INV METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2014

INTRODUCTION

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of INV Metals Inc. ("INV Metals" or the "Company") was prepared to enable the reader to assess material changes in the financial condition and results of operations of INV Metals as at and for the three and nine month periods ended September 30, 2014, in comparison to the corresponding prior year. This MD&A is prepared as at November 11, 2014 and is intended to supplement and complement the condensed interim consolidated financial statements of INV Metals for the three and nine month periods ended September 30, 2014 and 2013 (the "Financial Statements"), which are prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including *IAS 34 – Interim Financial Reporting*.

This MD&A should be read in conjunction with the consolidated financial statements and the Annual Information Form ("AIF") in respect of the 2013 year filed with the Canadian provincial securities regulatory authorities and available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com. This MD&A contains certain forward looking statements based on management's current expectations (please see "Cautionary Note Regarding Forward Looking Statements" below). All references to dollars herein are in Canadian dollars unless otherwise specified.

COMPANY DESCRIPTION AND HIGHLIGHTS

INV Metals is an international mineral resource company focused on the acquisition, exploration and development of base and precious metals projects worldwide. The Company's material property is the 100% owned Loma Larga gold project, formerly named the Quimsacocha project ("Loma Larga", "Project" or "Property").

On October 27, 2014 the Company announced it completed a transaction (the "Transaction") pursuant to which it sold its remaining assets in Brazil. The Transaction was effected through the sale of the Company's direct and indirect wholly-owned subsidiary, INV Mineração Ltda. ("IML"), to a private Brazilian company.

On October 16, 2014 the Company announced that it is in the final stages of completing the PFS with its consultants and expects to release the results before year-end. The PFS identified several alternative mine development scenarios to optimize the economics of the project. Accordingly, INV Metals' management decided to further study several mining sequences to optimize capital requirements, operating costs, along with production grades and rates.

On June 27, 2014 the Company's issued and outstanding common shares ("Common Shares") were consolidated on the basis of one post-consolidation Common Share for every ten pre-consolidation Common Shares. INV Metals' currently has 49,420,975 Common Shares outstanding on a post-consolidation basis.

OUTLOOK

The Company's 2014 operating budget was estimated at $4.7 million. Following the sale of IML (see page 4), the Company expects to save approximately $30,000 related to IML general and administrative costs for the remainder of 2014. After a review of the budget, management expects general and administrative to be marginally lower than expected. The PFS and expenditures related to Loma Larga are expected to be within or below budget of $2.6 million.

The Company is in its final stages of completing the PFS with its consultants to determine the economics of the Project at the pre-feasibility level under Ecuador's medium-scale mining category. The final cost of the PFS is currently expected to be approximately $1.1 million including additional studies requested by management. The PFS will include new resource estimates at higher cut-off grades, capital cost estimates, detailed mine plans, engineering studies and updated environmental studies.

OUTLOOK (continued)

The PFS has identified several alternative mine development scenarios to optimize the economics of the project. Accordingly, INV Metals' management has decided to further study several mining sequences to optimize capital requirements, operating costs, along with production grades and rates. The PFS is presently focusing on mine development design and sequencing to ensure optimal capital efficiency and low operating costs. Management is committed to the design of a low-cost and sustainable operation, and believes that the Project will benefit in the long-term by focusing further efforts now in the upfront engineering of mine development. The Company currently expects to release the PFS prior to year-end.

INV Metals continued its strategy to monetize non-core assets with the receipt of a significant cash payment of US$1 million for IML. Anticipated yearly cost savings for Brazilian general and administrative expenses relating to IML will be an additional $80,000. Corporate and Project expenditures continue to be minimized to the extent possible until the results of the PFS have been finalized and approval is obtained for the qualification of the Loma Larga project under the new medium-scale mining category.

The Company still awaits the release of the regulations for the "medium-scale" mining category, however, the information released to-date indicates that underground production classified in this category would be limited to 1,000 tonnes per day and be subject to corporate income taxes, a 4% gold and by-product royalty, value added taxes, 5% employee profit sharing, and 10% state profit sharing for social development projects. As a medium-scale mining project, the Project would not be subject to the same requirements as the large-scale mining category, which includes negotiating an exploitation agreement, a minimum of 5-8% gold and by-product royalty, advanced royalties and windfall taxes.

See "Mineral Properties - Loma Larga (formerly Quimsacocha), Ecuador" for more details relating to the Project's budget and PFS.

MINERAL PROPERTIES

In the nine month period ended September 30, 2014 additions to exploration properties decreased to $2,374,150, compared to $3,765,322 in the same period ended September 30, 2013.

