ACME RESOURCES INC.

Management Discussion and Analysis

For the Six Months Ended December 31, 2013

INTRODUCTION

The following management discussion and analysis (MD&A) of the financial position of Acme Resources Inc. ("Company") and its investment in Golden Harp Resources Inc. (GHR) and results of operations should be read in conjunction with the unaudited condensed interim financial statements and accompanying notes for the six months ended December 31, 2013. The unaudited condensed interim financial statements together with the following management discussion and analysis are intended to provide readers with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to potential future performance. All statements, other than those of historical fact, included in this MD&A, including without limitation, statements regarding potential mineralization and reserves, exploration results and future plans and objectives of the Company, are forward-looking statements that involve various risks and uncertainties. There can be no assurance such statements will prove accurate and actual results and future events could differ materially from those anticipated in such statements.

DATE

This MD&A includes material occurring up to and including February 24, 2014.

FORWARD LOOKING STATEMENTS

This MD&A contains certain statements that may constitute "forward looking statements". Forward looking statements include, but are not limited to, statements regarding future anticipated property acquisitions, the content, cost, timing and results of future anticipated exploration programs, the anticipated discovery and delineation of mineral resources/reserves, proposed business and financing plans (including private placements of equity securities), anticipated business trends and potential future operating revenues. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions or are those which, by their nature, refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward-looking statements as a result of various factors, including, but not limited to, the Company's inability to negotiate successfully for the acquisition of interests in mineral properties, the Company's inability to identify one or more economic deposits on its properties, variations in the nature, quality and quantity of any mineral deposits that may be located, the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

Historical results of operations and trends that may be inferred from this MD&A may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations.

All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via www.sedar.com under Acme Resources Inc. and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

DESCRIPTION OF BUSINESS

Acme Resources Inc. was incorporated in the Province of British Columbia. The Company was a reporting issuer in British Columbia and its shares traded on the TSX Venture Exchange under the symbol ARI. The Company is engaged in the acquisition, exploration and developing of mineral properties in British Columbia, Saskatchewan and the Yukon Territory. The Company is currently focusing on identifying exploration new opportunities and joint ventures for its properties.

OVERALL PERFORMANCE

At this time, the Company does not own any operating mines and has no operating income/sales from mineral production. Funding for operations is raised primarily through public and private share offerings. Future operations and the Company's ability to meet mineral property option commitments are dependent on the Company's ability to raise sufficient funding through share offerings or operations to support current and future expenditures. At December 31, 2013, the Company had working capital deficit of $51,620.

Realization of the carrying value of mineral interests is dependent upon funding, the ability of the Company and third parties to bring mineral interests into profitable production, or recovery from sale.

The unaudited condensed interim financial statements have been prepared on a going concern assumption which contemplates the Company will continue in operation and realize its assets and discharge its liabilities in the normal course of operations. Should the going concern assumption not continue to be appropriate, further adjustments to carrying values may be required.

RESULTS OF OPERATIONS – MINERAL PROPERTIES

A cash amount of $68,939 was spent on mineral interests during the six months ended December 31, 2013 net of a $10,559 recovery of some assets received for cash. Net loss in the three month period ended December 31, 2013 was $31,423 compared to a net loss of $60,151 for the same period in the prior year, reflecting a net overall decrease in loss of $28,728. The primary cause for the reduction in net loss was the recorded difference in loss from equity investment in Golden Harp Resources (2013 - $Nil; 2012 - $27,479) Most other line items remained relatively consistent year over year. The Company also saw a decrease in professional fees of $4,048. Financing costs of $6,721 and interest of $2,521 were also expensed during the three month period ended December 31, 2013. There were no financing costs and interest expense during the same period the previous year.

