

FPS Pharma Inc.

(formerly Mill City Gold Corp.)

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

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Background

This discussion and analysis of financial position and results of operations is prepared as at January 28, 2016. The Management's Discussion and Analysis ("**MD&A**") should be read in conjunction with the unaudited interim financial statements for the nine months ended September 30, 2015 and the audited financial statements of the Company for the year ended December 31, 2014 and related notes thereof which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). Except as otherwise disclosed, all dollar figures included therein and the following MD&A are presented in United States dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

Company Overview

Historically, the Company's principal business activities were the acquisition of rights to explore for minerals and the exploration of acquired rights. In August 2015, the Company attempted to acquire Florida Pharmacy Solutions, Inc. ("**FPSI**"), a company incorporated under the laws of the State of Florida, USA, specializing in non-narcotic pain creams as well as creams for wound management, scar management, neurology management, nausea management, dermatology and bio-identical hormones. As the Company was not able to secure control of all of FPSI's assets, the transaction was not completed.

On September 9, 2015, the Company's common shares were de-listed from the TSX Venture Exchange and commenced trading on the Canadian Securities Exchange ("**CSE**") on September 10, 2015 in United States dollars under the trading symbol "FPS.U-C" The Company's outstanding convertible securities (consisting of stock options and share purchase warrants) are not listed.

The Company entered into a settlement agreement (the "**Settlement Agreement**") dated December 4, 2015 with J. Lester Alexander III, as Liquidating Trustee of Franklin Pharmacy, LLC (the "**Liquidating Trustee**"), Mr. James Wesley Moss ("**Wes Moss**"), Cary Moss and FPSI for the settlement of certain legal actions (the "**Actions**") involving the Company, the transfer of all of the issued shares of FPSI to the Trustee and cancellation of 25 million escrowed common shares in the capital of the Company (the "**Escrowed Shares**") which were issued by the Company, repayment by the Company of certain advances to FPSI and certain other matters. The Settlement Agreement has received final approval of the United States District Court for the Northern District of Alabama (the "**District Court**"). Based on the events that transpired in relation to the FPS Transaction (as hereinafter defined) as set out below, the Company's financial statements for the period ended September 30, 2015 (the "**Financial Statements**") reflect that the acquisition did not occur with no shares issued and no assets transferred. In addition, the Company, through a wholly owned subsidiary, plans to continue operating in the pharmaceutical business through marketing prescription based pharmaceutical products as well as over-the-counter pharmaceutical products throughout Asia. See "Litigation and Settlement Matters" below.

Forward Looking Statements

All statements made in this MD&A, other than statements of historical fact, are forward looking statements. The Company's actual results may differ significantly from those anticipated in the forward looking statements and readers are cautioned not to place undue reliance on these forward looking statements. Except as required by securities regulations, the Company undertakes no obligation to publicly release the results of any revisions to forward looking statements that may

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be made to reflect events or circumstances after the date of this MD&A or to reflect the occurrence of unanticipated events.

Forward looking statements include, but are not limited to, statements with respect to the timing of the development of new ventures, currency fluctuations, requirements for additional capital, government regulations, environmental risks, limitations on insurance coverage and the timing and possible outcome of pending litigation and the settlement of same. In certain cases, forward looking statements can be identified by the use of words such as “plans”, “expects”, or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” “does not anticipate”, “believes”, or variations of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. Such factors include, among others, risks related to the integration of acquisitions; risks related to international operations; actual results of current activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the pharmaceutical industry; delays in obtaining governmental approvals or financing or in the completion of development activities; risks relating to the timing of obtaining the final approval order for the settlement agreement. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward looking statements, there may be other factors that cause actions, events or results to not be as anticipated, estimated or intended. There can be no assurance that forward looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking statements.

Evaluation and Exploration Projects

The Company’s only exploration and evaluation asset was the Croxall Property located in Northern Ontario. As the Company has made minimal expenditures on the property over the past three years and undertook a Change of Business (see “Litigation and Settlement Matters” below), its investment in the Croxall Property has been written off.

Financial Condition / Capital Resources

Historically, the Company’s activities have been funded through equity financings and short term shareholder loans. The financial condition and resources of the Company remain uncertain and it is expected that the Company will be funded through equity financings until it develops cash flows from operations, subject to stock market and general economic conditions. There is no assurance, however, that the Company will be successful in its efforts.

