

RANDBURG INTERNATIONAL GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND TWELVE MONTH PERIOD ENDED JANUARY 31, 2014

The objective of this Management Discussion and Analysis Report ("MD&A") released by Randsburg International Gold Corp. (the "Company" or "Randsburg") is to allow the reader to assess our operating results as well as our financial position for the **three and twelve month period ended January 31, 2014** compared to the **three and twelve month period ended January 31, 2013**. This report is based on all available information up to **May 28, 2013** and should be read in conjunction with the financial statements for the year **ended January 31, 2014**, as well as the accompanying notes. **The January 31, 2014** financial statements have been prepared under International Financial Reporting Standards "IFRS". Unless otherwise indicated, all amounts are expressed in Canadian dollars. The MD&A is prepared in conformance with National Instrument 51-102F1 and was approved by the Company's Audit Committee on **May 28, 2014**.

The Company discloses, on a regular basis, additional information on its operations, which is recorded on the System for Electronic Document Analysis and Retrieval ("SEDAR") in Canada at www.sedar.com.

Forward Looking Statement

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

The document may contain forward-looking statements that reflect management's current expectations with regards to future events. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results to differ from expected results. Such factors include, among others, the following: mineral exploration and development costs and results, fluctuation in the prices of commodities for which the Company is exploring, foreign operations and foreign government regulations, competition, uninsured risks, recoverability of resources discovered, capitalization requirements, commercial viability, environmental risks and obligations, and the requirement for obtaining permits and licenses for the Company's operations in the jurisdictions in which it operates.

Nature of Activities and Continuation of Exploration Activities

Randsburg International Gold Corp. (the "Company") was incorporated under the laws of British Columbia. Its principal business activity is the acquisition and exploration of mineral property interests in Canada. The Company has not determined whether its properties contain ore reserves which are economically recoverable. The recovery of the amounts shown for mining properties is dependent upon the existence of economically ore reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposal of its properties.

The Company's ability to continue as a going concern is uncertain and is dependent upon the generation of profits from mineral properties, obtaining additional financing or maintaining continued support from its Shareholders and creditors. The Company has not determined whether its properties contain ore reserves that are economically recoverable. The application of IFRS on a going concern basis may be inappropriate, since there is doubt as to the appropriateness of the going concern assumption.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the 2014 Financial Statements. .

The shares of the Company are listed on the TSX Venture Exchange and are traded under the symbol RGZ.

Highlights of the Period

During *the period under review*, Randsburg International Gold Corp. (the “Company”) continued to evaluate its Titan Project in Flett and Angus Townships in Ontario and its Nathalie Phosphate Project in Quebec. Both projects are located in Canada.

On August 11, 2011 the Company signed a Memorandum of Understanding (“MOU”) in respect of its Flett Project 100% interest in 10 claims covering an area of 5,440 acres. Under the terms of the MOU the purchaser can acquire an 80% interest in the property after a 45 day due diligence period by paying Randsburg \$50,000 upon signing a definitive agreement, making payments of \$90,000 in the first year, and \$25,000 per month thereafter up to \$2,000,000. In addition the purchaser must spend a minimum of \$200,000 on exploration and development work prior to June 30, 2012. The parties have been in discussions to conclude a definitive agreement; however to date the parties have been unable to reach a definitive agreement and have discontinued discussions.

Titan Iron-Titanium-Vanadium Project - Flett and Angus Townships, Ontario, Canada

The Titan Project is an Iron-Titanium-Vanadium project located in Flett and Angus Townships in Ontario. The Titan Project comprises 1,310 contiguous hectares (3,240 acres) of 4 claims (123 units) and 17 patented claims. Flett and Angus Townships are located 120 kilometres northeast of Sudbury, Ontario and 50 kilometres north of the City of North Bay. The Project is subject to a 3% NSR that can be purchased by the Company for \$ 1,500,000.

On January 15, 2010 the Company announced that it had entered into a definitive agreement with Prophecy Resource Corp. (TSX-V: PCY) whereby Prophecy has been granted the option to earn an 80% interest in its Titan Project.