MINERAL INTERESTS UPDATE

Investment in Golden Harp ("GHR"):

During the fiscal year ended June 30, 2010, the Company completed a prospecting program to advance and prioritize targets for a future drill program. Approximately twelve areas of interest associated with induced polarization (IP) targets and/or magnetic anomalies were examined. On the west shore of North Foley Lake a strongly sheared and heavily carbonate altered quartz eye porphyritic intrusive was identified on the south side of a strong IP anomaly covered by low lying ground. The North Foley IP target appears to be related to a historical drill hole (CH05-14) under North Foley Lake a short distance east of the Golden Harp IP zone. Hole CH05-14 ended prematurely in disseminated sulphide mineralization hosted within altered leucoxene mafics marking the start of a new gold zone. Historical assays near the end of this hole returned 1.1 g/t gold over 1.4 metres from 347.1 to 348.5 metres, and the last metre of the hole assayed 1.35 g/t gold from 350 to 351 metres. At this time there is a distinct possibility that the IP target adjacent to the porphyry intrusive is representative of the strike extension of the new gold zone found at the bottom of CH05-14. Further drilling is required to fully evaluate this priority target. Further, sulphide zones with limited exposure were noted on two of the priority geophysical target areas and these zones returned anomalous gold values. Drilling is warranted to definitively evaluate these targets. The Company did not conduct any additional exploration during the current fiscal year.

Benton Resources and Mineral Mountain Resources Exploration on the Block A Option Ground:
During the first quarter of 2010, Benton continued an aggressive exploration program and began its second drill program on the Block A ground. The drill program was designed to follow up on the previously released high-grade results from the Cook Zone and to test the strike length of the MC Zone. The Cook Zone was subject to the first three holes. The remaining bulk of the drilling was focused on the MC Zone where exploration programs during the summer of 2009 identified a strike extensive coincident induced polarization chargeability response and soil geochemical anomaly up to 900 metres long where individual samples returned greater than 0.5 g/t gold with the highest value returning 5.11 g/t gold. This target occurs along strike to the north west of the MC Zone where diamond drilling in 2008 by Golden Harp intersected 3.6 g/t gold over 9.0m (including 14.29 g/t Au over 2.0m) from hole GH-019. A substantial drill program is planned to systematically test the new coincident soil and IP anomaly and the MC Zone. Prospecting and geological mapping programs continued concurrently.

Benton's exploration program also identified a new gold zone (the Crocker Zone) with assay results of up to 9.65 grams per tonne (g/t) gold (Au) from surface grab samples. A total of 20 samples were collected over a strike length of 340 metres (m) with values ranging from 0.012 g/t to 9.65 g/t Au. Five of the samples returned gold values of greater than 2.0 g/t Au (9.65, 9.50, 6.07, 2.27 and 2.24 g/t Au) while 9 samples returned values ranging from 0.15 to 0.81 g/t Au. This new zone is located approximately 300m north of the MC zone Like the MC zone, the Crocker Zone is hosted within pyrite-rich green carbonate altered ultramafic volcanic rocks.

During the second quarter of 2010 Benton Resources issued the drill results from the Phase 2 drill program on the Block A option ground. A compilation of Phase 1 and Phase 2 results for holes GH09-01 to GH09-10 on the Cook Zone identified a bulk tonnage gold target which includes intercepts of 1.69 g/t gold over 37.6 meters from GH09-01, 2.05 g/t gold over 45.1 metres from GH09-02, 1.36 g/t gold over 15 metres from GH09-09 and 0.92 g/t gold over 27 meters in GH09-10. See NR, November 20, 2009 for further details.

In addition, drilling identified wide zones of highly anomalous gold mineralization from the MC zone as well as from several Induced Polarization (IP) and soil geochemical targets located between the Cook and MC zones.

The Phase Two drill program included; three holes (GH09-08 to GH09-10) which tested the Cook zone, three holes (GH09-21 to

GH09-23) which tested the MC zone and 11 holes (GH09-11 to 20 and GH09-23) which tested various IP and soil geochemical exploration targets located between the Cook and MC zones.

Benton issued drill results from the Phase 3 drill program on Block A during the last quarter of fiscal 2010. The 12 hole, 2,852 meter drill program consisted of a series of stratigraphic fences designed to test a wide area of low grade gold mineralization and alteration associated with the MC and Crocker zones. This altered and mineralized stratigraphy is over 300 meters in width and is bounded by two north-northwest faults splaying off of the Hydro Creek fault. Previous drilling by Golden Harp Resources (GH drill holes) and by Benton (GH09 drill holes) have intersected significant intervals of gold mineralization including 0.90 g/t Au over 43.8 meters (GH-25), 0.62 g/t Au over 28.3 meters (GH-23), 4.5 g/t Au over 7.0 meters and 0.68 g/t Au over 20.5 meters (GH-19) and 0.43 g/t Au over 56 meters (GH09-22). The drilling program was cut short due to the spring breakup.