As of September 30, 2015, the Company had a working capital deficit of \$747,607. The net result of (i) the purported completion of the acquisition of the issued shares of FPSI and (ii) the completion of the Settlement Agreement has been effectively an advance of US\$2 million in funds to the Company, of which US\$400,000 was repaid in accordance with the Settlement Agreement, US\$131,925.63 was used to pay expenses of FPSI and the balance of US\$1,468,074.37 was satisfied and extinguished in full. See “Litigation and Settlement Matters - Settlement of Intercorporate Loan Between FPSI and the Company” below.

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To support operations over the next year the Company requires financing from equity or debt. If such funds are not available or other sources of finance cannot be obtained, then the Company will be forced to curtail all its activities until funding is available and can be obtained.

Selected Financial Data

The table below presents selected financial information, expressed in U.S. dollars, for the Company's most recently completed quarters.

Historically, the Company's functional currency and its financial statements have been presented in Canadian dollars. Following the FPS Transaction, and recognizing the primary economic environment in which the Company operates, its functional currency and its financial statements are now presented in United States dollars. The Company's financial statements have been converted to United States dollars on a retrospective basis using historical exchange rates. Foreign exchange gains and losses resulting from the conversion are recognized in comprehensive loss.

	2015			2014				2013
	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30	June 30	Mar. 31	Dec. 31
	\$	\$	\$	\$	\$	\$	\$	\$
Net Income (Loss):	(623,528)	(386,282)	(143,790)	(126,163)	(27,735)	(154,325)	(224,181)	(151,877)
Basic and diluted income per share	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)
Working capital	(747,607)	(518,468)	(338,827)	(196,026)	(70,076)	(536,141)	(376,454)	(192,201)
Total assets	1,269,369	360,718	359,125	363,033	359,434	335,284	341,598	344,785
Total long-term liabilities	-	-	-	-	-	-	-	-

Analysis of the nine months ended September 30, 2015 versus the nine months ended September 30/14

For most of 2015, the Company has been seeking an investment in a different business sector - pharmaceutical compounding (see "Litigation and Settlement Matters" below).

Expenses in the nine months ended September 30, 2015 were \$771,699, an increase of \$358,737 from the same period last year. Significant increases were \$60,000 in management fees and \$22,500 in office services as management did not invoice for the full nine months in 2014. In addition, an increase of \$244,766 for share based compensation resulted from the award of 1,700,000 stock options in May 2015 and the re-pricing of 800,000 stock options in September 2015. During the current nine months, the Company wrote off reclamation costs of \$10,200 on a US property, wrote off its only mining property (Croxall in Northern Ontario) for \$345,759, and recorded the fair value liability of \$38,743 for warrants outstanding; these amounts were partially offset by exchange gains of \$12,802 in the nine months of 2015 compared to gains of \$6,721 in the previous year.

The net loss in the nine months ended September 30, 2015 was \$1,153,599 or \$0.02 per share, compared to a loss of \$406,241 or \$0.01 per share in the prior year.

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Analysis of the three months ended September 30, 2015 versus the three months ended September 30, 2014

The Company incurred expenses of \$244,673 in the three months ended September 30, 2015 compared with expenses of \$34,296 in the same period of 2014. Increases were realized in almost all cost categories as the third quarter of 2014 was a period of cost conservation whereas, during the third quarter of 2015, the Company was dealing with a number of matters relating to the FPS Transaction. The major increases were \$60,000 for management fees, \$44,000 for financial consulting, \$22,500 for officer services, and \$48,494 for stock based compensation for re-pricing stock options. During the current quarter, the Company wrote off its only mining property at a cost of \$345,759, and recorded the fair value liability of \$38,743 for warrants outstanding; these amounts were partially offset by exchange gains of \$5,647 in the three months of 2015 compared to gains of \$6,561 in the previous year.

The net loss in the nine months ended September 30, 2015 was \$623,528 or \$0.01 per share, compared to a loss of \$27,735 or \$0.00 per share in the prior year.