The following table sets forth a breakdown of material components of expenditures incurred at the Company's Loma Larga project:

	September 30, 2014	September 30, 2013
Opening balance - January 1,	**$ 29,666,879**	$ 23,287,047
Geology/geophysics/metallurgy	**434,753**	744,635
Pre-feasibility study	**970,104**	-
Drilling	**-**	551,334
Concession costs	**157,755**	141,860
Administration	**688,055**	819,615
Camp, community relations and field expenses	**478,816**	1,492,396
Exchange differences	**1,328,971**	788,673
	$ 4,058,454	$ 4,538,513
Closing balance - September 30	**$ 33,725,333**	$ 27,825,560

1) Loma Larga (formerly Quimsacocha), Ecuador

The Company and its consultants are currently completing the PFS, see the Outlook Section for further details.

MINERAL PROPERTIES (continued)

1) Loma Larga (formerly Quimsacocha), Ecuador (continued)

The budget for 2014 for costs relating to Ecuador is $2.6 million, including foreign exchange, as the US dollar has declined relative to the Canadian dollar from 2013. The Company was within its estimated overall budget for Ecuador during the three and nine month periods ended September 30, 2014 and expects to be in line with or below budget expectations for the year.

For the first nine months of the year, $434,753 was spent compared to $502,000 budgeted expenditures for geological interpretation, $157,755 was spent compared to $217,000 budgeted expenditures for concession related costs, $688,055 was spent compared to $655,000 budgeted expenditures for general and administrative expenses due to higher than expected legal costs relating to work performed by tax consultants, $175,537 was spent compared to $446,000 budgeted expenditures for camp costs, $213,395 was spent compared to $257,000 budgeted expenditures for media and community relations and $89,884 was spent compared to $151,000 budgeted expenditures for transportation.

As previously stated, if a positive PFS is received and approval to operate under the medium-scale mining category is obtained, a bankable feasibility study is likely the next milestone for the Company to complete. The Company has been advised by consultants that the cost for a bankable feasibility study may be in the range of $6-10 million. The Company believes it currently has cash on hand to fund the majority of the bankable feasibility study but will have to raise additional funds through one or a combination of equity or debt offering to fund costs related to the development of the Property.

For further information on the Property please see the National Instrument 43-101 ("NI 43-101") technical report titled "Technical Report on the Quimsacocha Project, Azuay Province, Ecuador" dated July 18, 2012, filed on the Company's SEDAR profile.

2) Rio Novo, Brazil

INV Metals announced on October 27, 2014 it completed a Transaction pursuant to which it sold its remaining assets in Brazil. INV Metals no longer holds any interests in Brazil other than two retained royalty interests detailed below. The Transaction was effected through the sale of the Company's direct and indirect wholly-owned subsidiary, IML, to a private Brazilian company ("the Purchaser") in consideration for:

(i) an initial cash payment of US$1 million;
(ii) future cash payments equal to 50% of any tax losses recovered by IML, which payments are currently estimated to be up to R$5,824,687, with an initial payment of US$800,000 payable by June 25, 2015 (both subject to adjustment based upon a due diligence review);
(iii) an aggregate royalty of 0.375% on gross sales of iron ore on the Rio Novo property (subject to the right of the Purchaser to buy back such royalty by making a cash payment in the amount of US$1,250,000); and
(iv) an aggregate net smelter return royalty of 0.75% on all base and precious metals on the Rio Novo property.

INV Metals maintains exposure to 50% of any recoverable tax losses in IML, and any upside potential on the previously held Rio Novo property by retaining the royalty interests described above.

RESULTS OF OPERATIONS

The following table presents the changes between INV Metals' Consolidated Statement of Comprehensive Loss for the three and nine month periods ended September 30, 2014 and 2013.