Under the agreement, Prophecy has the right to acquire an 80% interest in the Titan Project by paying Randsburg an aggregate of \$500,000 and incurring \$200,000 in Exploration Expenditures by December 31, 2010. Randsburg has the option to sell its remaining 20% interest in the project to Prophecy until December 31, 2012 for \$150,000 or 400,000 common shares of Prophecy. The Company has received \$500,000 in respect of the option, however Prophecy incurred \$85,258 in Exploration Expenditures in 2010 and agreed to pay Randsburg \$114,742 in lieu of the balance of the contractual 2010 Exploration Expenditures. Due to delays in development, the company wrote off costs of \$1,936,201, leaving the property at its net realizable value of \$350,000 as at January 31, 2011.

The Company has completed a NI43-101 Technical Report on the Titan Project (the “MDA Report”). The MDA Report, titled “Technical Report, Titan Project, Ontario Canada, dated November 7, 2006, Revised February 12, 2007, and Ownership Revised February 26, 2010”, was authored by Neil Prenn, P. Eng. of Mine Development Associates (Reno, Nevada) (“MDA”) as the Company disclosed in its news release of March 18, 2010. MDA stated that only inferred resources can be calculated for the project since the drill holes have not been surveyed and the recovery of saleable products and economics of the project have not been defined. The inferred resources for the project total 49.0 million tonnes grading 48% Fe₂O₃ (iron oxide), 14.8% TiO₂ (titanium dioxide), and 0.24% V (vanadium). The estimate was prepared at a cut-off grade of 40% Fe₂O₃ and a specific gravity of 4.29 g/cm³. The MDA Report was filed on Sedar and readers can access it at www.sedar.com. The results of the vanadium and titanium dioxide independent resource estimate are summarized in the following table:

Mineral Resource Estimate for Titan (at a cut-off of 40% Fe ₂ O ₃)					
Resource Category	Tonnes (millions)	V Grade (%)	TiO ₂ Grade (%)	Vanadium Contained Lbs*	TiO ₂ Contained Tonnes*
Inferred	49.0	0.24	14.82	259,174,729	7,259,310

- Metal recoveries were assumed to be 100% for both vanadium and titanium oxide.

The MDA Report used the following methodologies and key assumptions: Grades for Fe_2O_3 , TiO_2 , and V were interpolated by ordinary kriging into 5 x 5 x 10 metre blocks from 10 metre composites from mineralized zones. These kriged block grades were compared to grades estimated by inverse distance methods and were essentially the same globally. A minimum of one composite and a maximum of nine composites were used to interpolate grades. Since the economics and recoveries of the different materials contained in the mineralized zone have not been defined all of the material estimated within the high-grade mineralization boundary (approximately a 40% Fe_2O_3 cutoff grade) and within the variogram range of 108 metres from a composite has been defined as an inferred resource.

The MDA Report concludes that the next phase of work should concentrate on the metallurgy of the deposit. Testing utilizing both Altairnano's new technology and conventional technology should be completed. The metallurgical program should be designed by an independent metallurgist after reviewing the data. The drill holes and project area should be surveyed to obtain more accurate drill hole coordinates and site topography. A surface geologic map should be completed utilizing methods to clear the soil and till to expose the surface geology where required. Additional surface drilling should be completed in open areas. This work should lead to a preliminary assessment of the Titan Project.

The Titan Property is well located in terms of infrastructure. The Ontario Northland Railway main line runs right next to the property, a major high voltage transmission line is 7 kilometres away and Highway 11, the major highway linking Northern and Southern Ontario is 18 kilometres to the west. There is a large work force available in the area and the property is close to major North American markets for iron and titanium.

Titan is located at the extreme northeast end of the Fall Lake intrusive and is delineated by very high magnetic susceptibility. The airborne magnetic signature shows a sub-circular surface expression that is 1,000 by 800 metres in area. The mineralization is known to be located in the northern portion of the magnetic anomaly, and it has a steep plunge towards the south-southeast.

The Titan mineralization is formed by the hydrothermal replacement of mafic to ultramafic rock complex that is a younger part of the Grenville Metamorphic Terrain. The host rock is a fine-grained olivine gabbro, with possible troctolitic overtones. Magnetite, ilmenite and a vanadium mineral make up most of the economic minerals that are present in the mineralized system. There is also the potential for the occurrence of platinum group metals along the margins of the mafic and ultramafic intrusives in Angus Township and adjacent Flett Township. At Titan, slightly anomalous values for platinum, palladium and gold have been returned in assays.

