,114,494	\$1,043,515
Share-based payments	50,166	171,989
Warrants expired	221,815	2,898,990
Convertible Debt	-	-
Agent options and warrants issued (c)	-	-
Closing balance	\$ 4,386,475	\$4,114,494

Outstanding

	<u>September 30, 2014</u>		<u>September 30, 2013</u>	
	<u>Price</u>	<u>Amount</u>	<u>Price</u>	<u>Amount</u>
Agent options	-	-	2.30	19,850
Agent warrants issued	-	-	4.00	9,925
Agent options issued	-	-	2.30	9,564
Agent warrants issued	-	-	4.00	4,782
Closing balance		-		44,121

Disclosure controls and internal controls over financial reporting

The management of the Corporation is responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. Management is also responsible for the design and evaluation of internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the financial statements for the three months and year ended September 30, 2014.

The management of the Corporation has filed the Venture Issuer Basic Certificate with the interim filings for the three months and year ended September 30, 2014 on SEDAR at www.sedar.com.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing certificates for venture issuers are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

Critical accounting policies and estimates

The preparation of financial statements is in conformity with IFRS. Preparing the Corporation's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Management continually evaluates these judgments, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates. Note 3 of the Corporation's September 30, 2014 financial statements provide greater detail regarding all of the significant accounting policies.

Future accounting standards

The new IFRS pronouncements which have been issued but are not yet effective and may have an impact on the Corporation in the future are as follows:

IASB issued IFRS 9, "Financial Instruments" as the initial phase of replacing IAS 39, "Financial Instruments: Recognition and Measurement". The standard revises and limits the classification and measurement models available for financial assets and liabilities to amortized cost or fair value. Previously multiple models were available. The new standard is effective for annual periods beginning on or after January 1, 2018.

IFRIC 21, "Levies" an interpretation of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("obligating event"). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods commencing after January 1, 2014.

IFRS 15, "Revenue from Contracts with Customers". In May 2014, the IASB issued IFRS 15, which covers principles for reporting about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 is effective for annual periods beginning on or after January 1, 2017.

Business Risks and Uncertainties

The Corporation's production and exploration activities are concentrated in Western Canada where activity is highly competitive and includes companies ranging from smaller junior producers to the much larger integrated petroleum and mining companies. The Corporation is subject to various types of business risks and uncertainties, including:

- Finding and developing oil and natural gas reserves at economic costs
- Finding and developing mineral reserves at economic costs
- Production of oil and natural gas in commercial quantities

Margaux Resources Ltd. (formerly Carmen Energy Inc.).
Management's Discussion and Analysis
For the year ended September 30, 2014

- Production of minerals in commercial quantities
- Marketability of oil and natural gas produced
- Marketability of minerals produced
- Substantial capital requirements and access to capital markets
- Environmental risks
- Insurance
- Reliance on operators and key employees
- Third party credit risk
- Changes in legislation and incentive programs

In order to reduce exploration risk, the Corporation strives to employ highly qualified and motivated professional employees with a demonstrated ability to generate quality proprietary geological and geophysical prospects. To help maximize drilling success, the Corporation combines exploration in areas that afford multi-zone prospect potential, targeting a range of low to moderate risk prospects with some exposure to select high risk, high reward opportunities.

The Corporation mitigates its risk related to producing hydrocarbons and minerals through the utilization of the most appropriate technology and information systems. In addition, the Corporation seeks to maintain operational control of the majority of its prospects.

Oil and gas exploration and production as well as mining can involve environmental risks such as pollution of the environment and destruction of natural habitat, as well as safety risks such as personal injury. In order to mitigate such risk, the Corporation conducts its operations at high standards and follows safety procedures intended to reduce the potential for personal injury to employees, contractors and the public at large.

Outlook

For the next 24 months, the Corporation intends to continue to obtain sufficient cash to develop the Jersey-Emerald Property acquired pursuant to the Option to Purchase Agreement with Sultan Minerals Inc. and evaluate additional direct or indirect acquisitions of assets. The Corporation intends to obtain the required funds and will attempt to raise additional funds through the issuance of equity, by securing strategic partners or assuming debt. The Corporation continues to monitor its spending and will amend its plans based on business opportunities that may arise in the future.

Directors and Officers

H. Tyler Rice, CEO, President, CFO and Director
James Letwin, Director and Chairman
Doug Foster, Director
Robert Derkitt, Director
Edward Lawrence, Director