	Three Months Ended			Nine Months Ended		
For the periods ended	**September 30, 2014**	September 30, 2013	Change	**September 30, 2014**	September 30, 2013	Change
General and administration						
Shareholder and regulatory	**$ 13,801**	$ 6,218	$ 7,583	**$ 77,720**	$ 63,112	$ 14,608
Travel expense	**3,041**	5,437	(2,396)	**6,973**	21,828	(14,855)
General exploration	**-**	1,431	(1,431)	**-**	1,431	(1,431)
(Gain)/loss on disposal of property, plant and equipment	**(9,094)**	-	(9,094)	**(24,582)**	10,900	(35,482)
Office	**86,179**	53,364	32,815	**214,950**	160,553	54,397
Total general and administration	**93,927**	66,450	27,477	**275,061**	257,824	17,237
Compensation						
Compensation	**261,390**	258,737	2,653	**973,127**	996,638	(23,511)
Stock-based compensation	**28,591**	128,659	(100,068)	**264,933**	879,685	(614,752)
Total compensation	**289,981**	387,396	(97,415)	**1,238,060**	1,876,323	(638,263)
Professional fees	**63,475**	51,923	11,552	**180,591**	256,475	(75,884)
Loss on sale of exploration properties	**-**	-	-	**-**	5,608,945	(5,608,945)
Write down or loss on sale of exploration properties	**1,766,395**	-	1,766,395	**1,766,395**	1,463,197	303,198
Fair value loss/(gain) on investments	**39,230**	(236,470)	275,700	**(53,296)**	(28,469)	(24,827)
Foreign exchange loss	**1,643**	1,137	506	**5,297**	44,054	(38,757)
Operating loss	**2,254,651**	270,436	1,984,215	**3,412,108**	9,478,349	(6,066,241)
Finance income	**(48,988)**	(64,217)	15,229	**(155,302)**	(192,748)	37,446
Total loss for the period before taxes	**$ 2,205,663**	$ 206,219	$ 1,999,444	**$ 3,256,806**	$ 9,285,601	$ (6,028,795)
Deferred tax (recovery)/expense	**(1,441)**	25,855	(27,296)	**(41,109)**	197,630	(238,739)
Total loss for the period	**$ 2,204,222**	$ 232,074	$ 1,972,148	**$ 3,215,697**	$ 9,483,231	$ (6,267,534)
Other comprehensive loss						
Cumulative translation adjustment	**(1,479,621)**	576,764	(2,056,385)	**(1,349,840)**	(814,054)	(535,786)
Total comprehensive loss for the period	**$ 724,601**	$ 808,838	$ (84,237)	**$ 1,865,857**	$ 8,669,177	$ (6,803,320)

The Company recorded a total loss of $2,204,222 or $0.04 per share in Q3/2014, compared with a total loss of $232,074 or $nil per share in Q3/2013, an increase of $1,972,148. The loss increased in Q3/2014 primarily due to the write down of the Rio Novo property and losses on investments compared to gains in Q3/2013, partially offset by lower stock-based compensation.

During the nine month period ended September 30, 2014 the Company recorded a total loss of $3,215,697 or $0.07 per share, which was $6,267,534 lower than the corresponding prior year period total loss of $9,483,231 or $0.19 per share. The loss decreased compared to the nine month period in the prior year mainly due to expenses relating to the divestiture of the Rio Novo North property in Q1/2013, the write down of the Itaporã property in Q3/2013, a deferred tax recovery as opposed to expense in 2013 and lower stock-based compensation costs, partially offset by the write down of the Rio Novo property in Q3/2014.

General and administrative expenses increased from $66,450 in Q3/2013 to $93,927 in Q3/2014, an increase of $27,477, mainly due to increased shareholder and regulatory fees as a result of the share consolidation that took place in Q2/2014, partially offset by gains on disposal of property, plant and equipment. Year-to-date general and administrative expenses increased to $275,061 by $17,237 from $257,824 in the corresponding prior year period mainly due higher office costs, partially offset by a gain on sale of vehicles at the Ecuadorian subsidiary and less travel expenses.

Shareholder information and regulatory compliance expenses totaled $13,801 for Q3/2014, compared to $6,218 in Q3/2013, resulting in an increase of $7,583. For the nine month period in 2014, shareholder and regulatory compliance expenses increased from $63,112 by $14,608 to $77,720. The increase for the three and nine month periods is primarily due to listing fees, and additional regulatory fees for the share consolidation that took place in Q2/2014.

RESULTS OF OPERATIONS (continued)

Travel expenses decreased by $2,396 from $5,437 in Q3/2013 to $3,041 in Q3/2014. Travel expenses for the year-to-date have decreased from $21,828, to $6,973, a decrease of $14,855. The decrease for the three and nine month periods compared to the prior year was mainly as a result of reduced travel.

The gain on disposal of property, plant and equipment increased by $9,094 in Q3/2014 from $nil in Q3/2013 due to sales of vehicles at the Ecuadorian subsidiary. For the nine month period year-to-date, the gain on disposal of property, plant and equipment increased by $35,482 from a loss of $10,900 in Q3/2013 to a gain of $24,582 due to sales of vehicles at the Ecuadorian subsidiary in Q1/2014 and Q3/2014. Losses in the prior year were a result of fixed asset sales in the Namibian subsidiary.

Compensation expense increased marginally from $258,737 in Q3/2013 by $2,653 to $261,390 in Q3/2014. For the nine month period to-date compensation expenses totaled $973,127 compared to $996,638 in the first nine months of 2013, a decrease of $23,511, mainly as a result of lower bonus payments that were determined in Q1/2014 to employees of the Company.

In Q3/2014 stock-based compensation expense was $28,591, a decrease of $100,068 from $128,659 in Q3/2013. The total year-to-date stock option expense of $264,933 was $614,752 lower than $879,685 in the corresponding period in 2013. The decrease for the three and nine month periods compared to the corresponding period in the prior year was mainly a result of less stock options issued to employees and directors in Q1/2014 compared to Q1/2013 at a lower stock price.