Exploration findings during 2004 and 2005 included:

- The magnetite-ilmenite mineralization is present as a body that plunges steeply towards the southeast. Its character south of 5190100N is little known due to relatively widespread wet ground. Relatively strong magnetism extends southeasterly.
- Titanium and Vanadium are present in the intrusive complex away from the areas of pronounced magnetite content although in lower amounts.
- Susceptibility and assay data generally correlate directly.
- At present the mineralization is open, in part, towards the east, towards the west, the south and to depth.

Prophesy conducted an exploration program on the Titan Project encompassing geophysics and geological mapping during the summer of 2010. The program comprised approximately 22 line kilometres of line cutting that extended the existing grid west and southwest of the Titan deposit. A ground magnetometer survey was conducted over this extension to close off the airborne magnetic anomaly associated with the deposit, and to test the broader extensions highlighted in the airborne survey.

The grid provided control for geological mapping that was conducted to ascertain any trends with focus on determining the nature of the Platinum-Palladium mineralization intersected in previous drilling, and whether there are any expressions of this mineralization at surface. All work conducted is in preparation for drilling targeted to increase the existing 49 million tonne inferred resource, and possibly discover other zones of exploration interest.

The Titan Project is being conducted under the supervision of Brian F. Docherty, Professional Geoscientist, and the Company's Qualified Person under the meaning of National Instrument 43-101. The drill logs, cores and assay results have been reviewed and verified by Brian F. Docherty.

Flett and Angus Township, Ontario Canada

The Company holds a 100% interest, subject to a 3% NSR, in certain claims located in Flett Township contiguous to the Titan Project.

Nathalie Phosphate Project

On March 29, 2012, the Company signed a Memorandum of Understanding ((MOU) to acquire a 100% interest in the Nathalie Phosphate Project. The project is located approximately 45 kilometres north of the port of Baie-Comeau, Quebec, on Québec's North Shore. The MOU gives Randsburg the right to acquire the 100% interest subject to a 2% NSR in 53 claims comprising approximately 6300 acres. Randsburg also acquired by staking, an additional 40 contiguous claims comprising approximately 5600 acres. The Nathalie project is prospective for phosphate, iron and titanium. In order to acquire this interest the Company must pay \$12,000 (paid) and issue 2,000,000 common shares with a value of at least \$400,000 over four years. In addition the Company must spend \$200,000 on exploration expenditures.

The Nathalie Project has excellent infrastructure with asphalt road access from the property to the port and industrial City of Baie-Comeau and electrical power five kilometres away. With heavy lift handling capabilities and labor expertise, the Port of Baie-Comeau is well adapted to a variety of cargoes. The terminal is open year-round and benefits from a ro-ro ramp and a railcar ferry service to Matane via the Canadian National (CN) railway system. In February the City of Baie-Comeau announced a \$250 million plan for the establishment of an ore transshipment center and a deepwater dock. Future investments may also expand road and rail access to areas north of the City.

On September 6, 2012 the Company announced that it had received assay results from a prospecting and mapping program on its Nathalie Phosphate Project including results as high as 7.59% P_2O_5 , 18.94% TiO_2 and 57.05% Fe_2O_3 . Management is planning a follow-up program because (a) results exceeded expectations and (b) only a small portion of the numerous outcrops on the property have been studied. Further prospecting, mapping and sampling to determine continuity among the various anomalies is planned as well as a magnetic/radiometric survey to outline potential further targets.

Visible apatite can be seen in several mafic outcrops. Various outcrops were located and sampled. Channel samples were also taken at Site A (GPS location 561002E, 5500712 N) and at Site B, the David anomaly (564241E, 5502969N). The Nathalie Channel samples at Site A consisted of seven sections 1 metre in length, 2 cm in width and approximately 8.0 cm in depth. Site B consisted of four sections of the same dimensions. 37 samples in total were sent for assay. The geochemical analysis show an average P_2O_5 content of 3.62%, 28.86% Fe_2O_3 and 6.26% TiO_2 for sampled outcrops and 4.09% P_2O_5 , 24.26% Fe_2O_3 and 5.33% TiO_2 for the Nathalie channel samples. The channel results for the David anomaly were low for phosphate (0.23%) but contained an average of 6.41% for TiO_2 and 20.33% Fe_2O_3 .

