VIKING GOLD
EXPLORATION INC.
www.vikinggold.ca

Suite 2B – 2900 John Street
Markham, ON L3R 5G3
T: 905 752-2008
F: 905 752-2298

VIKING GOLD EXPLORATION INC.
FORM 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS
FOR THE YEAR ENDED DECEMBER 31, 2012

A) GENERAL:

This Management Discussion and Analysis ("MD&A") document prepared as of April 29, 2013, should be read together with the annual financial statements of **Viking Gold Exploration Inc.** (hereafter "**the Company**") for the year ended December 31, 2012, including the related notes. The annual financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts herein are expressed in Canadian dollars, and are based on the Company's IFRS accounting policies, unless otherwise indicated.

The address of the Company's registered head office is #2B – 2900 John Street, Markham, Ontario, Canada, L3R 5G3. Additional information about Viking Gold is available on the SEDAR website at www.sedar.com and on the Company's website at www.vikinggold.ca.

B) OVERVIEW AND CONTINUANCE OF OPERATIONS:

Overview

Viking Gold Exploration Inc. is incorporated under the laws of the Province of Ontario and is a junior exploration company engaged in mineral exploration in Canada. It is a reporting issuer in the Provinces of Ontario, Newfoundland and Labrador, British Columbia and Alberta, and is a Tier-2 listed company on the TSX Venture Exchange, trading under the symbol VGC.

There has been no determination whether the Company's properties contain mineral reserves that are economically recoverable. The Company has not earned significant revenue and is considered to be an exploration stage entity. Further details of the Company's projects and underlying properties are set out in the MD&A section "E) Exploration and Evaluation Assets".

Continuance of Operations

During the year ended December 31, 2012, the Company had an annual operating loss of $420,763 and an accumulated deficit of $7,586,074 as at December 31, 2012, and it has not generated positive cash flow from operations. As at December 31, 2012, the Company also had a working capital deficiency of $40,555 and an estimated flow-through expenditure obligation of approximately $560,000. Accordingly, continuing operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management believes that sufficient working capital will be obtained from external financing to meet the Company's current and future liabilities and commitments as they become due, though there is a significant risk that additional financing may not be available on a timely basis or on terms acceptable to the Company. See also MD&A section "I) Liquidity and Capital Resources – Forward-looking Strategy".

The Company's financial statements have been prepared on the basis of accounting principles applicable to a going concern, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material. As a result of the financial matters discussed in the preceding paragraph, there is significant doubt regarding the ultimate applicability of the Company's going concern assumption.

C) RISKS AND UNCERTAINTIES:

The Company is primarily involved in gold exploration, an inherently high-risk activity. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory and environmental requirements.

Exploration is also capital intensive and the Company has no funding mechanism other than equity financings (including private placements and exercises of common share purchase warrants and common share purchase options) and potential financial arrangements with other mineral exploration companies.

Market risk and environmental risk are additional risks the Company faces. Market risk is the risk of depressed metals prices, particularly gold. The Company is dependent on capital markets to fund exploration, development and general working capital requirements and a period of depressed gold prices might make access to investment capital more difficult. Environmental regulations affect the cost of exploration and development as well as future mining operations.

The skills of management and staff in mineral exploration and raising capital serve to mitigate these risks. The ability of the Company to continue operations into the future is dependent upon continuing to obtain favourable results from its exploration activities, which will affect its ability to raise funds and to attract potential exploration partners. In addition, there is also a risk that existing exploration partners may be unable to meet their financial obligations, which could delay resource projects and possibly place additional stress on the Company’s cash resources.

D) FORWARD-LOOKING STATEMENTS:

This MD&A may contain certain forward looking statements relating to, but not limited to, the Company’s operations, exploration plans, anticipated equity financing, business prospects and strategies. Forward looking information typically contains statements with words such as “anticipate”, “believe”, “expect”, “plan” or similar words suggesting future outcomes. Such forward-looking statements are subject to risks, uncertainties and other factors as identified under “Risks and Uncertainties” above, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such factors include financial market conditions and economic, competitive, regulatory and business conditions. The Company updates its forward-looking statements at future dates based on outcomes not presently known and as such, readers should not place undue reliance on forward-looking statements.

E) EXPLORATION AND EVALUATION ASSETS:

Description of Properties

During the year ended December 31, 2012, the Company acquired 1 mineral property interest in Quebec. In 2011, the Company acquired 5 mineral property interests, 2 in Ontario (ON) and 3 in Quebec (QC). These 6 active properties are either currently being explored or will be explored in the future.

Below is a summary of the Company's 6 active properties.

Properties	Year Acquired	Notes	Current Mineral Tenure (all 100% owned unless otherwise indicated)	# of Claims/ Leases *
Venton Lake, ON	2011	3a	Claims	13
Larose, ON	2011	3b	Claims, under option by the Company to a third party which may earn up to a 50% interest	16
Total ON				29
Verneuil, QC				
Verneuil Central	2011	3b	Claims; 70% undivided working interest **	22
Verneuil West	2011	3b	Claims	20
Verneuil East	2011	3b	Claims	9
				51
Guyenne, QC	2012	3c	Claims, under option to the Company which may earn up to a 50% interest	7
Total QC				58
Total Canada				87

* The claim quantities for the QC properties have been updated, where necessary, to reflect the conversion in 2012 from "ground staking" to "map staking".

** Prior to December 31, 2011, the mineral tenure was disclosed as a joint venture; it is now disclosed as an undivided working interest.

In 2011, the Company recorded write-downs totalling $3,635,489 in respect of its 6 inactive Morris Lake properties. A full description of these properties can be found in the Company's annual audited IFRS financial statements for 2011.

A portion of the Company's activities is conducted jointly with other parties wherein the Company enters into agreements that provide for specified percentage interests in mineral properties. Once the parties have earned their respective interests and undertake to conduct further acquisition, exploration or development through a joint venture or other legal arrangement, the Company determines the proper accounting treatment for its continued interest in the mineral property.

Where the property is subject to the shared joint control of the parties, the Company discloses this relationship as "a joint venture" and applies proportionate consolidation accounting. Under this method of accounting, the Company's share of assets, liabilities, revenue and expenses are grouped with similar items in the Company's financial statements. Where shared joint control is not present, the Company discloses this relationship as being one of "undivided working interests" and instead recognizes its assets, liabilities, revenue and expenses and/or its relative shares thereof. In either case, costs incurred during earn-in periods remain capitalized and are added to amounts recorded under the new arrangement, subject to any overriding impairment tests.

E) EXPLORATION AND EVALUATION ASSETS (Continued):

Description of Properties (Continued)

A continuity schedule of the Company's exploration and evaluation (E&E) assets for the years ended December 31, 2011 and 2012 follows. Additional information about the Company's active properties is presented thereafter.