Professional fees increased by $11,552 from $51,923 in Q3/2013 to $63,475 in Q3/2014 primarily due to increased legal expenses in the quarter relating to the sale of the Brazilian subsidiary compared to the same period in the prior year. For the nine month period to-date, the professional fees decreased by $75,884, from $256,475 to $180,591 mainly due to less audit and accounting expenses compared to the same period in 2013.

The loss on sale of exploration properties in Q3/2014 and year-to-date was $nil compared to $5,608,945 in Q3/2013 from the sale of the Rio Novo North Property in Q1/2013 where the royalty asset was written off subsequent to the sale of the property.

The write down of exploration properties totaled $1,766,395 for the three and nine month periods in 2014 compared to $nil for the same periods in 2013. The loss in 2014 relates to the write downs of the Rio Novo property in Q3/2014 and to the write down of the Itaporã property in Q3/2013.

The fair value loss on investments was $39,230 in Q3/2014, increasing from a gain of $236,470 in Q3/2013 by $275,700 due to losses in the quarter on mark-to-market marketable securities held as investments. The year-to-date gain on the investments increased $24,827 to $53,296 in the nine month period, compared to a gain of $28,469 in the same period in 2013, primarily due to gains on the sale of some securities and mark-to-market gains on investments in 2014.

The foreign exchange loss increased in Q3/2014 by $506 to $1,643, compared to $1,137 in Q3/2013 due to the Canadian dollar decreasing in value relative to the Brazilian real. In the first nine months of the year in 2014, the foreign exchange loss was $5,297 compared to $44,054, a decrease of $38,757 over the same period in 2013. The decrease in the nine month period was due to less activity and lower cash balances held at the Namibian and Brazilian subsidiaries.

Interest income decreased by $15,229 from $64,217 in Q3/2013 to $48,988 in Q3/2014. Year-to-date, interest income totaled $155,302, a decrease of $37,446 from $192,748 in the corresponding period in 2013. The decrease in the three and nine month periods is due to a lower average cash balance compared to the same periods in the prior year. The Company's cash is invested in low risk, fully liquid deposits at a major Canadian chartered bank.

RESULTS OF OPERATIONS (continued)

During Q3/2014 the deferred tax recovery was $1,441, a decrease of $27,296 from an expense of $25,855 in Q3/2013, due to temporary differences on translation of non-monetary assets in the Namibian legal entity. In the first nine months of the year in 2014, the deferred tax expense decreased to a recovery of $41,109 by $238,739 from an expense of $197,630 during the same period in 2013 due to temporary differences on translation of non-monetary assets in the Namibian legal entity.

The cumulative translation adjustment increased by $2,056,385 to a gain of $1,479,621 in Q3/2014 from a loss of $576,764 in Q3/2013. For the nine month period year-to-date, the gain on cumulative translation increased by $535,786 from $814,054 to a gain of $1,349,840 compared to the same period in 2013. The increase in the three and nine month periods is due to the US dollar decreasing in value relative to the Canadian dollar. The cumulative translation adjustment is due to foreign currency translation of the assets and liabilities of the Ecuadorian legal entity, which was acquired in November 2012.

FOREIGN EXCHANGE

INV Metals reports its financial results in Canadian dollars ("C$"). The Company's expenses include costs incurred in C$, the US dollar ("US$"), the Brazilian real ("R$") and Namibian dollar ("N$"). The Canadian dollar decreased relative to the US dollar during the three month period ended September 30, 2014 as the average rate was C$1.0879/US$ compared to C$1.0390/US$ in Q3/2013. The Canadian dollar decreased relative to the US dollar for the first nine months of the year in 2014, as the average rate was C$1.0935/US$, compared to C$1.0234/US$ during the same period in 2013.

The Canadian dollar decreased relative to the Brazilian real during the three month period ended September 30, 2014 as the average rate was C$0.4783/R$ compared to C$0.4534/R$ in Q3/2013. The Canadian dollar increased relative to the Brazilian real for the first nine months of the year in 2014, as the average rate was C$0.4774/R$, compared to C$0.4838/R$ during the same period in 2013.

The Canadian dollar increased relative to the Namibian dollar during the three month period ended September 30, 2014 as the average rate was C$0.1011/N$ compared to C$0.1039/N$ in Q3/2013. The Canadian dollar increased relative to the Namibian dollar for the first nine months of the year in 2014, as the average rate was C$0.1020/N$ for the first nine months of the year in 2014, compared to C$0.1082/N$ during the same period in 2013.

The US Dollar was C$1.1328/US$, the Brazilian real was C$0.4433/R$, and the Namibian dollar was C$0.1008/N$ as at November 10, 2014.