On March 1, 2013 the Company signed an Amending Agreement ("Agreement") to the Memorandum of Understanding ("MOU") signed in March 2012 to acquire a 100% interest in the Nathalie Phosphate Project. The terms of the Agreement are significantly improved for the Company over those contained in the original MOU. This Agreement is now the definitive agreement between the parties.

Under the terms of the Amended Agreement the Company must pay the Vendors: 500,000 shares in the stock of the Company within 45 days of the TSX Venture Exchange's ("TSXV") approval and an additional 500,000 shares on August 25, 2013. To acquire 100% of the property, Randsburg must issue an additional 500,000 shares by February 25, 2014, and 500,000 shares by February 25, 2015. The Vendors shall have received a total of 2,000,000 shares should the Company acquire a 100% interest in the Project. No further payments of shares or cash are required to be paid to the Vendors.

The Company is not required to make any expenditures going forward on the Project but is required to keep claims in 'good-standing' during the term of the option Agreement. Randsburg may purchase 0.4% of the above 1.5% Net Smelter Royalty by paying the Vendors \$400,000 at any time following the commencement of commercial production from the Nathalie Claims. Randsburg has the right of first refusal to purchase the balance of the NSR. Completion of the acquisition and payment of securities remains subject to regulatory approval. The securities of the Company to be issued on the acquisition will be subject to a four month hold period.

The Nathalie Project is being conducted under the supervision of Brian F. Docherty, Professional Geoscientist, and the Company's Qualified Person under the meaning of National Instrument 43-101. The assay results have been reviewed and verified by Brian F. Docherty.

Selected Annual Information

	Years ended January 31		
	2014	2013	2012
	\$	\$	\$
Interest revenue	-	-	-
Income (Loss)	(226,223)	(362,273)	(36,961)
Per share-basic and fully-diluted	(0.00)	(0.00)	(0.00)
Total assets	209,301	207,788	232,691

Results of Operations

For the Years ended January 31

	2014	2013	2012
	\$	\$	\$
Amortization	130	159	195
Consulting fees	28,544	25,085	29,664
Finders' fees	-	-	1,450
Listings and transfer agents fees	13,893	13,768	27,104
Interest and bank charges	47,931	36,759	23,088
Interest on loan payable	-	-	16,764
Management fees	131,250	138,000	144,000
Office and miscellaneous	11,235	18,348	12,423
Professional fees	44,697	47,729	63,500
Share-based payments	-	99,200	35,650
General exploration expenditures	2,710	19,960	26,384
	(280,390)	(399,008)	(380,222)
Other Items			
Tax provision	-	(19,202)	-
Interest and penalties	(5,833)	(3,264)	-
Gain on settlement of lawsuit	-	28,941	-
Write off of mineral property interests	-	(40,000)	-
Cost recoveries	60,000	70,260	228,519
Loss and comprehensive loss for the year	(226,223)	(362,273)	(36,961)

Comparison of **2014** results to **2013** results: The reduction in expenses in 2014 as compared to the previous year was due to the following factors:

- The decrease in operating expenses in 2014 as compared to 2013 is primarily due to a general reduction in operating expenses including a reduction in professional fees by \$3,022 and a reduction in stock-based payment of \$99,200 granted during the year. In addition management fees were reduced by \$6,750 during 2014.

Comparison of **2013** results to **2012** results:

- The increase in operating expenses in 2013 as compared to 2012 is primarily due to an increase in stock-based payments of \$63,550 granted during the year, offset by a reduction of \$16,764 in interest on loan payable (paid off in 2012) and a decrease of \$15,771 in professional fees.
- The Company received option payment of \$nil in 2013 as compared to \$114,742 in 2012.
- The Company recorded cost recoveries of \$70,260 in 2013 as compared to \$228,519 in 2012.
- In addition the company wrote off its interest in mining claims of \$30,000 in respect of its remaining mining claims located in Goias State, Brazil (known as the Blue Falcon Property) and \$10,000 in respect of its properties under option, the Pokiok Settlement Project located at Fredricton, New Brunswick.