	Balance, January 1, 2011	Expenditures for 2011	Write-downs for 2011	Balance, December 31, 2011	Expenditures for 2012	Balance, December 31, 2012
Acquisition costs						
(See Note 3d)						
Venton Lake, ON	$ -	$ 112,536	$ -	$ 112,536	$ 79,250	$ 191,786
Larose, ON	-	93,028	-	93,028	7,000	100,028
Verneuil, QC						
Verneuil Central	-	137,372	-	137,372	-	137,372
Verneuil West	-	93,926	-	93,926	-	93,926
Verneuil East	-	65,615	-	65,615	-	65,615
Guyenne, QC	-	-	-	-	62,675	62,675
Active properties	-	502,477	-	502,477	148,925	651,402
Inactive properties						
Morris Lake, NT	180,803	-	(180,798)	5	-	5
Total properties	180,803	502,477	(180,798)	502,482	148,925	651,407
Deferred exploration expenditures						
Venton Lake, ON	-	-	-	-	85,654	85,654
Larose, ON	-	179	-	179	-	179
Verneuil, QC						
Verneuil Central	-	718,829	-	718,829	14,011	732,840
Verneuil West	-	164,214	-	164,214	247,735	411,949
Verneuil East	-	98,177	-	98,177	20,279	118,456
Guyenne, QC	-	-	-	-	361,352	361,352
Active properties	-	981,399	-	981,399	729,031	1,710,430
Inactive properties						
Morris Lake, NT	3,430,801	23,891	(3,454,691)	1	-	1
Total properties	3,430,801	1,005,290	(3,454,691)	981,400	729,031	1,710,431
Total expenditures						
Venton Lake, ON	-	112,536	-	112,536	164,904	277,440
Larose, ON	-	93,207	-	93,207	7,000	100,207
Verneuil, QC						
Verneuil Central	-	856,201	-	856,201	14,011	870,212
Verneuil West	-	258,140	-	258,140	247,735	505,875
Verneuil East	-	163,792	-	163,792	20,279	184,071
Guyenne, QC	-	-	-	-	424,027	424,027
Active properties	-	1,483,876	-	1,483,876	877,956	2,361,832
Inactive properties						
Morris Lake, NT	3,611,604	23,891	(3,635,489)	6	-	6
Total properties	$ 3,611,604	$ 1,507,767	$ (3,635,489)	$ 1,483,882	$ 877,956	$ 2,361,838

E) EXPLORATION AND EVALUATION ASSETS (Continued):

Description of Properties (Continued)

i) Venton Lake

On April 12, 2011, the Company signed a letter agreement in which it was granted an option to earn a 100% undivided interest in 13 mining claims located near Thunder Bay, Ontario known as "Venton Lake". The agreement provides that the Company (as optionee) will earn a 100% interest in the property by making an initial $75,000 cash payment followed by three additional annual cash payments of $75,000 each from the "Effective Date" (of the transaction) which is defined as the date the TSX-V approves the transaction plus 10 days. Each respective cash payment is also to be accompanied by the issuance of the Company's common shares to the optionor, as follows – 150,000 shares (initial – completed), 50,000 shares (after the first year – completed), 50,000 shares (after the second year) and 100,000 shares (after the third year), for a total of 350,000 shares.

Upon the exercise of the option, the optionor will retain a 2.5% net smelter return royalty ("NSR") on output from the properties following the commencement of commercial production. For the period commencing on the date that is 60 months following the Effective Date and ending on the commencement of commercial production, the Company is required to pay an advance minimum royalty of $15,000 per year to the optionor within 30 days of the start of each year, which aggregate amounts shall be deducted from the subsequent 2.5% NSR payments. The Company may buy back up to one-fifth of the 2.5% NSR at a price of $500,000, for a period of 20 years from the Effective Date. The Company may abandon the option granted to it by giving 30 days notice prior to abandonment, provided that the mineral rights will be in good standing for at least six months following the date of abandonment.

The TSX-V approved the Venton Lake transaction on April 26, 2011 and the transaction closed on September 19, 2011.

On April 26, 2012, the Company issued 50,000 common shares as a share-based option payment for the Venton Lake property. The fair value of the shares issued was $4,250. On May 24, 2012, the Company also paid $30,000 towards its first annual $75,000 cash option payment, and was granted an extension by the optionor to pay the $45,000 balance by August 31, 2012. On August 27, 2012, the Company completed the necessary payment.

ii) Verneuil and Larose

On May 10, 2011, the Company signed a property sale agreement with Freewest Resources Canada Inc. ("Freewest"), a wholly owned subsidiary of Cliffs Natural Resources Inc. (NYSE: CLF), in which it agreed to acquire a 70% undivided working interest in the Verneuil property ("Verneuil Central") and a 100% undivided interest in the Larose property ("Larose"), in exchange for a combined share-based payment of 1,000,000 common shares (valued at the $200,000 fair value of the shares issued) and a 0.5% NSR on each property.

Verneuil Central is comprised of 22 claims in Verneuil Township in the Abitibi region of Quebec. The other 30% interest in Verneuil Central is held by Golden Tag Resources Ltd. ("Golden Tag"). Larose is comprised of 16 claims in Moss Township in Northwestern Ontario. Verneuil Central is subject to an existing 1% NSR and Larose to an existing 3% NSR. The NSR's described herein apply to all minerals in perpetuity.

E) EXPLORATION AND EVALUATION ASSETS (Continued):

Description of Properties (Continued)

ii) Verneuil and Larose (Continued)

On June 7, 2011, the Company signed a letter agreement with other parties in which it agreed to acquire "Verneuil East", a 100% undivided interest in 9 mining claims located immediately east of Verneuil Central, in exchange for cash of $20,000 (paid), a share-based payment of 200,000 common shares (issued) and a 2% NSR in perpetuity. The Company may re-purchase half of the 2% NSR for $1,000,000 at any time.

On June 13, 2011, the Company signed a letter agreement with other parties in which it agreed to acquire "Verneuil West", a 100% undivided interest in 20 mining claims located immediately west of Verneuil Central, in exchange for cash of $30,000 (paid), a share-based payment of 300,000 common shares (issued) and 150,000 warrants (issued and exercisable at a price of $0.30 for 2 years), and a 2% NSR in perpetuity. The Company may re-purchase half of the 2% NSR for $1,000,000 at any time.

The TSX-V approved the Verneuil/Larose transaction on May 27, 2011 and the Verneuil East and West transactions on June 21, 2011. These three transactions closed on June 28, July 20 and June 29, 2011, respectively.

The Company and Golden Tag agreed that Golden Tag is not required to contribute financially towards deferred exploration expenditures incurred on the Verneuil Central property prior to January 1, 2012. For the year ended December 31, 2012, the parties have further agreed that Golden Tag's share of the Verneuil Central exploration expenditures is $100,000. As at December 31, 2012, this amount had been received and is therefore recorded as a reduction of deferred exploration expenditures (i.e. included in the $14,011 net deferred exploration expenditure for Verneuil Central in the continuity schedule for 2012).

On December 8, 2011, the Company entered into an option agreement with Golden Share Mining Corporation ("Golden Share") whereby Golden Share may earn up to a 50% interest in the Larose property. Under the terms of the agreement, Golden Share agreed to issue: (i) 100,000 shares to the Company on the later of execution of the agreement and TSX-V approval (received with an assigned value of $8,500) and (ii) an additional 100,000 shares on the first anniversary date of the agreement (received with an assigned value of $3,000 on December 13, 2013). Golden Share also agreed to spend $200,000 in the first year of the agreement on exploration of the property (completed) plus another $150,000 in each of years two and three of the agreement. The parties agreed that at the time they become 50/50 owners in the property, they would enter into a joint venture agreement with Golden Share as the operator.

On December 18, 2012, the parties amended the December 8, 2011 option agreement to allow Golden Share to extend the second year commitment by one year (i.e. to December 8, 2014), and move the third year commitment into a fourth year (i.e. which ends on December 8, 2015). Golden Share also agreed to pay $5,000 of a June 2013 $10,000 advance royalty payment, which the Company is responsible for. Golden Share has agreed to keep the property in good standing while the option agreement, as amended, is in effect.

