# PUDO INC.

(FORMERLY “GRANDVIEW GOLD INC.”)

## MANAGEMENT’S DISCUSSION AND ANALYSIS

## FOR THE YEAR ENDED MAY 31, 2015

## Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Pudo Inc. (formerly "Grandview Gold Inc.) (the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended May 31, 2015. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited consolidated financial statements for the year ended May 31, 2015, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. Information contained herein is presented as at September 16, 2015, unless otherwise indicated. The Company's audited consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from the offices of the Company or on SEDAR at **www.sedar.com**.

## Special Note Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

| Forward-looking statements | Assumptions | Risk factors |
|---|---|---|
| The Company expects to identify suitable assets or businesses to acquire or merge with, with a view to maximizing value for shareholders | The Company expects that market conditions will be favourable and the Company will be able to identify suitable assets or businesses and negotiate terms acceptable to the Company | The Company's inability to identify suitable assets or businesses or market conditions not being favourable for the completion of corporate transactions |
| The Company expects to meet its working capital needs at the current level for the twelve-month period ending May 31, 2016 | The operating activities of the Company for the twelve-month period ending May 31, 2016, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company | Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; regulatory compliance and changes in regulatory compliance and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions |

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risks and Uncertainties" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

## Description of Business

The Company was a mineral exploration company focused on creating value for shareholders by exploring and, if warranted, developing properties of merit for the mining of precious metals.

The Company was incorporated in 1945 and was primarily engaged in the mineral exploration and resource sector up to 1987, when trading of the Company's securities ceased. In November 1998, The Company invested in Navitrak International, a company involved in high-technology products for global positioning systems.

The Company decided to return to mineral exploration and mining during 2004, after putting a new management team in place and identifying an exploration property of merit with a geological report in accordance with National Instrument 43-101.

On June 4, 2013, the Company completed the initial step of filing a Form 15 with the United States Securities and Exchange Commission (“SEC”). The Form 15 filing allows the Company to cease being a reporting issuer with the SEC, commonly known as “Going Dark”. Going Dark allowed the Company to cut administrative expenses for auditors, accountants and legal counsel.

The Company entered into a share exchange agreement (the “Share Exchange Agreement”) dated March 18, 2015, to acquire all of the issued and outstanding securities of My Courier Depot Inc., an Ontario-based courier services company (“MCD”). Pursuant to the Share Exchange Agreement, the Company’s management will be replaced with management appointed by MCD and the Company shall carry on the business of MCD under the new name of “PUDO Inc.”. MCD's business provides instore over the counter pick-up services to courier companies and consumers. MCD's services are made available in convenience stores, gas stations, and other variety stores that are typically open on a "24 hours" basis, allowing registered courier companies and consumers to use these stores as pick-up locations for parcels and letters that require identification and/or signatures to release.

Pursuant to the Share Exchange Agreement, the Company acquired all of the issued and outstanding shares of MCD (“MCD Shares”) on the basis of 8,333.33 Post-Consolidation Grandview Shares (as defined below) of the Company for every one (1) MCD Share (the “Share Exchange”). The Share Exchange Agreement also contains the following conditions:

1. the consolidation of the issued and outstanding common shares of the Company on the basis of one (1) post-consolidation common share ("Post-Consolidation Grandview Shares") for each twenty (20) pre-consolidation common shares (the “Consolidation”);

2. the change of the Company’s name to “PUDO Inc.” (the “Name Change”);

3. the voluntary delisting of the Company’s common shares from the NEX prior to the completion of the Share Exchange (the “Delisting”); and

4. the election of MCD nominees Richard Cooper, Tom Bijou, Howard Westerman, Kurtis Arnold and Ian A. McDougall to the Board of Directors (the “Board”) of the Company (the “Election” and collectively with the Consolidation, the Name Change and the Delisting, the “Conditions”).

The shareholders of the Company approved the Share Exchange and the Conditions at the April 14, 2015 annual and special meeting of the Company (the “Meeting”).

At the Meeting, shareholders approved a special resolution in respect of the sale of the Company's interest in the Red Lake Gold Camp properties to a third party purchaser for cash proceeds of $110,000 which were used by the Company to settle certain outstanding debts of the Company.

The Share Exchange was also approved by the shareholders of the Company at the Meeting. The Company has listed its securities on the Canadian Securities Exchange (the “CSE”) following the completion of the Share Exchange. The Share Exchange resulted in the shareholders of MCD owning 71% of the resulting issuer.

