ACME RESOURCES INC.

Management Discussion and Analysis

For the Six Months Ended December 31, 2014

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, 2014. 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 17, 2015.

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, 2014, the Company had working capital deficit of $146,661.

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

There were no expenditures on mineral interests during the three months ended December 31, 2014. Net loss in the three month period ended December 31, 2014 was $18,830 compared to a net loss of $31,423 for the same period in the prior year, reflecting a net overall increase in loss of $15,593. Most line items remained relatively consistent year over year although the Company did record financing costs of Nil compared to an expense of $6,721 during the previous year. Consulting fees were also reduced to $3,750 compared to $8,425 during the previous year..

EXPLORATION EXPENDITURES

Investment in Golden Harp Resources Inc.

Background on Golden Harp Resources Inc.

Golden Harp Resources Inc. ("GHR") was incorporated on May 3, 2006 as a subsidiary of Acme Resources Inc. for the purpose of "spinning -off" to the Company's shareholders its various mineral properties located in the Shining Tree Area in the Abitibi Greenstone Belt of Northeast Ontario.

The Return of Capital Shares were issued to Acme Resources Inc. in fiscal 2006 when 10,000,000 GHR shares were issued to the Company in consideration of the transfer by the Company of the Copper Hill claims at a deemed issue price of $0.32 per share. During fiscal year 2008, GHR gained reporting issuer status and completed an initial public offering and listed its shares on the TSX Venture Exchange. During the fiscal year ended June 30, 2014, Golden Harp consolidated its capital on a 10 old shares for one new share basis. Acme Resources currently holds 1,000,000 shares of Golden Harp.

Copper Hill Property, Ontario

Golden Harp's Copper Hill property is located 100 kilometres south of Timmins, between Shining Tree and Gowganda, 87 kilometres southwest of Kirkland Lake along Highway 560 in Northern Ontario, Canada. It consists of 855 contiguous claim units covering approximately 145 square kilometers in the Larder Mining District of the prolific Abitibi Greenstone Belt. There are a number of high priority gold and base metal targets on the property, which require further evaluation.

Historical work to date on the various gold occurrences has shown that there is good potential for the property to host both narrow-vein, high-grade targets and near-surface, bulk tonnage targets. The property also hosts a number of base metal occurrences in and around the Copper Hill Zone. Further, there are also numerous additional gold and base metal occurrences, which have received limited or no exploration and require evaluation.

The property was 100%-owned subject to certain mineral claims, which are subject to net smelter royalties ("NSR") varying from 1% to 3%. The Company or its Joint Venture (for the Block A property) is entitled to purchase all or part of the NSRs depending on the underlying option agreements.

The Company entered into an option agreement with Benton Resources Inc. on the Block A ground in June, 2009. The Block A Property represents 351 of the 855 claim units in the northeastern portion of the Company's claim block. Benton could earn up to a 70% interest by spending $3 million in exploration, issuing the Company cash and common shares of Benton. On October 26, 2010, Mineral Mountain Resources Inc. assumed all obligations under the Benton Resources Inc. option agreement. Mineral Mountain Resources Ltd. has fulfilled all conditions and has met all terms to earn a 70% interest in Block A of the Company's Property at Shining Tree. The Company and Mineral Mountain have formed a Joint Venture on the Block A property.

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. The Company has not completed any exploration on the property since the cancellation of the Mineral Mountain option. All Block A claims are currently in good standing until at least March, 2015.

Golden Harp Exploration

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.

There has been no material exploration on the Main Block or Block A during fiscal year ended June 30, 2014. 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

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. During fiscal 2009 the Company earned a 100% interest in the property. The Company paid $207,500 cash and issued 66,667 shares.

Certain 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%.

During the year ended June 30, 2014, fuel left on the Nor Property was removed in order to satisfy permit requirements. The fuel was then sold and resulted in a recovery of $10,559. Subsequent to the removal of the fuel and other items left on site, the Yukon Ministry of Energy, Mines and Resources issued a Certificate of Completion for the Company’s exploration permit.

The Company completed no exploration on the Nor property during the current fiscal year.

Bear River Property, BC

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.

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.

M*iddle Lake Property, Saskatchewan*

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 Minerals Inc. ("Alpha") (previously ESO Uranium Corp.) an 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 completed and released the results of a 3,287 meter drill program in 31 holes in the Donna zone at the Middle Lake property during the 2014 fiscal year. It was also announced that ten holes showed elevated radioactivity and strong alteration. The Alpha team considers the first phase of drilling to have been an encouraging first step towards locating shallow mineralization that may be associated with a source area of the historical Donna boulder field located down-ice to the southwest. Further information regarding the results of the winter drill program can be found in Acme's press release dated April 1, 2014.

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.