E) EXPLORATION AND EVALUATION ASSETS (Continued):

Description of Properties (Continued)

iii) Guyenne

On August 29, 2012, the Company entered into an option agreement with Globex Mining Enterprises Inc. (TSX:GMX, hereafter "Globex") to earn a 50% interest in the 7 claims known as the Guyenne Property. The claims are situated approximately 40 kilometres northwest of Amos, Quebec, which is northwest of Val-d'Or in the Abitibi Mining District.

Under the terms of the option agreement, the Company will pay a total of $105,000 cash and issue 550,000 common shares to Globex as follows – (i) an initial payment of $20,000 and 150,000 shares (representing the minimum commitment (completed), (ii) $25,000 and 150,000 shares on or before the first anniversary date, and (iii) $60,000 and 250,000 shares on or before the second anniversary date. In addition, the Company is required to spend a minimum of $1,500,000 exploring the claims, as follows – $250,000 in the first year (completed), $250,000 in the second year, and $1,000,000 in the third year.

The TSX-V approved the Guyenne transaction on September 18, 2012. The transaction closed on September 19, 2012. The Company also agreed to issue 100,000 common shares as a finder's fee on the closing of the option agreement. These shares were issued on October 3, 2012 at an assigned value of $10,500.

iv) Acquisition Costs Summary

Acquisition costs of exploration and evaluation assets for the years ended December 31, 2011 and 2012 are summarized below. The values assigned to the common shares issued by the Company were based on the closing share price on the respective dates of issuance.

Properties	# of common shares issued	Value of Common shares Issued	Cash payments due	Option payments rec'd	Legal and other	Totals
Year ended December 31, 2011:						
Venton Lake, ON	150,000	$ 30,000	$ 75,000	$ -	$ 7,536	$ 112,536
Larose, ON	400,000	80,000	(1) 10,000	(2) (8,500)	11,528	93,028
Verneuil, QC						
Verneuil Central	600,000	120,000	-	-	17,372	137,372
Verneuil West	300,000	60,000	30,000	-	3,926	93,926
Verneuil East	200,000	43,000	20,000	-	2,615	65,615
Acquisition costs for year	1,650,000	$ 333,000	$ 135,000	$ (8,500)	$ 42,977	$ 502,477
Year ended December 31, 2012:						
Venton Lake, ON	50,000	$ 4,250	$ 75,000	$ -	$ -	$ 79,250
Larose, ON	-	-	(1) 10,000	(2) (3,000)	-	7,000
Guyenne. QC	(3) 250,000	30,000	20,000	-	12,675	62,675
Acquisition costs for year	300,000	$ 34,250	$ 105,000	$ (3,000)	$ 12,675	$ 148,925

Comments:
(1) = advance royalty payment made pursuant to an existing 3% NSR
(2) = issue date fair value of shares of Golden Share received as option payments
(3) = includes finder's fee of 100,000 common shares

E) EXPLORATION AND EVALUATION ASSETS (Continued):

Description of Properties (Continued)

v) Option Agreement – Terminated

On October 4, 2012, the Company entered into an option letter agreement to earn up to a 60% undivided interest in certain mining concessions (the "Jobo Claro Concessions" and the "Maimon Concessions") located in the Dominican Republic. The letter agreement was further amended on November 19, 2012.

The two concessions were owned 100% by Everton Resources Inc. ("Everton" – TSX-V:EVR). Under the letter agreement, the Company had an aggregate, three-year, earn-in requirement to pay $150,000 cash, issue 7,000,000 common shares and incur $3,000,000 of exploration work on the underlying properties.

The parties intended to execute a definitive agreement after the completion of the necessary due diligence, as outlined in the letter agreement. The agreements and the transactions contemplated therein were subject to the approval of the TSX-V. The Company performed various due diligence procedures in November and December 2012, including obtaining a technical report. On December 21, 2012, the Company informed Everton that it was terminating the letter agreement.

As at December 31, 2012, the Company has expensed/accrued consulting and legal fees of $9,544 and $12,488, respectively, in connection with the terminated transaction. These amounts were recorded directly in operating expenses; therefore, they are excluded from the Acquisition Costs Summary disclosed above in MD&A section E), part iv.

Quebec Exploration Activities

HISTORICAL INFORMATION – VERNEUIL

In the early 1990's, Freewest Resources Canada Inc. estimated, based on 10 drill holes intersecting the Toussaint Shear Zone (TSZ), historical gold reserves of approximately 188,000 tonnes with an average grade of 7.1 g/t Au. *(A qualified person has not done sufficient work to classify the historical estimate as current mineral resources; the Company is not treating the historical estimate as current mineral resources and the historical estimate should not be relied upon.)*

From 1991 to 1995, Freewest carried out a series of extensive exploration programs resulting in the discovery of several gold-bearing shear zones. These programs consisted of prospecting, geophysics, trenching and diamond drilling. Six mineralized zones were uncovered by trenching with several significant gold values. Freewest completed a series of 35 diamond drill holes intersecting the TSZ. The results and location of these zones are posted on the Company's website.

2011 SUMMER EXPLORATION PROGRAM – VERNEUIL

In June 2011, the Company commenced a summer exploration program on its newly acquired Verneuil properties (Central, East and West) situated in Verneuil Township in the Abitibi area of Quebec. The purpose of the program at Verneuil was to generate new exploration targets. The program included line cutting, followed by geological and geophysical surveys, stripping, trenching and channel sampling and finally diamond drilling. Assay results for the Company's Verneuil summer exploration program were presented in the Company's September 13, 2011 and November 15, 2011 press releases, copies of which may be found on the Company's website.

E) EXPLORATION AND EVALUATION ASSETS (Continued):

Quebec Exploration Activities (Continued)

2011 FALL-WINTER EXPLORATION PROGRAM – VERNEUIL

On October 28, 2011, the Company commenced a planned 4500 m, 25-hole fall-winter drilling program at Verneuil. On February 14, 2012, the Company announced that it had completed this drilling program distributed between 20 new drill holes and 2 holes from previous programs that were deepened. The objective of the Company's fall-winter program was to verify certain new exploration targets revealed by its summer 2011 induced polarization (IP) survey, and to expand and better define the structure of the Toussaint mineralized zone. Sampling of drill core was completed by mid-January 2012 and most of the assay results were received by the end of February.

As explained in the Company's MD&A for the year ended December 31, 2011, over 500 samples were submitted in Q1-2012 for re-assay by metallic sieve method (SCR) due to the coarse-gold nature of the mineralization as observed in several places. The Company received these re-assays in Q2-2012 and disclosed the assay results in a press release dated June 26, 2012. The Company confirmed that the original assay and the re-assay results were mutually consistent. Several instances were also noted where the gold content increased significantly under SCR when compared to the original atomic absorption spectroscopy (AAS) method.

2012 FALL EXPLORATION PROGRAM – VERNEUIL WEST

On November 20, 2012, the Company announced that it had commenced a 1000 m, 7-hole, exploratory drill program on its wholly-owned Verneuil West claim group. The purpose of this program was to explore the area west of the known Toussaint gold zone. This area had only seen limited exploration in the past.

