



SENATOR MINERALS INC
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SNR: TSX-V

MANAGEMENT DISCUSSION & ANALYSIS
For the Three Months Ended March 31, 2014
Date Prepared: May 29, 2014

General

The following management discussion and analysis (“MD&A”) for Senator Minerals Inc. (“Senator” or the “Company”) for the three months ended March 31, 2014 should be read in conjunction with the Company's Consolidated Interim Financial Statements for the three months ended March 31, 2014 and the Company's Audited Consolidated Financial Statements and accompanying notes for the year ended December 31, 2013. The Consolidated Interim Financial Statements together with the following MD&A are intended to provide readers with a reasonable basis for assessing the financial performance of the Company.

All dollar figures presented are expressed in Canadian dollars unless otherwise noted. Financial statements and summary information derived therefrom are prepared in accordance with International Financial Reporting Standards (“IFRS”).

Forward Looking Information

Information set forth in this MD&A may involve forward looking information under applicable securities laws. Forward looking information is information that relates to future, not past, events. In this context, forward looking information often addresses expected future business and financial performance, and often contains words such as “anticipate”, “plan”, “estimate”, “expect”, and “intend”, statements that an action or event “may”, “could”, “should”, or “will” be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the future expenditures and capital needs of the Company and the future exploration on, and the development of, the Company's projects are forward looking information. By its nature, forward looking information involves known and unknown risks, uncertainties and other factors which may cause Senator's actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward looking information. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the potential for conflicts of interest among certain officers, directors or promoters

with certain other projects; the absence of dividends; competition; dilution; the volatility of the Company's common share price and volume and the additional risks identified in the "Risk Factors" section of this MD&A, and other reports and filings with applicable Canadian securities regulations.

Forward looking information is in addition based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long term price of commodities; that the Company can access financing, appropriate equipment and sufficient labor and that the political environment will continue to support the development and operation of mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward looking information. Accordingly, readers are advised not to place undue reliance on forward looking statements. Forward looking information is made based on management's beliefs, estimates and opinions on the date that information is given and the Company does not intend to update forward looking statements or information, except as may be required by applicable law.

Description of Business and Overview

The Company was incorporated in the Province of Ontario, is listed on the TSX Venture Exchange (symbol: "SNR"), and has its principal, registered and records office at 1600 - 609 Granville Street, Vancouver, B.C. V7Y 1C3.

The Company is in the business of acquiring, exploring and evaluating mineral resource properties, and either joint venturing or exploring and evaluating these properties further or disposing of them when the evaluation is completed.

Material Events/Transactions Since December 31, 2013

On January 13, 2014 Senator announced that it had acquired an option to earn an undivided 100% interest in the Harbey Gold Project: approximately 488 hectares located 5 kilometers north of Cowichan Lake, Vancouver Island, BC. The Option can be earned by paying \$130,000 (paid) and completing \$3,500,000 in exploration expenditures within three years of the date of signing the agreement.

Additional information relating to the Company is available at www.sedar.com.

Exploration and Evaluation Assets

The Company's oldest exploration interest is its 100% interest in the Taurus property, a porphyry copper-molybdenum-gold deposit in the Tintina Gold Belt in southeastern Alaska, being part of the White Gold mineral trend centered in the Yukon. The Taurus property was the most significant property in Senator's portfolio in the mid-1990s, with substantial previous work by majors before Senator (known then as Cross Canada Resources). The property was lost but re-acquired on a 100% basis in 2004. Because of the perceived size and projected costs of exploration of Taurus the Company is weighing alternatives available to it, ranging from financing further work to enhance the value of the project to finding a major company to earn an interest in the property.

During exploration for gold on Ivanhoe Creek, one of Senator's optioned Nevada properties, a bentonite deposit of undetermined size was discovered. Consequently, seven placer claims

were staked in order to acquire the right to exploit this deposit in the event it proves economic. In April 2012, Senator sold its 50% interest in the IC Bentonite claims for a nominal \$100 and retained a 3% Production Royalty.