FINANCIAL CONDITION AND LIQUIDITY

Cash and cash flows

Operating activities

The Company is not in commercial production on any of its properties and accordingly, it does not generate cash from operations. The Company finances its activities by raising capital through equity issues.

As at September 30, 2014 the Company had cash of $15,976,717 (2013 - $19,104,520) and working capital of $15,771,924 (2013 - $19,319,531).

Cash and working capital have decreased from December 31, 2013 mainly as a result of expenditures at Loma Larga and general corporate expenditures. The majority of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

FINANCIAL CONDITION AND LIQUIDITY (continued)

Cash and cash flows (continued)

Operating activities (continued)

Cash flows used in operating activities for Q3/2014 totaled $1,126,059 compared to $1,223,572 in Q3/2013. The write down of the exploration properties due to the sale of the Rio Novo property, stock-based compensation expense, change in long-term receivables, finance income and fair value gains on investments comprise the principal amounts that reconcile the statement of loss to the statement of cash flows from operating activities.

See "Contractual Obligations and Commitments" for further discussion of the Company's contractual commitments and ability to fund those commitments in connection with its business plan.

Financing activities

There were no financing activities in Q3/2014.

In management's view, given the Company had working capital of $15,771,924 as at September 30, 2014 and has a budget of $4.7 million for 2014, the Company has sufficient financial resources to fund the ongoing PFS, maintain the Property in good standing and fund ongoing operating and administrative expenditures. The results of the PFS will provide a basis to advance the Property to the next phase of evaluation, finance further exploration or consider other options. The Company will continue to be dependent on raising equity capital or debt as required unless it reaches the production stage and generates cash flow from operations.

Investing activities

Cash flows used in investing activities for the nine month period ended September 30, 2014 totaled $1,996,780 compared to $3,480,989 in Q3/2013. Investing activities decreased compared to the same period in the prior year primarily due to less expenditures at the Loma Larga Project for the nine month period, proceeds from the sale of some securities held as investments and decreases in expenditures on the Rio Novo property in Brazil and the Kaoko property in Namibia.

PREVIOUSLY DISCLOSED USE OF PROCEEDS

The following table provides an update on the use of proceeds raised in the November 14, 2012 financing, related to the Loma Larga acquisition, along with amounts expended to September 30, 2014. The Company scaled back expenditures at Loma Larga until such time that clarification is received on the medium-scale mining category and a positive PFS is announced. Management will continue to evaluate the use of proceeds as necessary.

PREVIOUSLY DISCLOSED USE OF PROCEEDS (continued)

Description		Budget Disclosed	Expenditures	Difference
Loma Larga				
Drilling	$	3,000,000	922,151	2,077,849
Exploration		4,000,000	2,512,805	1,487,195
Salaries, Benefits, Training, Hiring		2,000,000	1,328,082	671,918
Consultants and Contractors		1,000,000	50,275	949,725
Consultants and Contractors (local)		400,000	-	400,000
Camp Operations		500,000	175,367	324,633
Environment and Reclamation		400,000	423,133	(23,133)
Community Relations		600,000	502,030	97,970
Business and Property Tax		400,000	319,389	80,611
Information Technology		200,000	29,540	170,460
Vehicles, Equipment, Supplies		300,000	33,286	266,714
Travel, Meals, Accommodation		100,000	30,762	69,238
Health, Safety		100,000	69,483	30,517
Overhead		2,000,000	1,333,555	666,445
	$	**15,000,000**	**$ 7,729,858**	**$ 7,270,142**

RELATED PARTY TRANSACTIONS

The Company's related parties and subsidiaries presented in the annual consolidated financial statements for the nine month period ended September 30, 2014 are the same as those presented by the Company in its consolidated financial statements as at and for the year ended December 31, 2013.

The remuneration of directors and officers during the nine month period ended September 30, 2014 and 2013 was as follows:

		September 30, 2014		September 30, 2013
Salaries of key management	**$**	**496,975**	$	386,250
Director fees		**179,987**		165,362
Stock-based compensation*		**262,593**		872,905
	$	**939,555**	$	1,424,517

*Officers and directors also participate in the Company's stock-option and restricted share unit programs.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

	Total	Less than One Year	Between 1 - 5 Years	More than 5 Years
Exploration expenditures at Loma Larga property	$ 7,270,142	$ -	$ 7,270,142	$ -
Office, houses and office equipment leases	377,820	146,745	231,075	-
Environmental management plan	$ 252,267	$ 252,267	$ -	$ -

The Company guaranteed expenditures on the Loma Larga property of $15 million with a deadline of the earlier of March 6, 2016 or the completion and filing of a bankable feasibility study. As at September 30,

CONTRACTUAL OBLIGATIONS AND COMMITMENTS (continued)

2014 INV Metals had an outstanding expenditure commitment of approximately $7.3 million. At this time, the Company believes it has cash on hand to meet the commitment.