The 2012 fall exploration drill program was completed prior to December 31, 2012 at a cost of approximately $208,000. On February 13, 2013, the Company announced that this work had produced no significant assay results. The Company plans to perform data compilation of the three Verneuil properties in 2013, with a view to developing a follow-up exploration program for 2014.

2012 FALL EXPLORATION PROGRAM – GUYENNE

Previous drilling on this property in 1988, performed by Abbey Exploration Inc., showed promising results including 0.173 ozt Au over 20.3 feet (5.38 g/t Au over 6.2 m(from hole #88-N-4.

In Q3-2012, the Company performed approximately $40,000 of initial exploration work on the Guyenne property. The Company further planned a 1,200 m exploratory drill program for the Guyenne property in Q4-2012. The Permit for this program was delayed until November 27, 2012 due to consultations with the First Nations.

Based on the results from previous exploration programs, a general region of interest was first defined and covered with line cutting and geophysical surveys. In the fall of 2012, the northern part of the Property was mapped and prospected in detail. The exposed geology is composed of a gabbro/basalt assemblage, cut by several diorite and felsic dykes. Occasional centimetric to metric shear zones are present. The general geological trend is ESE-WNW. Samples collected during the mapping did not return significant Au values.

E) EXPLORATION AND EVALUATION ASSETS (Continued):

Quebec Exploration Activities (Continued)

<u>2012 FALL EXPLORATION PROGRAM – GUYENNE (Continued)</u>

The $260,000 drill program, completed in December 2012, was aimed at four target areas defined from the 2012 geophysical surveys and the results from past exploration. The program consisted of thirteen holes for a total of 1515 metres of drilling. On February 11, 2013, the Company announced the results of this work, as follows:

Target Area #1 is located in the north-central part of the Property, in the vicinity of several historical drill holes, including N-4 that intersected mineralization with assay values of 5.878g/t Au over 6.18 metres. Eight holes (GP-12-01 to 04, GP-12-10 to 13) were drilled in this target area to confirm the historical Au results and to define the geology and the trend of the mineralized zones. All the drill holes intersected altered zones of interest taking place in the gabbro/basalt sequence, at or near the contact with quartz-feldspar porphyry dykes (QFP).

The most significant assay results obtained from Target Area #1 were as follows:

GP-12-01:	- from 13.0 to 14.0m:	1.36 g/t Au / 1m
	- from 82.0 to 83.0m:	2.16 g/t Au / 1m
GP-12-04:	- from 32.0 to 35.0m:	5.27 g/t Au / 3m, including 27.23 g/t Au / 0.5m
GP-12-10:	- from 52.0 to 53.0m:	11.3 g/t Au / 1m
	- from 73.0 to 74.0m:	13.36 g/t Au / 1m
	- from 79.0 to 80.12m:	1.29 g/t Au / 1.12m

Target Area #2 is located in the northwest part of the Property, near the isolated historical drill hole N-5 that returned assay values of 4.25g/t Au over 1.40m and 9.94g/t Au over 0.27m. Three holes were drilled in this area (GP-12-05 to 07), two at 25 metres on each side of N-5, and one underneath. The three holes intersected a fault at depth; the hanging wall rock consisted of an alternating sequence of basalt and tuff, felsic intrusive, and strongly metasomatized and altered rocks.

The most significant assay results obtained from Target Area #2 were as follows:

GP-12-05:	- from 93.0 to 94.0m:	1.35 g/t Au / 1.0m
	- from 101.0 to 102.0m:	1.61 g/t Au / 1.0m
	- from 124.0 to 125.0m:	0.98 g/t Au / 1.0m
GP-12-06:	- from 29.3 to 30.35m:	1.58 g/t Au / 1.05m
	- from 72.4 to 75.0m:	2.61 g/t Au / 2.6m, including 8.25 g/t Au / 0.6m
	- from 79.0 to 80.0m:	3.29 g/t Au / 1.0m
	- from 89.0 to 90.0m:	2.19 g/t Au / 1.0m
GP-12-07:	- from 19.0 to 20.0m:	0.47 g/t Au / 1.0m

Target Areas #3 and #4 are both located in the southern part of the Property. Drill holes GP-12-08 (#3) and GP-12-09 (#4) were completed to verify IP anomalies as well as Au mineralization intersected in isolated historical holes located nearby (9.8 g/t Au over 1.5 metres and 6.2 g/t Au over 0.6 metres respectively). No significant Au values were intersected by drill holes GP-12-08 and -09.

The Company plans to conduct data compilation of the Guyenne property in 2013, with a view to developing a follow-up exploration program for 2014.

E) EXPLORATION AND EVALUATION ASSETS (Continued):

Quebec Exploration Activities (Continued)

QUALIFIED PERSON

Mr. Pierre Poisson, P.Geo., is the Company's independent "Qualified Person" for the Verneuil and Guyenne properties, as that term is defined in NI 43-101, and he has reviewed and approved the technical disclosures in this MD&A. In July and December 2012, Mr. Poisson's company, Muroc Inc., produced two detailed studies of the work completed to date on the Quebec properties along with recommendations for follow-up exploration. The Company's management is currently assessing these recommendations.

Ontario Exploration Activities

2012 SUMMER EXPLORATION PROGRAM – VENTON LAKE

On June 27, 2012, the Company announced that it had completed an airborne magnetic survey over its Venton Lake claims which are located south of the "Ring of Fire" area in Northwestern Ontario. The survey work was performed under contract by Canadian Mining Geophysics Ltd. ("CMG") and consisted of one block totalling 511.6 line-kms with a line spacing of 100 m. The Company's preliminary assessment of the airborne survey results is presented below. A comprehensive technical analysis and interpretation of the results, by an independent consultant, was subsequently completed.

Within the completed high-resolution magnetic survey, a number of isolated features were revealed that could represent ultramafic bodies containing minerals such as nickel, copper and platinum group elements. This includes a discrete 800 m strike length feature that appears to be coincident with similar features identified in the Wabassi area to the east. A second series of magnetic anomalies is located toward the western margin of the Company's survey with a strike length of 3.7 km and containing four discrete anomalies. Northern Shield is also conducting exploration to the west of these anomalies. In total there are six magnetic anomalies that could be related to ultramafic rocks similar to those intersected by Northern Shield on its Wabassi and Max Projects that surround the Company's ground. A shaded image of the total magnetic intensity (TMI) over the survey area, extracted from CMG's report dated June 12, 2012, is presented on the Company's website.

The Company plans to conduct a follow-up airborne survey of Venton Lake in 2013, at a budgeted cost of approximately $100,000.

OPTIONED PROPERTY – LAROSE

Golden Share has commenced exploration of the Larose property under its option agreement with the Company. Golden Share has reported the following information on its website (www.goldenshare.ca), which was included in the Company's MD&A for Q1-2012:

"The sedimentary rock package and the association of the gold with syenitic type intrusives are very reminiscent of the Malartic and Timmins mining camps. Golden Share very much looks forward to working with the Viking team to further unlock the potential of this promising property."

Golden Share executed a fall 2011 campaign comprising geological reconnaissance, outcrop sampling, channel sampling, 73 km of line cutting and a ground magnetometer survey over the freshly cut grid. Highlights for this recent campaign are provided by channel sampling on the P1 trench located within the central part of the LSZ and which yielded 45.93 g/t Au over 3.1 m and 54.21 g/t Au over 1.4 m. The mineralization is hosted in sheared, very fine-grained metasediments showing local sericitization, silicification and carbonatization and quartz veinlets containing up to 20% sphalerite, 10% pyrite and 2% galena.