For the *three month* period ended *January 31, 2014* and *January 31, 2013*:

	2014	2013
	\$	\$
Amortization	30	37
Consulting fees	8,139	2,285
General exploration expenditures	742	1,890
Listings and transfer agents fees	3,395	3,989
Interest and bank charges	16,721	13,101
Management fees	32,250	34,500
Office and miscellaneous	6,375	8,541
Legal and audit	23,000	35,059
Stock based-payments	-	44,160
	<u>(85,240)</u>	<u>(143,562)</u>
Other items		
Cost recoveries	-	70,260
Part XII tax	(5,833)	(19,202)
Interest and penalties	-	(3,264)
Write off of mineral exploration expenditures	-	(40,000)
Gain on settlement of lawsuit	-	25,000
(Loss)/Income and comprehensive (loss)/income for the period	<u><u>(94,035)</u></u>	<u><u>(110,768)</u></u>

Comparison of *January 31, 2014* results to *January 31, 2013* quarterly results:

- The decrease of \$16,733 in operating expenses in 2014 as compared to 2012 is primarily due to a decrease in general exploration expenses of \$1,148, an increase in interest and bank charges of \$3,620 and office and consulting fees by \$3,620. In addition legal and audit fees decreased by \$12,059 in fiscal 2014.
- The Company recorded cost recoveries of \$nil in 2013 as compared to \$ 70,260 in 2012.

Comparison of *January 31, 2013* results to *January 31, 2012* results:

- The increase in operating expenses in 2012 as compared to 2011 of \$11,501 is primarily due to exploration expenditures of \$7,318 incurred in 2012. There were no exploration expenditures incurred in 2011.
- On October 24, 2013 the Company settled a lawsuit which originated in 2005 and resulted in an accounting gain of \$25,000.

Summary of Quarterly Results

	Q4-14 (i)	Q3-14 (ii)	Q2-14 (iii)	Q1-14 (iv)	Q4-13 (v)	Q3-13 (vi)	Q2-13 (vii)	Q1-13 (viii)
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net income (loss) (\$)	(94,345)	(64,543)	(41,543)	(25,792)	(110,768)	(73,871)	(57,222)	(120,412)
Per share (\$)	(0.001)	(0.001)	(0.001)	(0.005)	(0.002)	0.002	(0.004)	0.001

- (i) The loss for the fourth quarter of 2014 as compared to 2013 shows a decrease of \$16,733 in operating expenses in 2014 as compared to 2012 is primarily due to a decrease in general exploration expenses of \$1,148, an increase in interest and bank charges of \$3,620 and office and consulting fees by \$3,620. In addition legal and audit fees decreased by \$12,059 in fiscal 2014. The Company recorded cost recoveries of \$nil in 2013 as compared to \$ 70,260 in 2013.
- (ii) The loss for the third quarter of 2014 as compared to 2013 shows a decrease of \$9,866 in operating expenses in 2013 as compared to 2012 is primarily due to a decrease in general exploration expenses of \$ 7,318, a increase in interest and bank charges of \$5,821 and office and miscellaneous by \$14,617. In addition cost recoveries decreased by \$538 as compared to 2013.
- (iii) The loss for the second quarter of 2014 as compared to 2013 shows a decrease of \$16,164 and is primarily due to recording cost recoveries of \$30,000 in 2013 as compared to nil in 2012 offset by increase of \$12,150 in operating expenses primarily due to a decrease in general exploration expenses of \$ 2,442, an increase in interest and bank charges of \$4,757 and office and miscellaneous by \$3,878 also contributed to the overall increase in operating expense in 2012.
- (iv) The loss for the first quarter of 2014 as compared to 2013 shows a decrease of \$94,620 and is primarily due to a reduction in share based payments of \$55,040, a decrease in general exploration expenses by \$6,342, a decrease in interest and bank charges of \$605, and an increase in cost recoveries of \$30,000.
- (v) The loss for the fourth quarter of 2013 as compared to 2012 shows an increase of \$149,964 and is primarily due to an increase in share-based payments of \$30,360, an increase in professional fees of \$ 10,059, and an increase in interest and bank charges by \$6,788.
- (vi) The loss for the third quarter of 2013 as compared to the same period in 2012 shows a small net increase of \$7,560 which is primarily due to exploration expenditures of \$7,318 incurred in 2013. There were no such expenditures in fiscal 2012.
- (vii) The loss for the second quarter of 2013 as compared to 2012 shows an increase of \$130,659 primarily due to reduction in professional fees of \$28,500, a decrease of share based payment of \$21,850, and reduction in interest on the loan payable of \$8,905. In addition, option payment of \$200,000 was received in the second quarter of 2012.
- viii) The loss for the first quarter of 2013 as compared to 2012 shows an increase of \$37,129 primarily due to an increase in share based payment of \$55,040, offset by a reduction in interest on the loan payable of \$16,764.