## Overall Performance

***Highlights***

- Management is actively pursuing financing, including alternative funding options, needed to meet the Company's ongoing requirements. To meet the challenges of the current climate in the financial markets, the Company has minimized its expenditures.

***Financial***

- As of May 31, 2015, the Company's exploration and evaluation property interests remain impaired with the exception of $110,000 of the Red Lake Gold Camp property interest. During the year ended May 31, 2015, an impairment reversal in the amount of $110,000 was recorded to reflect the cash proceeds received from the sale of the Red Lake Gold Camp property interest subsequent to the year-end.

- At May 31, 2015, the Company had a working capital deficit of $281,503 (May 31, 2014 – working capital deficit of $202,477). The Company had a nominal cash balance of $14,703 (May 31, 2014 - $13). The increase in working capital deficit during the year ended May 31, 2015, was primarily due to general and administration expenditures.

- Management believes that additional funding will be required to fund the Company's general and administrative expenses as it searches for suitable assets or businesses to merge with or acquire. The Company expects to be funded in the short-term by shareholder loans. However, there can be no assurance that shareholder loans will be available or on terms acceptable to the Company. As of May 31, 2015, included in advances payable are loans of $45,025 and $73,759 which are non-interest bearing, unsecured and repayable on demand. The loans are due to a shareholder of the Company and to a private company controlled by the adult children of the same shareholder, respectively.

## Outlook

For fiscal 2016, the Company plans to continue to search for suitable assets or businesses to acquire or merge with, with a view to maximize value for shareholders.

## Exploration and Evaluation Property Interests

*Red Lake Properties – Loisan, Dixie Lake and Sanshaw-Bonanza in Ontario, Canada*

The Company has a 100% interest in eight mining claims, covering approximately 60 hectares, located in Red Lake, Ontario, Canada.

The Company has an option agreement with Newmont Mining Corporation (formerly Fronteer Gold Inc.) under which it has earned a 67% interest in the 1,664 hectare Dixie Lake property located in the Red Lake Mining District, Ontario, Canada.

On April 28, 2010, the Company acquired the final 40% interest in ten (10) unpatented mining claims, located in Red Lake, Ontario (the "Sanshaw-Bonanza Property") from joint venture partner EMCO Corporation S.A. ("EMCO"), and eliminated all net smelter royalties previously due to EMCO under the terms of the original agreement. The Company had a 100% interest in the claims. The Company negotiated the acquisition of two (2) additional unpatented mining claims and two (2) patented mining claims, and reduced the net smelter royalty on the Sanshaw-Bonanza Property to 0.375%.

On May 31, 2013, the Company decided not to continue with exploration on the Red Lake Gold Camp properties and wrote off $4,884,427 of project expenditures.

During the year ended May 31, 2015, an impairment reversal in the amount of $110,000 was recorded to reflect the cash proceeds received from the sale of the Red Lake Gold Camp property interest subsequent to the year-end.

## Selected Annual Financial Information

The following is selected financial data derived from the audited consolidated financial statements of the Company at May 31, 2015, 2014 and 2013 and for the years ended May 31, 2015, 2014 and 2013.

| Description | Year Ended May 31, 2015 ($) | Year Ended May 31, 2014 ($) | Year Ended May 31, 2013 ($) |
|---|---|---|---|
| Total revenues | nil | nil | nil |
| Total loss | (79,026) | (114,953) | (5,256,875) |
| Net loss per common share - basic | (0.02) | (0.03) | (1.30) |
| Net loss per common share - diluted | (0.02) | (0.03) | (1.30) |
| | | | |

| Description | As at May 31, 2015 ($) | As at May 31, 2014 ($) | As at May 31, 2013 ($) |
|---|---|---|---|
| Total assets | 126,013 | 8,567 | 25,257 |
| Total non-current financial liabilities | nil | nil | nil |
| Distribution or cash dividends | nil | nil | nil |
| | | | |

- The net loss for the year ended May 31, 2015, consisted primarily of reversal of impairment of exploration and evaluation assets of $110,000 and general and administrative expenses of $189,026 including professional fees of $143,723, reporting issuer costs of $24,620 and office and administration of $20,683.

- The net loss for the year ended May 31, 2014, consisted of general and administrative expenses of $114,953, including professional fees of $64,970, management and consulting services expense of $31,200, issuer costs of $12,381, office and administration of $3,958, and property carrying costs of $2,444.