Golden Share subsequently completed a summer 2012 work program for the Larose property and has posted its technical results in a press release dated October 25, 2012 and also on its website.

As previously explained in MD&A section E), part ii, the Company has granted a one-year extension to Golden Share in respect of its exploration commitment for the Larose property.

E) EXPLORATION AND EVALUATION ASSETS (Continued):

Recent Developments – Vent d'Or, Quebec

On March 4, 2013, the Company entered into an option agreement to earn a 100% undivided interest in the Vent d'Or Property ("Vent d'Or"). Vent d'Or, which consists of 44 mineral claims, is located southwest of the town of Chibougamau in the Druillettes and Hazur Townships in Central Quebec.

The terms of the option are as follows:

- Pay $15,000 cash and issue 400,000 common shares on closing (completed on March 4 and 21, 2013, respectively).
- Pay $30,000 cash and issue 300,000 common shares on or before June 1, 2014.
- Pay $45,000 cash and issue 300,000 common shares on or before June 1, 2015.

In addition, the Company has agreed to grant a 2% NSR royalty to the vendors. The Company may acquire 50% of the NSR by making a payment of $1,000,000.

The TSX-V approved the Vent d'Or transaction on March 18, 2013 and the transaction closed on March 25, 2013.

The Company plans to conduct a 2013 summer exploration program at Vent d'Or consisting of line cutting, geological and geophysical surveys, and prospecting. If warranted, the Company will then utilize, either in the late summer or fall, mechanical stripping and trenching to test the targets defined by the summer surveys.

Recent Developments – Trilogy Mining Corporation, Uruguay

On November 15, 2012, the Company signed a non-binding letter of intent to acquire Trilogy Mining Corporation ("Trilogy"), a privately owned Canadian mineral explorer active in Uruguay.

Trilogy, through its wholly owned subsidiaries, owns the "Ecovent Projects", a mineral exploration property located in the Florida Greenstone belt in southwestern Uruguay. Trilogy also holds a 51% interest in an adjacent property, "Chamizo Project", with the right to increase its ownership to 80% by investing $350,000 on the property prior to September 30, 2015. Two other permits, Rincon and El Cuervo, are to be granted by the Uruguayan authorities and added to Trilogy's portfolio.

The Company has proposed a share-for-share exchange with the shareholders of Trilogy, whereby the Company would issue 15,000,000 common shares from treasury in exchange for 100% of the shares of Trilogy. The Company's shares would be placed in escrow and released in three tranches – the first tranche of 5,000,000 shares on closing, the second tranche of 5,000,000 shares two months after closing, and the final tranche of 5,000,000 shares within ten days of the Trilogy subsidiary receiving a "prospecting permit" for the Ecovent Projects. The completion of the acquisition is conditional on the Company completing a private placement for a minimum of $300,000. The Company will also be required to replace an existing $50,000 Cash Guarantee Environmental Bond within 12 months from the date of closing.

The parties intend to execute a definitive agreement after the completion of all necessary due diligence, which is ongoing. The agreements and transactions contemplated herein are subject to the final approval of the TSX-V. The transaction was scheduled to close on January 31, 2013 assuming all conditions in the agreement were satisfied. The parties have extended the planned closing date to April 30, 2013.

E) EXPLORATION AND EVALUATION ASSETS (Continued):

Mineral Properties Advisory Committee

The Company identifies new exploration properties for acquisition through its Property Advisory Committee, whose members are presently Mr. Mackenzie Watson (Committee Chairman) and Mr. Rejean Gosselin. These members are investors of the Company, and are experienced and successful prospectors/geologists who are well known in the Canadian mining industry. In exchange for their participation on the Committee, these members periodically receive stock options. Background information on the members is presented on the Company's website.

F) SELECTED ANNUAL INFORMATION:

Selected annual financial information for the Company for the past three years, prepared under IFRS, is as follows:

Year Ended December 31	2012	2011	2010
Financial Results			
Additions to E&E assets - acquisition	$ 148,925	$ 502,477	$ 8,277
Additions to E&E assets - exploration	729,031	1,005,290	475,286
Write-downs of E&E assets	-	(3,635,489)	-
Net (decrease) increase in E&E assets	877,956	(2,127,722)	483,563
Stock-based compensation	10,000	566,000	321,000
Deferred income tax expense (recovery)	20,000	(377,049)	86,479
Net (loss) and comprehensive (loss)	(420,763)	(4,253,785)	(617,056)
Basic and diluted (loss) per share	(0.006)	(0.067)	(0.011)
Dividends	-	-	-
Financial Position			
Working capital (deficiency)	$ (40,555)	$ 564,139	$ 1,010,983
E&E Assets	2,361,838	1,483,882	3,611,604
Total assets	2,983,293	2,612,315	4,767,477
Deferred income tax liability	-	-	363,382
Share capital and reserve	9,916,840	9,294,708	7,313,844
Deficit	(7,586,074)	(7,229,646)	(3,042,328)

G) QUARTERLY RESULTS:

Summarized quarterly results for the Company for the past eight quarters, prepared under IFRS, are as follows:

Quarter ended	December 31, 2012 (Q4)	September 30, 2012 (Q3)	June 30, 2012 (Q2)	March 31, 2012 (Q1)
Additions to E&E assets (a)	$ 528,176	$ 129,133	$ 118,737	$ 101,910
Deferred income tax (recovery)	20,000	-	-	-
Net (loss)	(159,613)	(72,865)	(106,476)	(81,809)
Basic and diluted (loss) per share	(0.002)	(0.001)	(0.002)	(0.001)

Quarter ended	December 31, 2011 (Q4)	December 31, 2011 (Q3)	September 30, 2011 (Q2)	March 31, 2011 (Q1)
Additions to E&E assets (a)	$ 701,491	$ 298,914	$ 504,854	$ 2,508
Deferred income tax (recovery)	(198,267)	(133,900)	(5,500)	(39,382)
Net (loss)	(3,133,132)	(861,978)	(139,072)	(119,603)
Basic and diluted (loss) per share	(0.050)	(0.013)	(0.002)	(0.002)

(a) Net of recoveries, but excluding write-downs (see below)

G) QUARTERLY RESULTS (Continued):

The Company is involved in mineral exploration and has no operating revenues. The fluctuations in the quarterly loss are mainly due to the normal timing of expenditures, however, certain additional non-cash items may also have a significant impact. Examples include share-based compensation expense, write-downs of exploration and evaluation assets, and deferred income tax provisions.

Share-based compensation expense was recorded in the following quarterly periods: Q4-2012 – $4,000; Q2-2012 – $6,000; Q4-2011 – $273,000; Q3-2011 – $231,000; Q2-2011 – $62,000.

Write-downs of exploration and evaluation assets were recorded in the following quarterly periods: Q4-2011 – $2,906,158; Q3-2011 – $657,331; Q1-2011 – $72,000, as explained in MD&A section "E) Exploration and Evaluation Assets".

Income tax (recovery) expense for each quarter is also disclosed above. In each of Q4-2011 and Q3-2011, the Company's substantial income tax recovery was attributable to operating losses and the tax impact of write-downs of E&E assets, as reduced by income tax adjustments relating to flow-through shares.

H) RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2012:

Net Loss

Net loss of $420,763 for 2012 was $3,833,022 lower than the 2011 net loss of $4,253,785. The $3,833,022 decrease in the annual net loss was due to: i) a decrease in operating expenses of $518,253; plus ii) a decrease in other expense, net, of $3,711,818; less iii) a decrease in income tax recovery of $397,049, as outlined below.