Mineral Mountain announced a 3,500 meter drill program at the Cook zone during the fiscal year ended June 30, 2011. The program was expanded to 10,000 meters during the current quarter. The drill program has been successful in expanding gold intersections to a depth of 300 m.

Highlights of the assays include:

- GH10-38 intersected 4.66 g/t Au over 14.0 m including 13.01 g/t Au over 4.0 m
- GH11-41 intersected 3.17 g/t Au over 15.0 m including 9.29 g/t over 4.05 m and 31.11 g/t Au over 1.05 m
- GH11-44 intersected 3.46 g/t Au over 13.25 m including 5.17 g/t over 6.9 m and 10.28 g/t Au over 1.0 m
- GH 11-53 intersected 67.5 m assaying 1.00 g/t Au including 13.5 m assaying 2.04 g/t

During the 2012 fiscal year Mineral Mountain announced the results for an additional 6 diamond drill holes (GH11-55 to 59) at the Cook zone. Highlights of these results were:

- GH11-60 intersected 7.04 m assaying 4.284 g/t Au within a broader interval of 24.5 m assaying 2.444 g/t Au
- GH11-59, the deepest intersection in the Cook Zone to date at -400 m vertical, intersected 3 separate gold zones of 4.3 m grading 4.4 g/t Au, 3.0 m grading 2.7 g/t Au and 38.0 m grading 0.822 g/t Au.

During the 2012 fiscal year, Mineral Mountain announced final assay results of an additional 5 diamond drill holes (GH11-61 to 65) from the on-going drill program at the Cook zone. Highlights of these holes included:

- GH11-65 intersected 4.5 m assaying 5.69 g/t Au within a broader interval of 16.5 m assaying 2.07 g/t Au between 151.5 m to 168.0 m
- GH11-64 supports the northwest plunge intersected 4.5 m grading 4.8 g/t Au, from 241.5 to 246 m down hole.

Mineral Mountain also announced the final results of a combined 64 hole reverse circulation (RC) drilling program and a 292 shovel pit sampling program covering both the Main Block and Block A. This RC sampling technique has proven to be highly effective in identifying and pinpointing the best gold zones within large gold systems. The program succeeded in identifying a very fertile N-S gold corridor located in the northern part of Block A that is up to 5 km long ranging from 200 to 600 m wide.

The Company entered into a separate option agreement with Mineral Mountain Resources Inc. on the Main Block ground in August, 2010. The Main Block Property covers two historic gold occurrences including the Golden Sylvia Gold Zone and the North Foley Lake Gold Zone and represents one of the largest prospective land packages in the Shining Tree Mining Camp including a total of 504 of the 855 claim units in the Company’s claim block. On December 9, 2011, Mineral Mountain informed Golden Harp that it did not intend to proceed with the option on the Main Block.

There was no material exploration on the Main Block or Block A during fiscal year ended June 30, 2013 and the six month period ended December 31, 2013. The Company wrote down the value of its interests in the Copper Hill property during the fiscal year ended June 30, 2013.

The technical information regarding the Benton Resources Corp. exploration results is extracted from press releases issued by Benton Resources Corp. and technical information regarding the Mineral Mountain Resources Ltd. exploration results is extracted from press releases issued by Mineral Mountain Resources Ltd.

NOR PROPERTY, Yukon - Copper/Gold/Uranium

The Nor IOCG (iron oxide-copper-gold) property is located on the east flank of the Richardson Mountains, about 65 km east of the Dempster Highway and 395 km north of Dawson City. The Nor Property consists of 448 mineral claims in the Dawson Mining

District, Yukon Territory. A total of 396 claims were acquired through staking. The remaining 52 claims are held pursuant to an Option Agreement dated October 28, 2004. During fiscal 2009 the Company earned a 100% interest in the property. The Company paid $207,500 cash and issued 66,667 shares.

A total of 402 claims are subject to a 2% NSR royalty. The Company has the right to purchase 50% of the NSR royalty retained by the Optionor for a purchase price of $2,000,000 and the right of first refusal on the remaining 50%.