Transactions with Related Parties

Transactions with key management personnel include:

- During the nine months ended September 30, 2015, management fees of \$180,000 (2014 - \$120,000), office services of \$90,000 (2014 - \$67,500) and rent of \$22,500 (2014 - \$17,500) were expensed or paid to the Chief Executive Officer and the Chief Financial Officer respectively.
- Included in accounts payable and accrued liabilities at September 30, 2015 is \$4,027 due to directors.

Outstanding Share Data

On June 10, 2013 the Company's shares were consolidated on a basis of 17:1, and on August 29, 2014, the Company's shares were split on a basis of 1:2; all references to share transactions are on a post-consolidated and post-split basis.

The Company's authorized share capital is an unlimited number of common voting shares of no par value. As at September 30, 2015, there were 54,431,030 common shares issued and outstanding. There were 705,884 warrants outstanding, exercisable at Cdn. \$0.85 until March 30, 2017 and there were 3,794,118 options outstanding, exercisable at prices ranging from Cdn. \$0.03 to Cdn. \$1.36 and expiry dates ranging from October 2015 to May 2020.

Business Development

The Company, through its wholly owned subsidiary, FPS Pharma Asia Limited, has opened subsidiary offices in Hong Kong and Jakarta, Indonesia where it intends to market pharmaceutical products internationally.

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Litigation and Settlement Matters

Background

Pursuant to a letter agreement dated August 3, 2015 between the Company and FPSI (the “**Letter Agreement**”), the Company agreed to acquire 100% of the issued and outstanding shares of FPSI from the four shareholders of FPSI (the “**Vendors**”) for US\$12.5 million through the issuance of 25 million Escrowed Shares at a deemed value of US\$0.50 per share, which shares were deposited in escrow (the “**FPS Transaction**”).

In connection with the FPS Transaction, Wes Moss, then president and director of FPSI and a 33.33% shareholder of FPSI (i.e., one of the Vendors), became a director of the Company effective August 21, 2015 and retained his positions as a director and an officer of FPSI.

In early September 2015, the Company was advised by legal counsel for FPSI of allegations by the Liquidating Trustee in the Northern District of Alabama. On September 14, 2015, the Company received a copy of the complaint filed by the Liquidating Trustee, which alleges that Wes Moss was instrumental in arranging the fraudulent conveyance of assets of Franklin Pharmacy, LLC to FPSI and that Wes Moss has significantly benefited by obtaining ownership of FPSI (the “**Civil Action**”). The Company had no knowledge concerning the alleged facts and circumstances prior to the FPS Transaction. On September 15, 2015, the Company issued a press release in which it announced its intention to vigorously defend the Civil Action and to continue to operate FPSI as a compounding pharmacy at its business premises in Zephyrhills, Florida.

On or about September 23, 2015, the Company received a letter from Wes Moss’s New Jersey attorney through the Canadian Securities Exchange (the “**CSE**”), a copy of which was also provided to the Alberta Securities Commission. The letter advised that it is Wes Moss’s intention to take action to set aside the transactions contemplated under the FPS Transaction. The Company had asked that this letter be retracted.

At around this time, it came to the Company’s attention that Wes Moss had taken funds belonging to FPSI by removing all of the signing authorities on the Company’s various bank accounts and keeping himself as sole signing authority, including a US\$1,015,796.82 certified cheque drawn on FPSI’s account at Centennial Bank in Pasco County, Florida and the proceeds of a bank transfer in the amount of US\$1,104,654.55 made from the FPSI account at Chase Bank NA (the “**Funds**”).

The Company took steps to, among other things, terminate the employment of Wes Moss and remove Wes Moss as a director and officer of FPSI effective September 23, 2015. The Company also scheduled its next annual general meeting held on December 14, 2015 at which management did not nominate Wes Moss for election as a director of the Company. In addition, as detailed below with respect to the Settlement Agreement, Wes Moss has resigned as a director of the Company.

Wes Moss also caused to be filed a Complaint (the “**Moss Litigation**”) on behalf of FPSI (and himself) in the United States District Court for the Middle District of Florida on October 7, 2015.