INV Metals renewed its lease arrangement to lease office space effective December 31, 2012. The lease will remain in effect to December 31, 2017. During the nine month period ended September 30, 2014 an amount of $238,282 was recognized in total comprehensive loss in respect of operating leases.

INV Minerales Ecuador S.A. ("Ecuador Subco") holds a term deposit relating to its environmental management plan for ongoing expenditures related to environmental matters.

QUARTERLY FINANCIAL INFORMATION

The following selected financial data has been derived from the Company's unaudited condensed interim consolidated financial statements prepared in accordance with IFRS.

For the period ended	**September 30, 2014**	**June 30, 2014**	**March 31, 2014**	**December 31, 2013**
Interest income	**48,988**	**51,438**	**54,877**	**$ 61,855**
Total loss	**(2,204,222)**	**(462,390)**	**(549,085)**	**(669,993)**
Total comprehensive income/(loss)	**(724,601)**	**(1,633,319)**	**492,063**	**428,259**
Basic and diluted total loss per share*	**$ (0.04)**	**$ (0.01)**	**$ (0.01)**	**$ (0.01)**

For the period ended	September 30, 2013	June 30, 2013	March 31, 2013	December 31, 2012
Interest income	$ 64,217	$ 60,389	$ 68,142	$ 40,182
Total loss	(232,074)	(2,196,505)	(7,054,650)	(359,023)
Total comprehensive loss	(808,838)	(1,302,821)	(6,557,516)	(458,365)
Basic and diluted total loss per share*	$ -	$ (0.04)	$ (0.14)	$ (0.02)

**Basic and diluted loss per share is calculated based on the weighted-average number of shares outstanding. The conversion of stock options, restricted share units and warrants is not included in the calculation of the diluted loss per share because the conversion would be anti-dilutive.*

The total comprehensive loss in each quarter above includes cumulative translation adjustments of the Company's Ecuadorian subsidiary beginning in Q4/2012. The total loss increased in Q3/2014 compared to Q2/2014 primarily due to the write down of the Rio Novo property, higher fair value losses on marked to market investments, partially offset by lower stock-based compensation. The total loss decreased in Q2/2014 compared to Q1/2014 primarily due to lower compensation and stock-based compensation expenses and lower office costs, partially offset by deferred tax expense in the quarter from a recovery position in Q1/2014. The total loss decreased in Q1/2014 compared to Q4/2013 primarily due to the lack of any write downs, decreased compensation expenses and gains on mark-to-market investments. The total loss increased in Q4/2013 compared to Q3/2013 primarily due to mark-to-market losses on investments that decreased from a gain position in Q3/2013 to a loss position in Q4/2013, as well as additional professional fees in the quarter for year-end audit accruals. The total loss decreased in Q3/2013 compared to Q2/2013 primarily due to the absence of any write downs and gains on mark-to-market investments in the quarter. The total loss decreased in Q2/2013 compared to Q1/2013 primarily due to a lower write down relating to the Itaporã property, compared to a higher loss on the write down the Rio Novo North royalty asset in Q1/2013, partially offset by the cumulative translation adjustment in

QUARTERLY FINANCIAL INFORMATION (continued)

the quarter. In Q1/2013 the total loss increased compared to the prior quarter primarily due to a loss on the write off the Rio Novo North royalty asset and increased compensation expenses. The total loss decreased in Q4/2012, mainly due to the write down of the Montcalm property recorded in Q3/2012. In Q3/2012 the total loss increased compared to the prior quarter due to the write down of the Montcalm property. The total loss increased in Q2/2012 from Q1/2012, mainly due to increased mark-to-market losses and deferred tax expense.

OUTSTANDING SHARE DATA

As at November 11, 2014 the Company had 49,420,975 common shares outstanding, as well as stock options to purchase 3,858,000 common shares at a weighted average price of $1.38, restricted share units of 977,674 at a weighted average price of $0.47 and 1,141,828 compensation warrants at an exercise price of $1.00 per share.

OFF-BALANCE SHEET TRANSACTIONS

During the three and nine month periods ended September 30, 2014 the Company was not involved in any off-balance-sheet transactions.

RISKS AND UNCERTAINTIES

An investment in the Company entails certain risk factors, which should be considered carefully, including but not limited to, those set out below. A discussion of these and other factors that may affect the Company's actual results, performance, achievements or financial position is contained in "Risk Factors" and elsewhere in the Company's AIF.