Liquidity and Capital Resources

The Company is not in commercial production on any of its mineral resource properties, and accordingly, the Company has no revenues. The Company finances its operations by raising capital in the equity markets.

Future cash requirements will depend primarily on the extent of future expenditures on the Company's exploration programs. The cost and duration of future exploration programs will depend on the results of current exploration programs and therefore, the Company is not able to forecast future cash requirements. The Company will require additional financing to fund its operations and complete exploration programs in 2014 and future years.

As at **January 31, 2014** the Company had working capital deficit of \$1,177,567 and cash of \$5,829. This compares to a working capital deficit of \$951,474 and cash of \$72 as at **January 31, 2013**.

Risks and Uncertainties

The Company is in the exploration stage and has not yet determined whether its mineral resource properties contain reserves that are economically recoverable. In addition, the Company has a working capital deficit of \$1,158,682. The continued operations of the Company and the recoverability of amounts shown for mineral resource properties is dependent upon the ability of the Company to obtain financing to finance its operations and to complete the exploration and development of its mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its mineral resource properties.

The Company is subject to numerous risk factors that may affect its business prospects in the future. These risks include, but are not limited to, the Company's access to additional capital to fund future activities, the loss of mineral properties or the inability to obtain mining licenses', the inherently risky nature of the Company's activities and its lack of experience in bringing an exploration property into production, foreign exchange fluctuations, the political stability and economic uncertainty of those areas in which the Company carries on operations and the lack of infrastructure in those areas, title risks, the risks and uncertainties associated with joint ventures and the Company's reliance on third parties, statutory and regulatory compliance, the adequacy and availability of insurance coverage, the Company's dependence upon employees and consultants and fluctuations in mineral prices.

Significant Accounting Policies

Basis of preparation and going concern

These quarterly condensed consolidated financial statements for **the three and twelve month period ended January 31, 2014** are presented in accordance with International Accounting Standards "IFRS" as issued by the International Accounting Standards Board ("IASB"). The Company's accounting policies are set in detail on Note 3 of **the January 31, 2014** audited consolidated financial statements.

Future accounting changes

The relevant changes in accounting standards applicable to future periods are set out below.

At the date of authorization of these Financial Statements, the IASB and IFRIC has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted these standards, amendments and interpretations. However, the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

a) IFRIC 21 - Levies

IFRIC 21 - Levies was issued in May 2013 and is an interpretation of IAS 37 - Provisions, Contingent Liabilities and Contingent Assets. The interpretation clarifies the obligating event that gives rise to a liability to pay a levy. IFRIC 21 is effective for periods beginning on or after January 1, 2014.

b) IAS 39 - Financial instruments: recognition and measurement

IAS 39, "Financial instruments: recognition and measurement" (IAS 39) was amended by the IASB in June 2013. The amendments clarify that novation of a hedging derivative to a clearing counterparty as a consequence of laws or regulations or the introduction of laws or regulations does not terminate hedge accounting. The amendments to IAS 39 are effective for annual periods beginning on or after January 1, 2014.

c) IAS 36 - Impairment of assets

IAS 36, "Impairment of assets" (IAS 36) was amended by the IASB in May 2013. The amendments require the disclosure of the recoverable amount of impaired assets when an impairment loss has been recognized or reversed during the period and additional disclosures about the measurement of the recoverable amount of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. The amendments to IAS 36 are effective for annual periods beginning on or after January 1, 2014.