In the Liquidating Trustee action pending in the Northern District of Alabama, the Company obtained a temporary restraining order (“**TRO**”) against Wes Moss on October 6, 2015, which was converted into a preliminary injunction on October 15, 2015, enjoining Wes Moss from, among other things, taking possession of any cash, inventory or other property of FPSI and acting on

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behalf of FPSI in any manner whatsoever, including the filing of any legal proceeding, whether in state or federal court, on behalf of FPSI. Wes Moss was further ordered to immediately dismiss, in its entirety, the Moss Litigation he caused to be filed on October 7, 2015 on behalf of himself and FPSI in the United States District Court for the Middle District of Florida in direct violation of the TRO. Pursuant to the Settlement Agreement, Wes Moss has agreed to dismiss the Moss Litigation against the Company and its directors and officers.

The Company successfully negotiated the return of US\$1,015,796.82 removed by Wes Moss from the FPSI account at Centennial Bank, less attorneys fees paid by agreement to Centennial Bank. Of the remaining US\$1,104,654.55, US\$700,000 remains frozen in a Chase Bank Account controlled by Wes Moss. The balance was used by Wes Moss as operating capital for FPSI.

On October 29, 2015, FPSI filed its crossclaim against Wes Moss alleging breach of fiduciary duties, fraud, conversion, and other wrongful conduct which has caused damage to FPSI.

Settlement Agreement

After weighing the costs and benefits of entering into what could become an acrimonious and protracted legal dispute with the Liquidating Trustee and Wes Moss and extensive consultation with legal counsel, management decided to pursue settlement negotiations with the Liquidating Trustee as a mitigative measure.

In early December, 2015, after extensive negotiations among the Company, the Liquidating Trustee, Wes Moss and their respective legal counsel, the parties agreed to enter into the Settlement Agreement to enable the various legal actions to be settled and dismissed between the parties and to allow FPSI business to be transferred to the Liquidating Trustee while allowing the Company to be able to continue in the pharmaceutical business as described below.

Under the Settlement Agreement, the parties agreed to seek entry of an order of the District Court (the "**Preliminary Approval Order**") providing for, among other things, approval of the Settlement Agreement, the deadline by which creditors may file any objection to the Settlement Agreement and scheduling of the hearing date (the "**Final Approval Hearing Date**") for a judgment of the District Court (the "**Final Approval Judgment**").

Following entry of the Preliminary Approval Order (which was granted on December 4, 2015) and prior to the Final Approval Hearing Date, among other things:

- the then directors and officers of FPSI, being James Brown, Janice Brown and Pierre Joncas, resigned effective immediately following entry of the Preliminary Approval Order;
- Wes Moss assumed day-to-day management of the operations (including the bank accounts) of FPSI in accordance with the terms of the Settlement Agreement;
- the Company received the resignation of Wes Moss as a director of the Company; and
- the Company transferred to the Liquidating Trustee the sum of US\$400,000.

In accordance with the terms of the Settlement Agreement, the parties appeared at the hearing on the Final Approval Hearing Date to seek the Final Approval Judgment.

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The Final Approval Judgment was granted on December 18, 2015 and provided for, among other things:

- a finding of the District Court that any and all claims, demands and causes of action of any type or description arising out of or relating to (A) the Company's acquisition of common stock of FPSI; (B) the issuance to the then FPSI shareholders of the Escrowed Shares; and (C) the subsequent cancellation of such Escrowed Shares are the sole and exclusive claims of FPSI and may not be filed or pursued by any other person, whether purportedly acting in an individual or derivative capacity and all such claims may be released by FPSI as part of the settlement; and
- dismissal of the Civil Action with prejudice as to the Company.

Following the entry of the Final Approval Judgment, among other things:

- the Company was deemed to have delivered to the Liquidating Trustee, all common stock of FPSI in the ownership, custody or control of the Company;
- Wes Moss and Cary Moss (collectively, "**Moss**") were deemed to have delivered to the Company all Escrowed Shares in their possession, custody or control and Moss released the Company from any claim, demand or obligation of any type or description pertaining to the Escrowed Shares issued to FPSI's then shareholders and the subsequent cancellation of such shares;
- Wes Moss dismissed the Moss Litigation with prejudice as to the Company, Mill City Gold Corp., James R. Brown, Janice Brown, Pierre Rodrigue Joncas, Herbert Leary, Robert Hubbard and Gordon McKinnon;
- the Letter Agreement and the escrow agreement dated August 20, 2015 between Moss, the Company, Barbara Bode and Lindsay Fladd were terminated and are of no further force or effect;
- FPSI, Wes Moss and Cary Moss provided general releases in favour of the Company and the Liquidating Trustee;
- the Company provided general releases in favour of FPSI, Wes Moss, Cary Moss and the Liquidating Trustee; and
- FPSI delivered to the Company the indemnity and hold harmless agreement in substantially the form attached as Exhibit B to the Settlement Agreement.