The Company's material property is the Loma Larga property, located in Ecuador. There is a risk that the Company may not obtain approval to operate under the medium-scale mining category, the economics of which is currently being evaluated by a PFS as previously discussed. If the Company does not obtain approval from the Ecuador government to operate as a medium-scale miner and/or the PFS does not result in positive economics such that the board of directors decides not to proceed with development, the Company may be required to write down part or all of the value currently attributed to the project as management may look to change the focus of its future activities on other assets. The current value attributed to the Loma Larga Project is approximately $33.7 million. A write down of some or all of the value of the Loma Larga Project could materially adversely affect the Company's financial condition and its ability to raise funds through financing transactions as the Loma Larga Project is currently the Company's flagship asset.

The Company is subject to political, regulatory and taxation risks associated with conducting mineral exploration and development in foreign countries, including Ecuador. The Ecuadorian government has not yet disclosed the regulations relating to the medium-scale mining category. There is a risk that the regulations will make the Project uneconomic and result in a write down of some or all of the value attributed to Loma Larga. Management will continue to monitor this and provide updates.

There is a risk that the Company may not be able to fund the development of the Loma Larga Project if it cannot raise significant equity or debt financing in the future. The Company is currently conducting a PFS which is evaluating the estimated capital costs for development and will provide an update once the PFS is complete.

The Company is subject to risks related to foreign exchange rate fluctuations. There is a risk that a weakening Canadian dollar will cause US dollar denominated expenses to be more expensive than budgeted. The Company believes it has sufficient funds to finance budgeted expenditures in a declining Canadian relative to the US dollar environment.

RISKS AND UNCERTAINTIES (continued)

INV Metals' mineral properties are in the exploration or development stage and do not contain a known body of potentially economically extractible ore or reserves. It is not yet known if the indicated or inferred resources at the Company's Loma Larga or Okohongo deposits can be converted from a resource to a reserve. If the inferred resources cannot be economically extractable, there is the potential that the Company may be required to write down part or all of the value currently attributed to the projects, which were valued at approximately $33.7 million at Loma Larga and approximately $8.5 million at Kaoko as at September 30, 2014.

INV Metals and its subsidiary are subject to the risks of not receiving all or any of the recoverable tax losses in connection with the Transaction relating to the sale of IML. The Company has currently ascribed a value of $1.2 million to those payments.

Additional principal risks affecting the Company include those summarized below which remain substantially unchanged from the disclosure contained and expanded upon in the Company's AIF and are not readily quantifiable:

Risks that the results of scoping studies, pre-feasibility and feasibility studies, and the possibility that future exploration, development or mining results will not be consistent with the Company's expectations.

Risks and uncertainties related to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations.

Risks related to the reliability of commercial laboratory's analytical results, possible variations in reserves, grade, and changes in project parameters as plans continue to be refined.

Exploration and potential future development risks, including risks related to the grant of access rights to the properties, accidents, equipment breakdowns, labour disputes (including work stoppages and strikes) or other unanticipated difficulties with or interruptions in exploration and development.

Risks related to potential delays in exploration or potential future development activities or the completion of feasibility studies.

Risks related to market sentiment, and commodity price fluctuations.

Risks related to the economic viability of a project based on changing commodity prices.

Risks related to the global economy. Recent market conditions, including disruptions in the international credit markets and other financial systems and the deterioration of the global economic conditions, could impede the Company's access to capital.

Risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities.

Risks related to environmental regulation and liability.

Risks of potential losses, liabilities and damages arising from the lack of insurance coverage related to risks of the business that are uninsured or uninsurable.

Risks related to the loss of the services of key executives, including the directors of the Company and a small number of highly skilled and experienced executives and personnel.

RISKS AND UNCERTAINTIES (continued)

Risks related to having a significant shareholder following the Loma Larga acquisition in 2012 whom, after 24 months of voting with management pursuant to the share acquisition agreement, will have significant influence on decisions to be made by shareholders.

Other risks and uncertainties related to the Company's prospects, properties and business strategy.

CORPORATE GOVERNANCE

Management and the Board of Directors (the "Board") of INV Metals recognize the value of good corporate governance and the need to adopt best practices. The Company is committed to continuing to improve its corporate governance practices in light of its stage of development and evolving best practices and regulatory guidance. INV Metals' directors have expertise in exploration, metallurgy, mining, accounting, banking, financing and the securities industry. The Board meets at least four times a year and Committees meet as required.

The Board has adopted a Board Mandate outlining its responsibilities and defining its duties. The Board has four committees (the Audit committee, the Compensation committee, the Safety, Health and Environment committee, and the Corporate Governance and Nominating committee). The Audit committee has an approved committee charter, which outlines the committees' mandate, procedures for calling a meeting, and provides access to outside resources. The Company's Safety, Health and Environmental committee has adopted a Mandate of the Safety, Health and Environmental Affairs Committee concerning the Company's treatment of environmental and health and safety matters.