- The net loss for the year ended May 31, 2013, consisted primarily of impairment of exploration and evaluation property interests of $5,235,841, uncollected Peruvian value added taxes of $41,027 and general and administrative expenses of $205,007 including professional fees, investor relations, business development and reporting issuer costs, as well as management and consulting services.

- As the Company has no revenue, its ability to fund its operations is dependent upon its securing financing through the sale of equity or assets. See "Risks and Uncertainties" below.

## Selected Quarterly Information

| Three Months Ended | Total Revenue ($) | Profit or Loss | |
|---|---|---|---|
| | | Total ($) | Per Share (Basic and Diluted) ($) (9) |
| 2015-May 31 | - | (6,427) (1) | (0.00) |
| 2015-February 28 | - | (15,618) (2) | (0.00) |
| 2014-November 30 | - | (36,939) (3) | (0.01) |
| 2014-August 31 | - | (20,042) (4) | (0.00) |
| 2014-May 31 | - | (33,192) (5) | (0.01) |
| 2014-February 28 | - | (18,952) (6) | (0.00) |
| 2013-November 30 | - | (19,649) (7) | (0.00) |
| 2013-August 31 | - | (43,160) (8) | (0.01) |

Notes:

1. Net loss of $6,427 consisted of reporting issuer costs of $13,512, office and administration of $10,207 and professional fees of $92,708. The increase was offset by reversal of impairment of exploration and evaluation assets of $110,000.
2. Net loss of $15,618 consisted of professional fees of $8,020; investor relations, business development and reporting issuer costs of $4,286 and office and administration of $3,312.
3. Net loss of $36,939 consisted of professional fees of $31,749; investor relations, business development and reporting issuer costs of $4,219 and office and administration of $971.
4. Net loss of $20,042 consisted of professional fees of $11,246; investor relations, business development and reporting issuer costs of $2,603 and office and administration of $6,193.
5. Net loss of $33,192 consisted of professional fees of $8,192; management and consulting services of $19,200; investor relations, business development and reporting issuer costs of $2,680 and office and administration of $3,120.
6. Net loss of $18,952 consisted of professional fees of $12,296; management and consulting services of $3,000; investor relations, business development and reporting issuer costs of $2,141 and office and administration of $321. The Company also incurred property carrying costs of $1,194.
7. Net loss of $19,649 consisted of professional fees of $10,773; management and consulting services of $4,500; investor relations, business development and reporting issuer costs of $2,928 and office and administration of $1,448.
8. Net loss of $43,160 consisted of professional fees of $33,709; management and consulting services of $4,500; investor relations, business development and reporting issuer costs of $4,632 and office and administration of $319.
9. Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

## Results of Operations

Year ended May 31, 2015, compared with year ended May 31, 2014

The Company’s net loss totaled $79,026 for the year ended May 31, 2015, with basic and diluted loss per share of $0.02. This compares with net loss of $114,953 with basic and diluted loss per share of $0.03 for the year ended May 31, 2014. The decrease of $35,927 in net loss was principally because:

- No revenue was recorded in either period.
- The Company recorded a reversal of impairment of exploration and evaluation assets of $110,000 to reflect the cash proceeds received from the sale of the Red Lake Gold Camp property interest subsequent to May 31, 2015.
- The Company had an increase in general and administration expenses of $74,073 in comparison to same period of last year primarily as a result of the Company incurring additional costs associated with reporting issuer costs and additional professional fees as a result of the proposed transaction. The increase was offset in part by reduced management and consulting services. The Company’s expenses included costs to keep the Company compliant with its public company reporting and disclosure obligations and for the investigation and negotiation of prospective merger and acquisition opportunities.

Three months ended May 31, 2015, compared with three months ended May 31, 2014

The Company’s net loss totaled $6,427 for the three months ended May 31, 2015, with basic and diluted loss per share of $0.00. This compares with net loss of $33,192 with basic and diluted loss per share of $0.00 for the three months ended May 31, 2014. The decrease of $26,765 in net loss was principally because:

- No revenue was recorded in either period.
- The Company recorded a reversal of impairment of exploration and evaluation assets of $110,000 to reflect the cash proceeds received from the sale of the Red Lake Gold Camp property interest subsequent to May 31, 2015.
- The Company had an increase in general and administration expenses of $83,235 in comparison to same period of last year primarily as a result of the Company incurring additional costs associated with reporting issuer costs and additional professional fees as a result of the proposed transaction. The increase was offset in part by reduced management and consulting services. The Company’s expenses included costs to keep the Company compliant with its public company reporting and disclosure obligations and for the investigation and negotiation of prospective merger and acquisition opportunities.