In November, 2012, the Company identified an opportunity in the Yukon, comparatively close to its 100%-owned Taurus property in southeastern Alaska. Through staking the Company acquired a 50% interest in the Mustang property. In December 2012, the Company sold its 50% interest to an arms-length private company for \$50,000 cash.

In an acquisition finalized and announced May 31, 2011, the Company acquired a 100% interest in the 20 claim Rosebud property, Mohave County, Arizona. A 100% interest in the property, net of a 3% Net Smelter Returns ("NSR"), was optioned to an arms-length private company, IDH Gold LLC ("IDH Gold"), on March 6, 2012 (Initial payment of \$15,000US (received). The optionor was also required to make further option payments as follows: \$15,000US on March 6, 2013 (received); \$25,000US on March 6, 2014 (received); and \$75,000US on March 6, 2015. Lastly, IDH Gold has agreed to pay the Company up to \$185,000US in common shares of IDH Gold if and when it obtains a common share listing on a recognized Canadian or US stock exchange. IDH Gold may also repurchase up to one percentage point of the NSR for a series of payments, totaling \$110,000US up to the fourth anniversary of the Agreement or by paying \$900,000US at any time up to the date of first commercial production from the property.

Effective April 29, 2013, in consideration of the termination and cancellation of various service agreements, the Company assigned the rights to any future payments received from IDH Gold, in connection with this option agreement, to a former director.

On January 13, 2014 the Company acquired an option to earn an undivided 100% interest in the Harbey Gold Project, British Columbia. The option can be earned by paying \$130,000 and completing \$3,500,000 in exploration expenditures within three years of the date of signing the agreement.

Financial Information

A summary of selected financial information for the most recent three fiscal years is as follows:

<i>(IFRS)</i>	2013 \$	2012 \$	2011 \$
Total revenue	6,000	104,514	392,446
Net and comprehensive loss (income)	151,745	87,022	(66,610)
Net loss (income) per share, basic and diluted	0.05	0.08	0.06
Total assets	142,420	28,671	4,490

Overall Performance and Discussion of Operations

Summary of Quarterly Results and Financial Position

Quarter ended	Mar-31	Dec-31	Sep-30	Jun-30	Mar-31	Dec-31	Sep-30	Jun-30
	2014	2013	2013	2013	2013	2012	2012	2012
		\$	\$	\$	\$	\$	\$	\$
General and administrative expenses	7,399	38,025	17,906	131,142	31,683	24,673	39,288	56,134
Net loss (income) for the quarter	137,399	38,025	17,906	91,931	3,883	(16,852)	42,143	34,655
Loss (income) per Share, basic and diluted	0.01	0.01	0.01	0.03	0.00	(0.01)	0.04	0.03
Total assets	1,775	202,420	77,603	65,262	55,777	28,671	29,337	37,964
Total liabilities	26,787	90,033	524,191	493,944	392,528	361,539	379,119	345,694

General and administrative expenses were substantially lower in the first three months of 2014 in comparison to the same period in 2013: \$7,399 versus \$31,683. As a result of the initial option payment for the Harbey Gold Project (\$130,000) in January the Company incurred a loss of \$137,399 (\$0.01 per share) in the first three months of 2014. In the 2013 quarter, after a sale of a mineral property interest for \$25,000, Senator incurred a loss of \$6,683 (\$0.01 per share). The decline in general and administrative costs in the first three months of 2014 when compared with the 2013 period reflects the Company's cost-cutting and reorganization efforts:

- Communications, Interest, Occupancy and travel costs were all \$NIL in the 2014 period compared with \$1,178, \$5,595, \$1,800 and \$73 in the 2013 first quarter, respectively;
- Filing and listing fees were \$5,200 in the first three months of both 2014 and 2013; this amount being the TSX Venture Exchange annual filing fee payable in the first quarter of every year;
- In the first three months of 2014 management fees were \$3,000 versus \$11,625 in the first three months of 2013, again a result of cost-cutting and reorganization efforts;
- Office and general and transfer agent costs were comparable in the first quarters of 2014 and 2013, already being reduced to the lowest possible levels; and
- In the first three months of 2014 Senator benefitted from a recovery of \$2,659 in professional fees compared with an outlay of \$4,462 in professional fees in the 2013 period.