The Board has also approved a Code of Business Conduct and Ethics, which governs the ethical behavior of all employees, management and directors. Separate trading blackout and disclosure policies are also in place. For more details on INV Metals' corporate governance practices, please refer to INV Metals' website at www.invmetals.com.

While the Company is subject to Canadian regulatory provisions, the Board and management incorporate strong corporate governance practices in the belief that such practices provide protection for its investors and add value to the Company. The board formally reviews the risks impacting the Company on an annual basis when it reviews and approves the AIF. In addition, the Board reviews the risks impacting the Company on an as needed basis, such as in connection with the Company's expenditures and strategy given the status of Ecuador's new mining laws.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure Controls

Disclosure controls and procedures ("Disclosure Controls") are procedures designed to provide reasonable assurance that all relevant information required to be disclosed in documents filed with securities regulatory authorities is recorded, processed, summarized and reported on a timely basis, and is accumulated and communicated to the Company's management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosure. Management, including the CEO and the CFO, does not expect that the Company's Disclosure Controls will prevent or detect all error and all fraud. The inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any, within the Company have been detected.

Internal Controls over Financial Reporting

National Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings", issued by the Canadian Securities Administrators ("CSA") requires the CEO and CFO to certify that they are

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING (continued)

Internal Controls over Financial Reporting (continued)

responsible for establishing and maintaining Disclosure Controls for the issuer, that Disclosure Controls have been designed to provide reasonable assurance that material information relating to the issuer is made known to them, that they have evaluated the effectiveness of the issuer's Disclosure Controls, and that their conclusions about the effectiveness of those Disclosure Controls at the end of the period covered by the relevant annual filings have been disclosed by the issuer.

INV Metals' CEO and the CFO have evaluated the effectiveness of the Company's Disclosure Controls as at September 30, 2014 and concluded that, subject to the inherent limitations noted above; those disclosure controls were effective for the nine month period then ended.

National Instrument 52-109 also requires CEO's and CFO's to certify that they are responsible for conducting an evaluation of the effectiveness of internal controls over financial reporting ("ICFR"), as defined by the CSA, for the Company, that the ICFR have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian GAAP, and that the Company has disclosed any changes in its ICFR during its most recent year that has materially affected, or is reasonably likely to materially affect, its' financial reporting.

As discussed above, the inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any, within the Company have been detected. Therefore, no matter how well designed, ICFR has inherent limitations and can provide only reasonable assurance with respect to financial statement preparation and may not prevent and detect all misstatements.

Management conducted an assessment of the effectiveness of ICFR in place as of September 30, 2014 and concluded that such procedures are adequate and effective. The board of directors assesses the integrity of the public financial disclosures through the oversight of the Audit Committee. No material changes in ICFR have been made as of September 30, 2014.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this document constitute "forward-looking statements" and are based on current expectations and involve risks and uncertainties, referred to above and/or in INV Metals' AIF in respect to the year 2014, that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in the forward-looking statements. Examples of such forward looking statements include statements regarding financial results and expectations for 2014, future anticipated results of exploration programs (including, without limitations, with respect to the Loma Larga and Kaoko properties), including, but not limited to, interpretation of drill results, uncertainty surrounding metallurgical test results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, and the possibility that future exploration, development or mining results will not be consistent with the Company's expectations, metal prices, demand for metals, currency exchange rates, political and operational risks inherent in mining or development activities, legislative factors relating to prices, taxes, royalties, land use, title and permits, importing and exporting of minerals, environmental protection, expenditures on property, plant and equipment, increases and decreases in reserves and/or resources and anticipated grades and recovery rates and are or may be based on assumptions and/or estimates related to future economic, market and other conditions. This list is not exhaustive and should be considered carefully by prospective investors, who should not place undue reliance on such forward-looking statements. Factors that could cause actual results, developments or events to differ materially from those anticipated include, among others, the factors described or referred to elsewhere herein including, without limitation, under the heading "Risks and Uncertainties" and in the AIF, and include

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS (continued)

unanticipated and/or unusual events as well as actual results of planned exploration programs and exploration risk. Many of such factors are beyond INV Metals' ability to control or predict. Actual results may differ materially from those anticipated. Readers of this MD&A are cautioned not to put undue reliance on forward looking statements due to their inherent uncertainty. Forward-looking statements are made based upon management's beliefs, estimates and opinions on the date the statements are made, which management believes are reasonable, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law. These forward-looking statements should not be relied upon as representing management's views as of any date subsequent to the date of this MD&A. Additional information, including interim and annual consolidated financial statements, the AIF, management information circulars and other disclosure documents, may also be examined and/or obtained through the Internet by accessing INV Metals' website at www.invmetals.com or by accessing the Canadian SEDAR website at www.sedar.com.