## Liquidity and Financial Position

The activities of the Company to date have been financed through equity offerings. During the year ended May 31, 2015, no equity transactions occurred. Management is actively pursuing funding options, including alternative funding options, required to meet the Company's ongoing requirements. There is no assurance that these initiatives will be successful or sufficient. See “Risks and Uncertainties” below.

The Company expects to be funded in the short-term by shareholder loans and advances from other parties. However, there can be no assurance that shareholder loans and advances from other parties will be available or on terms acceptable to the Company. As of May 31, 2015, included in advances payable are loans of $45,025 and $73,759 which are non-interest bearing, unsecured and repayable on demand.

The loans are due to a shareholder of the Company and to a private company controlled by the adult children of the same shareholder, respectively.

At May 31, 2015, the Company had $14,703 in cash (May 31, 2014 - $13).

Accounts payable and accrued liabilities increased to $288,732 at May 31, 2015, compared to $200,019 at May 31, 2014 due to ongoing administrative costs which are required to be a reporting issuer in Canada.

The Company has no operating revenues and therefore must utilize its current cash reserves and other financing transactions to maintain its capacity to meet ongoing operating activities.

As of May 31, 2015, cash resources of the Company are held with one Canadian chartered bank and in trust at a law firm.

The Company has no debt, other than advances payable of $118,784 and its credit and interest rate risk is minimal. Accounts payable and accrued liabilities are short term and non-interest bearing.

The Company's use of cash at present occurs, and in the future is expected to occur, principally in two areas, namely, funding of its general and administrative expenditures and funding of its investment activities. Those investing activities include the cash components of providing future specialized courier services as outlined in "Proposed Transactions" below. The Company's operating expenses are estimated to average approximately $100,000 for fiscal 2016 if the proposed courier business outlined in "Proposed Transactions" below does not materialize. The $100,000 covers reporting issuer costs, professional fees, consulting services, and office and administration expenses.

In order to meet future expenditures beyond May 31, 2015, the Company will need to raise additional financing. Although the Company has been successful in raising funds to date, there can be no assurance, and there is substantial doubt, that adequate funding will be available immediately and in the future, or available on terms favorable to the Company. Currently, the Company is deferring certain payments, to the extent possible, until additional financing is completed. The Company is unsure when the financing will be completed.

## Related Party Transactions

(i) For the year ended May 31, 2015, $nil (2014 - $19,200) was paid to Doublewood Consulting Inc. for the services of Paul T. Sarjeant to act as the former President and Chief Executive Officer ("CEO") of the Company. Included in accounts payable and accrued liabilities as at May 31, 2015, is $44,226 (May 31, 2014 - $44,226) owing to this corporation in relation to consulting services rendered. Subsequent to May 31, 2015, this balance was settled for cash consideration of $22,600.

(ii) For the year ended May 31, 2015, the Company expensed $nil, (2014 - $44,144) to Marrelli Support Services Inc. ("Marrelli Support") for the services of Carmelo Marrelli to act as Chief Financial Officer ("CFO") of the Company. In addition, Marrelli Support also provides bookkeeping services to the Company. Carmelo Marrelli is the President of Marrelli Support. The amounts charged by Marrelli Support are based on what Marrelli Support usually charges its clients. Carmelo Marrelli resigned as the CFO of the Company on March 26, 2014. As at May 31, 2015, Marrelli Support was owed $50,790 (2014 - $61,784) and this amount was included in accounts payable and accrued liabilities.

For the year ended May 31, 2015, the Company expensed $6,449, (2014 - $2,425) to DSA Corporate Services Inc. ("DSA") for filing fees. DSA is a private company controlled by Carmelo Marrelli, the former CFO of the Company. Carmelo Marrelli is also the corporate secretary and sole director of DSA. The amounts charged by DSA are based on what DSA usually charges its clients. The Company expects to continue to use DSA for an indefinite period. As at May 31, 2015, DSA was owed $2,846 (2014 - $nil) and this amount was included in accounts payable and accrued liabilities.

There was no other remuneration of directors or key management personnel (determined to be the CEO and CFO) for the year ended May 31, 2015 (2014 - $nil), except as noted above. The Board of Directors and select officers do not have employment or service contracts with the Company. Amounts payable to the related parties as disclosed above, are unsecured, non-interest bearing and are due on demand.