Liquidity and Capital Resources

Liquidity

The consolidated interim financial statements have been prepared using International Financial Reporting Standards ("IFRS") on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the

foreseeable future.

The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. While management is attempting to raise additional cash through private placements of common shares, alliances with other mineral exploration and mining entities, and/or other business and financial transactions, no definite proposals have been received to date. Management is closely monitoring the commodity prices of precious and base metals, individual equity movements and the stock markets to determine the appropriate course of action to be taken by the Company.

The audited consolidated financial statements do not include any adjustments relating to the recoverability and reclassification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

The Company is in the process of exploring and evaluating its exploration and evaluation assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves and upon future production or proceeds from the disposition thereof.

	<u>December 31, 2013</u>	<u>December 31, 2013</u>
Working Capital (deficiency)	\$ (25,012)	\$ 112,387
Deficit	(7,775,332)	(7,637,933)

As of March 31, 2014, the Company had cash of \$796 (December 31, 2013 - \$141,001). Cash used in operating activities in the first three months of 2014 was \$140,205 compared to \$27,744 in the first quarter of 2013. Senator undertook no investing activities in either the 2014 or 2013. In the first three months of 2013 Company received loans totalling \$26,600 from potential equity investors.

In future capital must be obtained from debt or equity financing. See "Risk Factors". providing working capital loans to the Company. On October 30, 2013 these loans plus accrued interest were repaid.

Share Capital

As at December 31, 2013 and April 28, 2014, the details of share capital were as follows:

Authorized:

Unlimited number of common shares without par value
Unlimited number of special shares issuable in series without par value

Common shares issued:

11,152,179 common shares issued for cash \$7,423,151

On June 14, 2013, the Company's shares were consolidated on the basis of one new share for forty old shares as authorized by its shareholders at the Company's annual general and special meeting held on May 24, 2013. As a result of the share consolidation the number of common

shares issued and outstanding was 1,152,179, taking into account rounding of fractional shares. All references to share and per share amounts have been retroactively restated to reflect the share consolidation.

On October 29, 2013 the Company closed the first tranche of a non-brokered private placement, which consisted of 8,000,000 units. On November 12, 2013 the Company closed the second tranche, which consisted of 2,000,000 units. The price of each unit was \$0.06 for aggregate gross proceeds of \$600,000. Each unit is comprised of one common share of the Company and one warrant exercisable to acquire a common share of the Company at \$0.08 per share for five years.

Warrants outstanding:

10,000,000 warrants outstanding, exercisable at \$0.08 per common share, for a period of five years, expiring as to 8,000,000 warrants on October 29, 2018 and 2,000,000 on November 12, 2018.

Related Party Transactions and Balances

Related Party Transactions

During the period ended March 31, 2014, the aggregate amount of expenditures made to parties not at arm's length to the Company consists of the following:

- (a) The Company paid rent, communications, office, and bookkeeping services in the amount of \$NIL (2013: \$11,280) to Seguro Consulting Inc., a company controlled by a former director of the Company;
- (b) The Company incurred interest expense on a loan payable to Lana Simon, a former director, in the amount of \$NIL (2013: \$5,595). The debt was assigned to arms' length parties on September 3, 2013 and repaid on October 30, 2013.

Key Management Compensation

Key management compensation for the period ended March 31, 2014 consisted of management fees in the amount of \$NIL (2013: \$10,500) paid to Seguro Consulting Inc., a company controlled by a former director of the Company.

During the period ended March 31, 2014, the Company incurred management fees in the amount of \$3,000 (2013: \$Nil) to Richard Grayston, director.