A copy of the Settlement Agreement is available on SEDAR at www.sedar.com under the Company's profile.

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Settlement of Intercorporate Loan Between FPSI and the Company

Following the FPS Transaction in August, 2015, FPSI transferred an aggregate of US\$2,000,000 on September 2, 2015 to the Company, as a non-interest-bearing intercorporate loan (the “**Loan**”). Subsequent to such transfer, the Company paid a total of US\$131,925.63 in expenses on behalf of FPSI. To satisfy one of the its obligations under the Settlement Agreement, the Company has transferred the sum of US\$400,000 to the Liquidating Trustee. FPSI and the Company have agreed that (i) the payment by the Company of the sum of US\$400,000 to the Liquidating Trustee in accordance with the Settlement Agreement and the sum of US\$131,925.63 paid by the Company on FPSI’s behalf (of which US\$38,142 was paid prior to September 30, 2015 and US\$93,783 was paid after period end) constitutes a partial repayment of the Loan in an aggregate amount of US\$531,925.63, leaving a remaining balance of US\$1,468,074.37 (the “**Remaining Balance**”) in respect of the Loan and (ii) the Remaining Balance is satisfied and extinguished in full. The Remaining Balance was derecognized from the Company’s accounts on December 18, 2015, being the date on which settlement became legally effective, and a gain on extinguishment of the financial liability of \$1,568,074 was realized in net income at the same time; both as are required by IAS 39 *Financial instruments: recognition and measurement*.

Financial Statements for the Period Ended September 30, 2015

Based on the events that transpired in relation to the FPS Transaction, the Financial Statements reflect that the acquisition did not occur with no shares issued and no assets transferred. The Company believes that this treatment is supportable and the most appropriate accounting treatment under the applicable provisions of IFRS.

Under IFRS 10 *Consolidated Financial Statements* (in which “control” is discussed), an investor controls an investee if and only if the investor has all of the following:

- i. power over the investee;
- ii. exposure, or rights, to variable returns from its involvement with the investee; and
- iii. the ability to use its power over the investee to affect the amount of the investor’s returns

The Company is of the view that, although the Company believed it had legal control over FPSI, a review of the documents relating to the FPS Transaction revealed certain deficiencies, including the following, which shows that the Company may not have achieved legal control over FPSI for the following reasons:

- i. the vendor parties to the acquisition agreement were not the shareholders who were transferring their FPSI shares to the Company but FPSI was the vendor party;
- ii. there was no formal closing of the FPS Transaction whereby the vendor shareholders signed all necessary documents to transfer the FPSI shares to the Company;
- iii. only two of the vendor shareholders signed the escrow agreement to deposit their portion of the Escrowed Shares in escrow;
- iv. the FPSI shares to be acquired by the Company pursuant to the FPS Transaction were never registered in the name of the Company as would be the case of the closing of a transaction of the nature of the FPS Transaction; and

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- v. the Company never was able to realize any corporate profits from the purported acquisition of all of the issued shares of FPSI, and

furthermore, actual and *de facto* control was not fully achieved as a result of the fact that Wes Moss had taken control of certain of the Company's bank accounts without the apparent authority and possibly the legal authority to do so as well as the actions taken by the Trustee and Wes Moss as evidenced by the Actions which called into question the Company's ability to effectively operate the FPSI business.

Taking into account all of the foregoing and because of the uncertainty in sustaining the Company's legal position with respect to the acquisition of all of the issued shares of FPSI and the likely substantial costs both from a financial and time point of view in continuing to pursue its position while allowing the Company to continue to pursue its business objectives in the pharmaceutical business other than through FPSI, the Company came to the conclusion that the Settlement Agreement would be in the best interests of the Company and its shareholders.