Exploration Activity on the Nor

The Company made $68,9 39 in exploration expenditures on the Nor property during the six months ended December 31, 2013. These funds were spent to remove the camp that had been used during previous exploration programs. This allows for the closure of the existing exploration permit. The current exploration permit expires in May 2014. Subsequent to the end of the quarter, the Company received a Certificate of Closure for its exploration permit on the Nor property indicating remediation is complete at the site.

BEAR RIVER PROPERTY, BC - Gold

The Company's Bear River property is located in the Skeena Mining Division, BC, in the historic Stewart Gold Camp. After expiry of the Old John claim during the fiscal year ended May 31, 2010, the Company owns 100% interest in only one (and a fraction) mineral claims, covering an approximate area of 475 hectares (1,175 acres), with the one claim being subject to a 3.5% NSR.

Exploration Activity on the Bear River Property

The Company incurred no exploration expenditures on the Bear River property during the fiscal year. The Company is seeking a strategic partnership to accelerate the evaluation of the mineral potential of the Bear River property.

MIDDLE LAKE PROPERTY, Saskatchewan - Uranium

The Middle Lake uranium property is located in the uranium-rich Athabasca Basin. During October, 2004, the Company staked 1 claim, consisting of 5,990 acres in the Athabasca Basin area of Saskatchewan. The Company’s claim, in the Cluff Lake Structure, also known as the Carswell Dome, is located on the west side by the mining licenses of the past producing Cluff Lake Mine. The claim covers 2,416 hectares (5,970 acres). Acme Resources Inc. granted an option to Alpha Exploration Inc. (“Alpha”) (formerly ESO Uranium Corp.) to acquire a 50% interest in the property in return for $25,000 cash consideration, 200,000 shares and a $100,000 work commitment. During the fiscal 2009, Alpha met the terms of the option agreement and has a 50% interest in the property.

Pursuant to a Joint Venture Agreement dated July 24, 2008, the Company granted Alpha a further 30% interest in the claim, resulting in the third party having a 80% undivided interest in the property, subject to the delivery of a bankable feasibility study. The Company will retain a carried interest until the feasibility study is delivered, at which time the Company will have the choice to take on a 20% participating interest in a new company to operate the production facility or take on a 2% gross overriding royalty for all uranium mineral products and a 2% net smelter returns royalty for all other metals.

Alpha will return all the Company’s interest in any of the claims upon a decision by Alpha to terminate work thereon. The 2008 Joint Venture Agreement remains in good standing.

During the quarter, Alpha announced that it was commencing the winter 2014 exploration program on the Middle Lake which will be comprised of gravity surveying and diamond drilling.

FINANCIAL SUMMARY

During the three month period ended December 31, the Company raised $Nil from private placements. The Company entered into a loan agreement with a relative of a director of the Company for $100,000 during the first quarter ended September 30, 2013. The note is evidenced by a term promissory note due August 7, 2014, or earlier upon default by the Company. The term promissory note bears interest at the rate of 10% per annum payable quarterly.

The Company spent $68,939 (after recoveries) on its mineral interests or exploration expenditures during the six month period ended December 31, 2013. Other components of the Company’s expenses for the period ended December 31, 2013 included office and miscellaneous expenses of $9,985, consulting fees of $8,425, financing costs of $6,721 and interest expense of $2,521. There was a net increase in cash and cash equivalents of $8,724 for the six month period ended December 31, 2013.

RESULTS OF OPERATIONS

Net loss in the three month period ended December 31, 2013 was $31,423 compared to a net loss of $60,151 for the same period in the prior year. The primary contributor to the difference between periods was the decrease in loss from equity investment from $27,479 during the period ended December 31, 2012 to $Nil during the current three month period. Given the Company has made limited exploration expenditures, expenses are primarily comprised of general administrative costs which remain relatively constant between periods. Large differences in net loss in recent periods have been a result of write-downs on exploration assets and investments (see below).

SUMMARY OF QUARTERLY RESULTS

The following table sets forth a comparison of revenues and earnings for the previous eight quarters ending with December 31, 2013. Financial information is presented in Canadian dollars and is prepared in accordance with IFRS.