Commitment

Pursuant to an agreement dated April 29, 2013, two agreements with a company controlled by a director and officer were terminated, with the director and officer also resigning on this date. In consideration for the cancellation of these two agreements, and the resignation, the former director and officer and the company controlled by him are entitled to any cash received by the Company from IDH Gold pursuant to its option on the Rosebud property. In addition, these same parties are entitled to receive any IDH Gold common shares issued to the Company pursuant to the IDH Gold special warrants if/when IDH Gold obtains a listing on an acceptable stock exchange in Canada or the USA.

Critical Accounting Estimates

The preparation of audited consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in the financial statements. The Company constantly evaluates these estimates and assumptions.

The Company bases its estimates and assumptions on past experience and other factors that are deemed reasonable under the circumstances. This involves varying degrees of judgment and uncertainty, thus the amounts currently reported in the audited consolidated financial statements could prove to be inaccurate in the future.

Outlook

In the next 6 - 12 months, depending on sufficient financing, the Company intends to concentrate on the acquisition of new assets to expand its project portfolio. The focus of these acquisition activities will be on properties with near-term resource potential. The ability of the Company to do so is contingent upon its ongoing ability to raise the capital necessary to acquire new assets. Management is concerned about the state of the economy and the lack of liquidity in the market for junior mineral exploration company shares. As mentioned elsewhere in this MD&A the Company is striving to find financing opportunities and alternatives. Despite the best efforts of management there is no assurance that the Company will be successful in raising additional funds.

Accounting Policies

For a complete summary of the Company's accounting policies, and future accounting policies, see Note 2 of the audited consolidated financial statements of the Company for the year ended December 31, 2013.

Adoption of new accounting standards

The following standards, amendments and interpretations have been adopted by the Company as of January 1, 2013. There was no impact on the consolidated financial statements as a result of the adoption of these standards, amendments and interpretations.

- IFRS 10, Consolidated Financial Statements
- IFRS 11, Joint Arrangements
- IFRS 12, Disclosure of Interests in Other Entities
- IFRS 13, Fair Value Measurement
- IAS 28, Investments in Associates and Joint Ventures

Risk Factors

The exploration of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not overcome. Certain of the more immediate risk factors are discussed below:

Exploration, evaluation and development

Mineral exploration, evaluation and development involve a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and evaluation activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that presently identified mineralization can be mined at a profit. Discovery of mineral deposits is dependent upon a number of factors and significantly influenced by the technical skill of the exploration personnel involved.

The commercial viability of a mineral deposit is also dependent upon a number of factors, some of which are beyond the Company's control such as commodity prices, exchange rates, government policies and regulations and environmental protection.

Financing

The Company does not currently have any operations generating cash to fund projected levels of exploration and evaluation activity and associated overhead costs. The Company is therefore dependent upon debt and equity financing to carry out its exploration and evaluation plans. There can be no assurance that such financing will be available to the Company. In the future, the Company will require additional funding to maintain its mineral properties in good standing. The lack of additional financing could result in delay or indefinite postponement of further exploration and possible, partial or total loss of the Company's interest in its exploration and evaluation assets.

Commodity price volatility

The market prices for commodities are volatile. The Company does not have any control over such prices or volatility. There is no assurance that if commercial quantities of mineralization are discovered, a profitable market will exist for a production decision to be made or for the ultimate sale of production at a profit. As the Company is currently not in production, no sensitivity analysis for price changes has been provided.

Off Balance Sheet Arrangements

The Company has no such arrangements as at the date hereof.

Financial Instruments

The Company's financial instruments consist of cash, amounts receivable, and trade and other payables. The fair value of the Company's amounts receivable and trade and other payables approximate their carrying value, due to their short-term maturities or ability of prompt liquidation.

For a complete summary of the Company's financial instrument risks see note 4 of the March 31, 2014 consolidated interim financial statements.

Events After the Reporting Period

There were no material events after March 31, 2014 to the date hereof.

Approval

The board of directors of the Corporation has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.