FINANCIAL SUMMARY

During the three month period ended December 31, 2014, the Company raised $Nil from private placements. The Company has entered into three loan agreements with a relative of a director of the Company for a total of $140,000, along with $15,185 of accrued interest. . The notes are evidenced by a term promissory notes due August 7, 2015 (for $100,000), July 16, 2015 (for $20,000), and November 19, 2014 (for $20,000) or earlier upon default by the Company. The term promissory notes bear interest at the rate of 10% per annum payable quarterly.

The Company spent $Nil (after recoveries) on its mineral interests or exploration expenditures during the three month period ended December 31, 2014. Other components of the Company's expenses for the period ended December 31, 2014 included office and miscellaneous expenses of $7,130, consulting fees of $3,750, and interest expense of $3,261. The Company received $20,000 from the proceeds of a loan agreement (see above) during the quarter ended December 31, 2014. There was a net increase in cash and cash equivalents of $4,486 for the six month period ended December 31, 2014.

RESULTS OF OPERATIONS

Net loss in the three month period ended December 31, 2014 was $18,830 compared to a net loss of $31,423 for the same period in the prior year. The primary contributor to the difference between periods was reductions in both consulting fees and financing fees. 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, 2014. Financial information is presented in Canadian dollars and is prepared in accordance with IFRS.

	Dec 31, 2014	Sep 30, 2014	June 30, 2014	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	June 30, 2013	Mar 31, 2013
Net income (loss)	(18,830)	(26,232)	(30,117)	(36,061)	(31,423)	(24,526)	(1,300,021)	(47,274)
Net income (loss) per share (Basic and diluted)	(0.002)	(0.002)	(0.003)	(0.003)	(0.003)	(0.002)	(0.117)	(0.004)

Discussion

The Company is an exploration company without revenues. 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, 2014. 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, 2014. All financial amounts are in Canadian dollars.

The condensed interim unaudited financial statements for the six month period ending December 31, 2014 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, 2014, the Company held cash and cash equivalents of $9,326 compared to $4,840 at June 30, 2014. Accounts payable and accrued liabilities of $13,185 are comprised of normal trade payables for ongoing operations and accrued liabilities.

The Company has insufficient 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, 2014		December 31, 2013	
Financing costs – relative of a director of the Company	$	2,776	$	10,667
Interest expense – relative of a director of the Company		6,198		4,028
Travel and transport fees – company controlled by relative of a director of the Company		-		14,676
	$	8,974	$	29,371

Key management personnel compensation

	Six Months Ended			
	December 31, 2014		December 31, 2013	
Consulting fees - payments made to officers	$	7,500	$	3,325
Consulting fees - payments made to a director		-		4,500
	$	7,500	$	7,825

Related party balances

The Company advanced $2,182 (June 30, 2014 – $3,068) to Golden Harp, which is included in prepaid expenses and deposits at December 31, 2014.

Promissory notes of $155,185 (June 30, 2014 – $106,211) are payable to a relative of a director of the Company.

Included in trade payables and accrued liabilities at December 31, 2014 is $7,875 (June 30, 2014 – $1,313) owed 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, 2014.

ACCOUNTING POLICIES

Basis of preparation

Significant accounting policies can be found in Note 2 of the financial statements for the period ended December 31, 2014. 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, 2014. 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, 2014 (June 30, 2014 - 40.5%). The carrying value of the Company's investment in Golden Harp was reduced to zero as of June 30, 2014, 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, 2014

IAS 36 Impairment of Assets

In May 2013, the IASB published a revised version of this standard to reverse the unintended requirement in IFRS 13 'Fair Value Measurements' to disclose the recoverable amount of every cash-generating unit to which significant goodwill or indefinite-lived intangible assets have been allocated. Under the amendments, recoverable amount is required to be disclosed only when an impairment loss has been recognized or reversed. The amendments apply retrospectively for annual periods beginning on or after January 1, 2014.

Amendments to IAS 32 Financial Instruments

The IASB has amended IAS 32 to clarify requirements for offsetting financial assets and financial liabilities, effective for annual periods beginning on or after January 1, 2014.

These new and amended standards are effective for the Company beginning on July 1, 2014. There has been no material effect from the new standards on the Company's financial statements.

Accounting Standards issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning January 1, 2015 or later periods.

The following new standards, amendments and interpretations that have not been early adopted in these financial statements, are not expected to have a material effect on the Company's future results and financial position:

a) IFRS 9 Financial Instruments (New; to replace IAS 39 and IFRIC 9);
b) IFRS 7 Financial Instruments: Disclosures (Additional disclosures upon transition from IAS 39 to IFRS 9)

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 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 12not 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 17, 2015, 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	6,000,000	$0.16 - $0.17	16 March 2015 to 12 May 2015
Share purchase options	650,000	$0.22 - $0.25	14 Jan 2015 to 09 December 2015
Fully diluted share Capital	17,974,855	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, 2014 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, 2014 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.