	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Mar 31, 2012	Dec 31, 2012	Sep 30, 2012	Jun 30, 2012	Mar 31, 2012
Net income (loss)	(31,423)	(24,526)	(1,300,021)	(47,274)	(60,151)	(41,577)	(721,705)	(51,890)
Net income (loss) per share (Basic and diluted)	(0.003)	(0.002)	(0.117)	(0.004)	(0.004)	(0.004)	(0.067)	(0.005

Discussion

The Company is an exploration company without revenues. During the fourth quarter of the 2012 fiscal year a write-down of $649,127 on the investment in Golden Harp caused an increase in losses for the Company. During the fourth quarter of 2013 the impairment of exploration and evaluation assets of $820,915 and the loss from the Company’s equity investment of $532,611 increased the loss considerably.

The operating results of junior exploration companies are capable of demonstrating wide variations from period to period due to variances in exploration expenditures and write-downs of mineral properties. Other than the descriptions regarding administrative costs already discussed, management of Acme Resources does not believe that meaningful information about the Company’s operations can be derived from an analysis of quarterly fluctuations in any more detail than presented herein.

The Company's significant accounting policies are set out in Note 2 of the unaudited condensed interim financial statements for the period ending December 31, 2013. Only new or changes to significant accounting policies are included. A complete list of significant accounting policies can be found in the annual audited financial statements for the year ended June 30, 2013. All financial amounts are in Canadian dollars.

The condensed interim unaudited financial statements for the six month period ending December 31, 2013 have been prepared on a going concern assumption which contemplates the Company will continue in operation and realize its assets and discharge its liabilities in the normal course of operations as disclosed in Note 1 of the unaudited interim financial statements.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2013, the Company held cash and cash equivalents of $47,429 compared to $56,153 at June 30, 2013. Accounts payable and accrued liabilities of $12,894 are comprised of normal trade payables for ongoing operations and accrued liabilities.

The Company has sufficient cash to continue funding its current property maintenance and administrative costs for the remainder of the current fiscal year. The Company will need to raise further funds should it decide to undertake future exploration programs and/or acquire additional exploration assets.

The Company periodically seeks additional financing through the issuance of equity. While the Company has been successful in raising capital in the past, there can be no assurance it will be able to do so in the future.

The Company has no material debt obligations, other than short-term liabilities incurred in normal activities. The Company has no long-term debt.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements that would potentially affect current or future operations, or the financial condition of the Company.

TRANSACTIONS WITH RELATED PARTIES

The Company incurred the following related party transactions with companies that are controlled by a relative of a director of the Company.

	Six months ended			
		December 31, 2013		December 31, 2012
Financing costs – relative of a director of the Company	$	10,667	$	-
Interest expense – relative of a director of the Company		4,028		-
Travel and transport fees – company controlled by relative of a director of the Company		14,676		-
	$	29,371	$	-

Key management personnel compensation

	Six months ended			
		December 31, 2013		December 31, 2012
Consulting fees - payments made to officers	$	1,425	$	2,000
Consulting fees - payments made to a director		4,500		-
	$	5,925	$	2,000

Related party balances

The Company advanced $3,068 (June 30, 2013 – $3,045) to Golden Harp, which is included in prepaid expenses and deposits at December 31, 2013.

A promissory note of $100,000 (June 30, 2013 – $NIL) plus accrued interest of $4,028 (June 30, 2013 – $NIL) is payable to a relative of a director of the Company.

Included in trade payables and accrued liabilities at December 31, 2013 is $1,575 (June 30, 2013 – $NIL) owing to a director of the Company for accrued consulting fees and $1,250 (June 30, 2013 – $650) to an officer of the Company for accrued consulting fees.

SUBSEQUENT EVENTS

There were no material events to report on subsequent to the end of the current period.

PROPOSED TRANSACTIONS

The Company does not currently have any proposed transactions approved by the Board of Directors. All current transactions are fully disclosed in the unaudited interim financial statements for the period ended December 31, 2013.

ACCOUNTING POLICIES

Basis of preparation

Significant accounting policies can be found in Note 2 of the financial statements for the period ended December 31, 2013. A complete list of significant accounting policies can be found in Note 2 of the audited annual financial statements for the year ended June 30, 2013. The condensed interim financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The condensed interim financial statements are presented in Canadian dollars unless otherwise noted.