d) IAS 32 - Financial instruments presentation

IAS 32, "Financial instruments: presentation" (IAS 32) was amended by the IASB in December 2011. The amendment clarifies that an entity has a legally enforceable right to offset financial assets and financial liabilities if that right is not contingent on a future event and it is enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014.

e) IFRS 9 - Financial instruments

IFRS 9, "Financial instruments" (IFRS 9) was issued by the IASB in November 2009 and will replace IAS 39. IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. 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. This standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. In December 2011, the IASB issued amendments to IFRS 9 that also provide relief from the requirement to restate comparative financial statements for the effect of applying IFRS 9 which was originally limited to companies that chose to apply IFRS 9 prior to 2012. Alternatively, additional transition disclosures

Financial instruments and other instruments

Financial assets:

The Company's current financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, liabilities related to flow through financing and due to related parties. The carrying values approximate the fair values of these financial instruments due to the short-term maturity of these items.

Off-Balance Sheet Arrangements:

The Company has no off-balance sheet arrangements.

Proposed Transactions:

There are no proposed transactions of a material nature being considered by the Company at the date of the MD&A. However, the Company continues to evaluate properties and corporate opportunities to advance its exploration, development and objectives.

Related Party Transactions

During the **twelve month period ended January 31, 2014** and **2013**, the Company entered into the following transactions with related parties not disclosed elsewhere in the financial statements:

- a) Paid or accrued management fees of \$131,250 (2012 - \$138,000 to two directors of the Company; Michael Opara \$120,000 (2012- \$120,000), and Matthew Chodorowicz – \$11,250 (2012- \$18,000).
- b) Accrued interest of \$59,722 (2012 - \$54,377) to a director, George Van Voorhis III \$36,182; (2012- \$27,090) and Elena Opara, a person related to the president of the Company \$23,540; (2012- \$18,195)

	January 31, 2014	January 31, 2013
Advances from a director, George Van Voorhis III of \$30,026 (2012 - \$30,026), that bears interest at an annual rate of 12%, are unsecured, and have no fixed terms of repayment. The total includes accrued interest of \$36,182 (2013 - \$27,090).	\$ 66,208	\$ 58,844
Advances net of repayment from Elena Opara, a person related to the president of the Company that bears interest at an annual rate of 12% and have no fixed terms of repayment. The advances are secured by the Company's equity interest in its subsidiary Blue Falcon, as well as a General Security Agreement. The total includes accrued interest of \$23,540; (2012 - \$18,195).	260,982	118,457
Advances due to a director, William Quan that are unsecured, non-interest bearing and have no fixed terms of repayment.	22,152	22,152
Advances due to a director, Matthew Chodorowicz that are unsecured, non-interest bearing and have no fixed terms of repayment.	94,881	83,731
Amounts due to the President and a company controlled by the president and director, Michael Opara that are unsecured, non-interest bearing and have no fixed terms of repayment.	<u>391,104</u>	<u>281,410</u>
	\$ 835,327	\$ 564,594

As at **January 31, 2014** and **January 31, 2013**, due to related parties includes the following:

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Commitments and Contingencies

From time to time, certain claims, suits, and complaints may arise in the ordinary course of operations against the Company. In the opinion of management, any provisions related to such claims, if any will be accrued should the claim meets the recognition criteria for a contingent liability. No contingent liability has been recorded in the accounts up to and including **May 28, 2014**, the date the Board of Directors approved these financial statements.

Additional Disclosure for Venture Issuers without Significant Revenue

The following table sets forth a breakdown of material components of capitalized exploration and development costs:

	Flett & Angus Township	Total
Acquisition costs		
Balance, beginning and end of year	\$ 117,000	\$ 117,000
Exploration costs		
Balance, beginning and end of year	35,969	35,969
Total costs	\$ 152,969	\$ 152,969

Disclosure of Outstanding Share Data

As at **January 31, 2014** the Company had 28,273,940 common shares issued and outstanding and the following stock options and warrants to acquire common shares were outstanding:

	Number of Shares	Exercise Price	Expiry Date
Options	1,600,000	\$0.10	April 16, 2014

SUBSEQUENT EVENTS

There are no other subsequent events to report up to and including **May 28, 2014**, the date the Board of Directors approved these financial statements.