The net result of (i) the purported completion of the acquisition of the issued shares of FPSI and (ii) the completion of the Settlement Agreement has been effectively an advance of US\$2 million in funds to the Company, of which US\$400,000 was repaid in accordance with the Settlement Agreement, US\$131,925.63 was used to pay expenses of FPSI and the balance of US\$1,468,074.37 was satisfied and extinguished in full.

Accordingly, the Company is of the view that (i) the matters that arose after September 30, 2015 were an "adjusting subsequent event"; and (ii) to disclose these two events as two separate transactions with their apparent legal and practical uncertainties (which uncertainties will, as a result of the Settlement Agreement, never be resolved due to the fact that there will never be any determination by the courts) would be misleading and not reflective of the true effect of the transactions.

The Company's Pharmaceutical Business Plan

The Company, through a wholly owned subsidiary, plans to continue operating in the pharmaceutical business through marketing prescription based pharmaceutical products as well as over-the-counter pharmaceutical products throughout Asia.

The Company has incorporated a wholly owned subsidiary in Hong Kong named "FPS Pharma Asia Limited" ("**FPS Pharma Asia**"). FPS Pharma Asia has set up offices in Jakarta, Indonesia as well as Hong Kong.

FPS Pharma Asia will market its products through "Country Licensees", who in turn have established, what the Company believes are reliable and successful marketing networks. FPS Pharma Asia has identified the following countries for its market: Indonesia, Malaysia, Thailand, Cambodia, Peoples Republic of China, Philippines, Australia, New Zealand, Singapore and Vietnam. FPS Pharma Asia has currently identified country licensees in Indonesia, Malaysia, Thailand, Cambodia and the Philippines.

FPS Pharma Asia expects to joint venture the marketing of its products in Indonesia and is currently awaiting cost estimates for the manufacturing of various prescription based pharmaceutical products from one of the largest pharmaceutical manufacturing companies in the world based in New Zealand.

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FPS Pharma Asia has also identified several over-the-counter nutritional products in the baby food industry as potential areas for expansion.

Furthermore, the Settlement Agreement provides that nothing therein constitutes a non-compete covenant of any nature and no such covenant shall arise as a result of the Settlement Agreement, and each party to the Settlement Agreement may continue its business, trade, or professional pursuits, whatever they may be and whether in the pharmaceutical business or otherwise, without reference from any other party and without any claim by any other party that such business, trade, or professional could constitute a corporate opportunity or otherwise could give rise to a civil claim of any nature whatsoever. Each of the parties has agreed that it will not assert any claim inconsistent with this provision following the entry of the Final Approval Judgment.

Risks Inherent in the Pharmaceutical Compounding Business

The Company's ability to continue its operations is dependent on its ability to generate revenue and/or obtain additional financing. Should the Company be unable to generate sufficient revenues and/or obtain additional financing, it may have no alternative but to significantly curtail, or cease to carry on, business operations.

Legal proceedings

The nature of the Company's business may subject it to numerous regulatory investigations, claims, lawsuits, and other proceedings. The result of these legal proceedings cannot be predicted with certainty. There can be no assurances that these matters will not have a material adverse effect on the Company.

Credit risk

Credit risk arises due to the potential for one party to a financial instrument to fail to discharge its obligations and cause the other party to suffer a loss. Financial instruments that potentially subject the Company to credit risk consist of cash and amounts receivable. The maximum credit risk represented by the Company's financial assets is represented by their carrying amounts. The Company holds its cash with financial institutions that are believed to be creditworthy. The Company does not believe it is exposed to significant credit risk.

Liquidity risk

Liquidity risk arises when adequate funds cannot be raised to settle liabilities and commitments when they become payable. The Company manages its liquidity by maintaining adequate cash to meet anticipated cash needs. As at September 30, 2015, the Company had a working capital deficiency of \$747,607 and anticipates relying on cash flow from operations to meet its obligations.

Foreign currency risk

The Company is not subject to foreign exchange rate risk as the Company does not enter into transactions in a currency other than the Company's functional currency, which is the United States dollar.

Investor Relations Activities

The Company provides information packages to investors; the package consists of materials filed with regulatory authorities.