These financial statements include an equity interest in Golden Harp Resources Inc. (“Golden Harp”), a company listed on the TSX-V. The Company’s ownership interest in Golden Harp was 40.5% at December 31, 2013 (June 30, 2013 - 40.5%). The carrying value of the Company’s investment in Golden Harp was reduced to zero as of June 30, 2013, primarily as a result of recording the Company’s proportionate share of impairment charges and items impacting other comprehensive income.

The Company’s ownership interest is accounted for using the equity method, however, the Company has suspended applying the equity method as the Company’s share of cumulative losses equals its investment and the Company has no obligation or intention to fund such additional losses.

New Accounting Standards Effective January 1, 2013

New standard IFRS 10 “Consolidated Financial Statements”

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation - Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

Amended standard IAS 1 “Presentation of Financial Statements”

The IASB has amended IAS 1 to require entities to separate items presented in other comprehensive income (“OCI”) into two groups, based on whether or not items may be reclassified into profit or loss in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately. These new and amended standards are effective for the Company beginning on July 1, 2013.

There has been no material effect from the new standards on the Company’s consolidated financial statements.

Accounting standards issued by not yet effective

New standard IFRS 9 “Financial Instruments”

This new standard is a partial replacement of IAS 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013.

Amended standard IAS 32 “Financial Instruments: Presentation”

In December 2011, the IASB amended IAS 32 “Financial Instruments: Presentation” as part of its offsetting financial assets and financial liabilities project. IAS 32 was amended to clarify certain items and address inconsistencies encountered upon practical application of the standard.

The amended version of IAS 32 applies retrospectively to annual periods beginning on or after January 1, 2014.

The Company has not early adopted these standards and is currently assessing the impact that these standards will have on its condensed interim financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed interim financial statements.

RISKS AND UNCERTAINTIES

Resource exploration is a speculative business and involves a high degree of risk. There is no certainty that the expenditures made by the Company in the exploration of properties will result in discoveries of commercial quantities of minerals. Exploration for mineral deposits involves risks which even a combination of professional evaluation and management experience may not eliminate. Significant expenditures are required to locate and estimate ore reserves, and further the development of a property. Capital expenditures to bring a property to a commercial production stage are also significant. There is no assurance the Company has, or will have, commercially viable ore bodies. There is no assurance that the Company will be able to arrange sufficient financing to bring ore bodies into production. The following are some of the risks to the Company, recognizing that it may be exposed to other additional risks from time to time

- Limited business history of the Company, including lack of revenues and no assurance of profitability
- Dependence on key management personnel
- Reliance on availability and performance of independent contractors
- Challenges by other unknown parties to property title
- Environmental issues
- Federal and provincial political risk
- Commodity price risk
- Financial markets

The Company is diligent in minimizing exposure to business risk, but by the nature of its activities and size, will always have some risk. These risks are not always quantifiable due to their uncertain nature. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on forward-looking statements.

OUTSTANDING SHARE CAPITAL

At February 19, 2014, the Company had the following number of securities outstanding:

Securities	Number	Exercise Price	Expiry Date
Common shares issued and outstanding	11,324,855	N/A	N/A
Share purchase warrants	6,486,667	\$0.16 - \$1.50	6 August 2014 to 12 May 2015
Share purchase options	650,000	\$0.22 - \$0.25	14 Jan 2015 to 09 December 2015
Fully diluted share Capital	18,461,522	N/A	N/A

ADDITIONAL INFORMATION

Additional information relating to the Company's news releases and filings can be found on the SEDAR website: www.sedar.com.

DISCLOSURE BY VENTURE ISSUER WITHOUT SIGNIFICANT REVENUE

An analysis of the material components of the Company's general and administrative expenses is disclosed in the unaudited interim condensed financial statements for the period ended December 31, 2013 to which this MD&A relates. An analysis of the material components of the acquisition and deferred exploration costs of the Company's mineral property is disclosed in Note 8 to the unaudited interim condensed financial statements for the period ended December 31, 2013 to which this MD&A relates.

DISCLAIMER

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.SEDAR.com) No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.