Total Expenses and Operating Loss

Total expenses and operating loss of $413,734 in 2012 was $518,253 (56%) lower than the 2011 total expenses and operating loss of $931,987. The increase in total expenses and operating loss is further explained below:

Components of expenses, under IFRS		% change	Year ended December 31, 2012	Year ended December 31, 2011	Increase (decrease)
Management fees		+ 2	$ 160,733	$ 158,284	$ 2,449
Professional and regulatory fees	a)	- 7	110,332	118,167	(7,835)
Office and administration	b)	+ 24	94,445	76,363	18,082
Depreciation		- 33	1,600	2,396	(796)
Claims management		-	3,012	3,013	(1)
Investigation of new properties	c)	+ 474	44,539	7,764	36,775
Sub-totals before share-based compensation		+ 13	414,661	365,987	48,674
Share-based compensation	d)	- 98	10,000	566,000	(556,000)
Total expenses and operating loss		- 54	$ 424,661	$ 931,987	$ (507,326)

H) RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2012 (Continued):

Total Expenses and Operating Loss (Continued)

Some key explanations follow:

a) Decreased audit fees in 2012 of $11,500. In 2011, the IFRS conversion resulted in higher audit fees.
b) Increased office and administration expense of $18,082 – resulting from new investor relations fees of $10,000 in 2012, new website development and maintenance costs in 2012 of $13,119, reduced trust services of $5,616, other net expense reductions in 2012 of $579.
c) New general consultant retained in 2012 at a cost of $12,500; other 2012 consulting relating to cancelled Dominican Republic property acquisition – $9,554; other 2012 consulting relating to Trilogy acquisition due diligence – $10,713; travel and other expense increases in 2012 of $4,008.
d) Options granted/vested in 2012 were 150,000 (2011 – 3,650,000). The reduced options granted in 2012 results in the reduced compensation expense in 2012 of $556,000.

Other Income (Expense)

Other income, net of $12,971 in 2012 was $3,711,818 lower than 2011 other expense, net of $3,698,847. The decrease in other expense, net is further explained below:

Components of other income (expense), under IFRS		% change	Year ended December 31, 2012	Year ended December 30, 2011	(Increase) decrease in expense
Interest income	e)	- 66	$ 1,680	$ 4,999	$ (3,319)
Part XII.6 tax recovery (expense)	f)	- 117	11,176	(65,124)	76,300
Loss on disposal of equipment	g)	+ 30	(4,208)	(3,233)	(975)
Unrealized loss – investment	h)	-	(3,500)	-	(3,500)
Realized gain – investment	i)	-	18,750	-	18,750
Sub-totals before write-down of E&E assets		- 138	23,898	(63,358)	87,256
Write-down of E&E assets	j)	-	-	(3,635,489)	3,635,489
Other income (expense), net		- 101	$ 23,898	$ (3,698,847)	$ 3,722,745

Some key explanations follow:

e) Investment in flexible GIC's – lower investment in 2012 resulting in lower interest income.
f) Recovery of Part XII.6 tax in 2012 ($11,176) consists of tax and related payments for 2012 ($10,172), less a recovery of prior years' tax ($21,348).
g) Disposal loss ($4,208) of NWT field equipment in 2012 (nil proceeds); disposal loss ($3,233) of NWT all-terrain-vehicle (ATV) in 2011 (nil proceeds).
h) Unrealized write-down of held-for-trading investment ($3,500) in 2012.
i) Sale of unquoted equity investment in 2012 for gross proceeds of $20,000, less carrying value of $1,250.
j) Write-down of Morris Lake properties ($3,635,489) in Northwest Territories in 2011, due to impairment.

Deferred Tax Expense (Recovery)

The large deferred tax recovery in 2011 ($377,049), is mainly attributable to the partial recognition ($483,000) of a deferred tax benefit ($909,000) associated with the write-down of E&E assets in 2011 ($3,635,489). See Note 8 to the financial statements and also MD&A section "G) Quarterly Results" for additional information.

I) LIQUIDITY AND CAPITAL RESOURCES:

Liquidity

The Company has available cash and working capital resources as outlined below. The Company also has a flow-through expenditure commitment to be satisfied from available resources.

Under IFRS, as at		December 31, 2012		December 31, 2011		December 31, 2010
Cash and cash equivalents	$	500,124	$	1,008,105	$	1,099,517
Working capital [includes cash and cash equivalents]		(40,555)		564,139		1,010,983
Flow-through expenditure commitment		560,000		722,000		940,000

Forward-looking Strategy

Management has identified that the Company's strategy for 2013 will be to attempt to raise additional capital of approximately $800,000 to $1,000,000 through private placements of common shares and investor warrants, in order to fund, on a balanced basis, existing exploration commitments, property option and other payments, share issue costs, operating activities and the replenishment of working capital.

However, given the current weakened state of the capital markets and the lower price of gold, the Company may not be able to exercise its desired strategy for 2013. This could lead to, for example, the Company allowing a property option agreement to lapse and recording a write-off of the related E&E asset. Alternatively, the Company could attempt to renegotiate an extension for a given property option agreement. In addition, the replenishment of working capital may take longer than planned.

It is also possible for the Company to raise additional monies through warrant and option exercises, if the price of its publicly traded common shares improves significantly. In this case, less funds would need to be raised through private placements.

The Company will require an additional private placement of shares and warrants in the second half of 2013 or in the first-half of 2014, in order to finance 2014 exploration.

Capital Resources

Shares Issued to Acquire Assets

Details of common shares issued by the Company in 2012 and 2011 to acquire exploration and evaluation assets, are disclosed in MD&A section "E) Exploration and Evaluation Assets".

Net Capital Resources Raised

In 2012, the Company raised total net capital resources of $691,217 (2011 – $1,126,331) from private placements and common share purchase warrant/option exercises. This amount is net of issue costs paid/payable in cash (but excludes the effect of other warrants issued and recorded as transaction costs, and also deferred tax benefits). Further details follow.

Private Placements

The Company participates in capital resource transactions with investors and others to raise funds for exploration and working capital purposes. This may include private placements and exercises of share purchase warrants and stock options.

I) LIQUIDITY AND CAPITAL RESOURCES (Continued):

Capital Resources (Continued)

Private Placements (Continued)

In November 2011, the Company completed a non-brokered private placement of 6,991,667 units at a price of $0.15 each for total gross proceeds of $1,048,750. Each unit consisted of one common share and one-half common share purchase warrant, each whole warrant entitling the holder to purchase one additional non-flow-through common share at a price of $0.20 per share for a period of 24 months from the closing of the offering. The 6,991,667 common shares and 3,495.834 investor warrants issued are subject to a 4-month restricted period. Of the common shares issued in the private placement, 5,243,750 (i.e. 75%) were flow-through shares. Issue costs were $98,369 and 200,000 broker warrants were also issued in connection with this offering. The $45,000 value assigned to these broker warrants was calculated using the Black-Scholes pricing model, and recorded as a transaction cost reducing both share capital and deficit.

On October 26/31, 2012, the Company completed a first non-brokered private placement of 656,000 units at a price of $0.60 each for total gross proceeds of $393,600. Each unit consisted of four flow-through and one non-flow-through common shares and two and one-half common share purchase warrants, each whole warrant entitling the holder to purchase one additional non-flow-through common share at a price of $0.17 per share for a period of 24 months from the closing of the offering. The 3,280,000 common shares and 1,640,000 investor warrants issued were subject to a 4-month restricted period.

Of the common shares issued in this first 2012 private placement, 2,624,000 (i.e. 80%) were flow-through shares. Issue costs were $42,753 and 212,100 broker warrants were also issued in connection with this offering. The $8,000 value assigned to these broker warrants was calculated using the Black-Scholes pricing model, and recorded as a transaction cost reducing both share capital and deficit.

On December 31, 2012, the Company completed a second non-brokered private placement of 525,000 units at a price of $0.60 each for total gross proceeds of $315,000. Each unit consisted of four flow-through and one non-flow-through common shares and two and one-half common share purchase warrants, each whole warrant entitling the holder to purchase one additional non-flow-through common share at a price of $0.17 per share for a period of 24 months from the closing of the offering. The 2,625,000 common shares and 1,312,500 investor warrants issued are subject to a 4-month restricted period.

Of the common shares issued in this second private placement, 2,100,000 (i.e. 80%) were flow-through shares. Issue costs were $33,430 and 183,750 broker warrants were also issued in connection with this offering. The $9,000 value assigned to these broker warrants was calculated using the Black-Scholes pricing model, and recorded as a transaction cost reducing both share capital and deficit.

On December 31, 2012, the Company completed a third non-brokered private placement of 500,000 units at a price of $0.10 each for total proceeds of $50,000. Each unit consisted of one non-flow-through common share and one common share purchase warrant, each warrant entitling the holder to purchase one additional non-flow-through common share at a price of $0.15 per share for a period of 24 months from the closing of the offering. The 500,000 common shares and 500,000 investor warrants issued are subject to a 4-month restricted period.

I) LIQUIDITY AND CAPITAL RESOURCES (Continued):

Capital Resources (Continued)

Other Warrants Issued

On June 29, 2011, the Company issued 150,000 other warrants to acquire the Verneuil West mineral property. The $17,000 value assigned to these warrants was calculated using the Black-Scholes pricing model, and recorded as a transaction cost reducing both share capital and deficit.

Warrants Exercised

On February 2, 2011, the Company received proceeds of $40,000 from the exercise of 200,000 investor warrants at $0.20 per share. On April 19 and 21, 2011, the Company received total proceeds of $69,200 from the exercise of 346,000 warrants at $0.20 per share.

On October 23, 2012, the Company received proceeds of $6,000 from the exercise of 75,000 other warrants at $0.08 per share. On November 2, 2012, the Company received proceeds of $2,800 from the exercise of 35,000 other warrants at $0.08 per share.

Investor Warrant Extensions and Acceleration

In October 2012, the Company applied for and received TSX-V approval for the six-month extension of 3,750,000 warrants from November 2, 2012 to May 2, 2013 ("E1"). In December 2012, the Company applied for and received TSX-V approval for the six-month extension of 3,000,000 warrants from December 31, 2012 to June 30, 2013 ("E2"), and 13,654,000 warrants from January 25, 2013 to July 27, 2013 ("E3").

The Company has the right to accelerate the expiry of the unexercised 13,654,000 investor warrants, which otherwise expire on July 27, 2013, if the Company's stock trades over $0.30 for 30 consecutive days.

Stock Options Granted

On May 17, 2011, the Company granted a total of 300,000 options to an officer/director and two other officers of the Company. On September 12, 2011, the Company granted a total of 1,675,000 options to officers, directors and consultants. On December 8, 2011, the Company granted a total of 1,675,000 options to officers, directors and consultants.

On February 9, 2012, the Company granted a total of 150,000 options to a consultant. These vested immediately.

Stock Options Exercised/Expired

On February 25, 2011, the Company received $18,750 from the exercise of 125,000 options by a director. The grant date fair value of these options was $11,165. On April 25, 2011, the Company received $27,500 from the exercise of 250,000 options by a Consultant (who was a former CEO/director of the Company). The grant date fair value of these options was $23,121. On June 8, 2011, the Company received $20,500 from the exercise of 150,000 options by a director. The grant date fair value of these options was $14,367.

On March 2, 2011, 50,000 vested options expired unexercised. The grant date fair value of these options was $4,467.

No options were exercised in 2012.

I) LIQUIDITY AND CAPITAL RESOURCES (Continued):

Capital Resources (Continued)

On January 26, 2012, 150,000 vested options expired unexercised. The grant date fair value of these options was $14,857. On May 28, 2012, 200,000 vested options expired unexercised. The grant date fair value of these options was $32,478.

Events Occurring After December 31, 2012

On January 8, 2013, 50,000 options, held by an officer, expired unexercised. The grant date fair value of these options was $5,000. On February 7, 2013, the Company granted 50,000 new options to the same officer. The new options, which vested immediately, have a five-year term and an exercise price of $0.12 each.

On April 9, 2013, an aggregate total of 550,000 options, held by directors, officers and consultants, expired unexercised. The grant date fair value of these options was $45,833.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet financing arrangements.

J) SHARE DATA:

The Company's share data as at December 31, 2012 with a roll-forward to April 29, 2013, the date of this MD&A, is as follows:

Share data, under IFRS	As at December 31, 2012	Transactions after Dec. 31, 2012	As at April 29, 2013
Common shares outstanding	77,384,369	(1) 400,000	77,784,369
Potential issuance of common shares			
Warrants (see schedule below)	28,549,851	-	28,549,851
Stock options issued to directors, officers and others (see schedule below)	6,850,000	(2) (550,000)	6,300,000
Fully diluted number of common shares outstanding	112,784,220	(150,000)	112,634,220

(1) See MD&A section "E) Exploration and Evaluation Assets – Recent Developments – Vent d'Or, Quebec" for additional information.

(2) See next page below.

Potential Issuance of Common Shares

The schedule above excludes the effects of the potential issuance of 16,550,000 common shares that the Company may issue in future periods, in respect of existing property option agreements (950,000 common shares) and the Trilogy acquisition (15,600,000 common shares), as explained in MD&A section "E) Exploration and Evaluation Assets".

J) SHARE DATA (Continued):

Outstanding Common Share Purchase Warrants

The Company's outstanding common share purchase warrants are as follows:

Expiry date(s)	Term (yrs)	Exercise price	As at December 31, 2012	Transactions after Dec. 31, 2012	As at April 29, 2013
May 2, 2013	2.5 *	$0.15	3,750,000	-	3,750,000
June 30, 2013	3.5 *	$0.20	3,000,000	-	3,000,000
July 27, 2013	3.5 *	$0.20	13,654,000	-	13,654,000
June 29, 2013	2 **	$0.30	150,000	-	150,000
Nov./Dec. 2013	2 *	$0.20	3,495,834	-	3,495,834
Nov./Dec. 2013	2 **	$0.20	651,667	-	651,667
October 2014	2 *	$0.17	1,640,000	-	1,640,000
October 2014	2 **	$0.12	212,100	-	212,100
December 31, 2014	2 *	$0.17	1,312,500	-	1,312,500
December 31, 2014	2 **	$0.12	183,750	-	183,750
December 31, 2014	2 *	$0.15	500,000	-	500,000
Total warrants			28,549,851	-	28,549,851

* = investor warrants ** = other warrants (i.e. issued to non-investors)

The 28,549,851 outstanding warrants have a weighted-average exercise price of $0.189 each.

Outstanding Common Share Purchase Options

The Company's outstanding and exercisable common share purchase options are as follows:

Expiry date	Exercise price	As at December 31, 2012	Transactions After Dec. 31, 2012	As at April 29, 2013
January 8, 2013	$0.135	50,000	(i) (50,000)	-
April 9, 2013	$0.16	550,000	(i) (550,000)	-
September 12, 2013	$0.115	100,000	-	100,000
February 4, 2015	$0.11	650,000	-	650,000
October 6, 2015	$0.125	1,200,000	-	1,200,000
November 15, 2015	$0.17	700,000	-	700,000
May 17, 2016	$0.24	300,000	-	300,000
September 12, 2016	$0.17	1,675,000	-	1,675,000
December 8, 2016	$0.20	1,475,000	-	1,475,000
February 9, 2017	$0.175	150,000	-	150,000
February 9, 2017	$0.175	-	(i) 50,000	50,000
Total options		6,850,000	(550,000)	6,300,000

(i) See section "I) Liquidity and Capital Resources" regarding events occurring after December 31, 2012.

The 6,300,000 outstanding options have a weighted-average exercise price of $0.164 each.

K) RELATED PARTY TRANSACTIONS:

The Company considers its related parties to consist of the Company's key management personnel (e.g. officers, directors and advisory committee members) and companies related to such individuals.

Summary of Related Party Transactions

Details of the Company's transactions with key management personnel and their related companies, for the years ended December 31, 2011 and 2012, are as follows:

	2012	2011
Statements of Financial Position		
Evaluation and exploration assets – capitalized during year		
Legal fees – officer's law firm, capitalized as acquisition costs	$ 12,675	$ 37,062
Geology fees – advisory committee members, capitalized to deferred exploration expenditures	20,235	24,000
	$ 32,910	$ 61,062
Statements of Equity		
Legal fees – officer's law firm, included in issue costs	$ 20,605	$ 12,563
Statements of Loss and Comprehensive Loss		
Management fees – officers' companies	$ 160,733	$ 158,284
Website development fees – officer's company	3,995	-
Rent – officers and directors	22,080	12,250
Legal fees – officer's law firm	74,176	61,818
Investigation of new properties – advisory committee members	29,425	5,975
	290,409	238,327
Share-based compensation		
Common share purchase options granted to employees		
Officers	-	197,403
Non-executive directors	10,000	191,821
Advisory committee members and consultants	-	176,776
Total (Note 7e)	10,000	566,000
Total expense	$ 300,409	$ 804,327

The Company's officers receive fees through their companies pursuant to fee-for-service arrangements in lieu of salaries. The Company's board of directors approves these fees and the share-based compensation. Common shares and common share purchase warrants acquired by employees during the year on the same terms as other investors, are described in Note 7c, Share Capital – Non-brokered Private Placements.

Related Party Balances

Amounts receivable as at December 31, 2012 includes $10,000 (2011 – nil) due from the President's company. This amount is non-interest bearing and without fixed terms of repayment.

Trade and other payables as at December 31, 2012 includes amounts owed to related parties of $42,356 (2011 – $32,507) consisting of amounts owed to officers and their companies/law firm and advisory committee members. These related party liabilities are unsecured, non-interest bearing and due within 30 days.

L) FINANCIAL INSTRUMENTS:

The Company's financial instruments primarily consist of cash (classified as loans and receivables), cash equivalents (classified as fair value through profit or loss), amounts receivable (classified as loans and receivables), investments (classified as either held for trading or as an unquoted equity instrument), and accounts payable and accrued liabilities (classified as other financial liabilities).

The Company’s investor warrants are equity instruments and not financial liabilities or financial derivatives.

As at December 31, 2011 and 2012, the carrying values and fair values of the Company's financial instruments are approximately the same. In addition, the Company’s financial instruments that are carried at fair value consist of cash equivalents, classified as “Level 2”, and a FVTPL investment, classified as “Level 1”, within the fair value hierarchy.

The Company has not used any hedging or financial derivatives.

See Note 13 in the 2012 audited financial statements for additional information concerning financial instruments and related risks.

M) COMMITMENTS AND CONTINGENCIES:

Flow-through Shares

As at December 31, 2012, the Company is committed to incur, on a best efforts basis, $566,880 in qualifying Canadian exploration expenditures pursuant to two 2012 private placements for which flow-through share proceeds had been received and renounced to investors with an effective date of December 31, 2012. As at December 31, 2012, the Company had incurred qualifying expenditures of approximately $7,000; accordingly, the Company must incur approximately $560,000 of qualifying expenditures prior to January 1, 2014.

The Company believes that it has incurred sufficient qualifying expenditures to satisfy its December 31, 2011 and prior flow-through share commitments.

The Company has agreed to indemnify the subscribers of its flow-through shares for tax-related amounts that become payable by them, if the Company fails to meet it expenditure commitments.

Environmental Contingencies

The Company’s exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations and has made, and expects to make in the future, appropriate expenditures to comply with such laws and regulations.

N) NEW IFRS STANDARDS NOT YET ADOPTED:

The Company has not yet adopted certain new IFRS standards, amendments and interpretations to existing standards, which have been published but are only effective for the Company's accounting periods beginning on or after January 1, 2013. These include:

New IFRS standards	Description	Effective date
• Amendments to IFRS 7 – Disclosures of Offsetting Financial Assets and Liabilities, and related amendments to IAS 32 (issued December 2011)	The standards were amended to improve offsetting rules and related disclosures for financial instruments.	January 1, 2013, and January 1, 2014
• IFRS 9 – Financial Instruments (issued November 2009 and revised October 2010)	The existing standard was expanded in 2010 to include guidance on the classification and measurement of financial liabilities.	January 1, 2015 (extended from January 1, 2013)
• IFRS 10 – Consolidated Financial Statements (issued May 2011)	The standard provides a new definition of control, which is intended to provide more consistent guidance in the determination of whether control exists to justify consolidation of investees.	January 1, 2013
• IFRS 11 – Joint Arrangements (issued May 2011)	The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities.	January 1, 2013
• IFRS 12 – Disclosure of Interests in Other Entities (issued May 2011)	The standard sets out disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off statement of financial position vehicles.	January 1, 2013
• IFRS 13 – Fair Value Measurement (issued May 2011)	The standard provides guidance on measuring fair value when required by other IFRS's.	January 1, 2013
• Amendments to IAS 1 – Presentation of Financial Statements (issued June 2011)	The standard was amended to align the presentation of items in other comprehensive income with U.S. standards.	July 1, 2012
• Amendments to IAS 27 – Separate Financial Statements (issued May 2011)	The standard addresses accounting and disclosure for investments in subsidiaries, joint ventures and associates in separate financial statements.	January 1, 2013
• Amendments to IAS 28 – Investments in Associates and Joint Ventures (issued May 2011)	The standard establishes accounting principles for investments in associates under significant influence. It sets out the equity method of accounting for investments in associates and joint ventures.	January 1, 2013

N) NEW IFRS STANDARDS NOT YET ADOPTED (CONTINUED):

These ten new IFRS standards apply to annual periods beginning on or after the stated effective date. Early adoption is available, however, if an entity early adopts any of IFRS 10, 11, 12, or amendments to IAS27/28, it must adopt all five of these standards at the same time. Management does not anticipate a significant impact on the Company's financial reporting from the adoption of these new standards.