To the knowledge of the directors and senior officers of the Company, as at May 31, 2015, no person or corporation beneficially owns or exercises control over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than as set out below:

| Major Shareholder | Number of Common Shares | Percentage of Outstanding Common Shares |
|---|---|---|
| Gordon Charles Cooper | 435,382 | 10.73 % |

None of the Company's major shareholders have different voting rights than other holders of the Company's common shares.

## Off-Balance-Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have a current or future effect on its results of operations or financial condition, including, and without limitation, such considerations as liquidity, capital expenditures and capital resources that would be considered material to investors.

## Proposed Transactions

There are no proposed transactions of a material nature being considered by the Company other than the Share Exchange Agreement as described above in “Description of Business”. The Company continues to evaluate properties and corporate entities that it may acquire in the future.

## New Accounting Standards and Interpretations

### Changes in accounting policies

IAS 32 Financial Instruments: Presentation (“IAS 32”)
IAS 32 was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. On June 1, 2014, the Company adopted this amendment and there was no material impact on the Company's consolidated financial statements.

IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39")
In June 2013, the IASB issued a narrow scope amendment to IAS 39. Under the amendment, there would be no need to discontinue hedge accounting if a hedging derivative was notated, provided that certain criteria are met. On June 1, 2014, the Company adopted this amendment and there was no material impact on the Company's consolidated financial statements.

IFRIC 21 Levies ("IFRIC 21")
The IASB issued IFRIC 21, an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"), on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("Obligating Event"). IFRIC 21 clarifies that the Obligating Event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. On June 1, 2014, the Company adopted this pronouncement and there was no material impact on the Company's consolidated financial statements.

IFRS 2 Share-based Payment ("IFRS 2")
The amendments to IFRS 2, issued in December 2013 clarify the definition of "vesting conditions", and separately define a "performance condition" and a "service condition". A performance condition requires the counterparty to complete a specified period of service and to meet a specified performance target during the service period. A service condition solely requires the counterparty to complete a specified period of service. The amendments are effective for share-based payment transactions for which the grant date is on or after July 1, 2014. On June 1, 2014, the Company adopted this amendment and there was no material impact on the Company's consolidated financial statements.

**Future accounting changes**

IAS 1 – Presentation of Financial Statements ("IAS 1")
IAS 1 was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted. The Company is in the process of assessing the impact of this pronouncement.

IFRS 9 Financial Instruments ("IFRS 9")
IFRS 9 was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 will be effective as at January 1, 2018. Earlier adoption is permitted. The Company is in the process of assessing the impact of this pronouncement.

IFRS 13 Fair Value Measurement ("IFRS 13")
IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. The amendments are

effective for annual periods beginning on or after July 1, 2014. The Company is in the process of assessing the impact of this pronouncement.

IAS 24 Related Party Disclosures ("IAS 24")
The amendments to IAS 24, issued in December 2013, clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014. The Company is in the process of assessing the impact of this pronouncement.

## Capital Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be shareholders' deficit, which at May 31, 2015 totaled $281,503 (2014 - $202,477). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on its exploration and development activities. Selected information is provided to the Board of Directors of the Company.

The Company's capital management objectives, policies and processes have remained unchanged during the year ended May 31, 2015. The Company is not subject to any capital requirements imposed by a lending institution.

## Financial Instruments

The Company's financial instruments consist of:

| Description | May 31, 2015 $ | May 31, 2014 $ |
|---|---|---|
| Cash | 14,703 | 13 |
| | | |
| Accounts payable and accrued liabilities | 288,732 | 200,019 |
| Advances payable | 118,784 | 11,025 |
| | | |

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency and price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

**Credit Risk**

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Company has more exposure to credit risk associated with cash. Cash is held with a reputable Canadian chartered bank, from which management believes the risk of loss to be minimal. HST receivable and prepaid expenses primarily consist of amounts due from the Canadian government. The Company’s receivables are normally collected within a 60-90 day period. The Company has not experienced any significant collection issues to May 31, 2015. The Company is exposed to credit risk with regards to debtors refusing payment and the government denying the Company claims filed. The Company’s maximum exposure to credit risk as at May 31, 2015 is the carrying value of cash and HST receivable and prepaid expenses.

**Liquidity Risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at May 31, 2015, the Company had a cash balance of $14,703 (May 31, 2014 - $13) to settle current liabilities of $407,516 (May 31, 2014 - $211,044). All of the Company's financial liabilities other than its advances payable have contractual maturities of less than 30 days and are subject to normal trade terms. The Company’s advances payable is due on demand. The Company is currently searching for financing alternatives.

In light of the Company's current cash levels, management is reducing its expenditures until financing events are realized.

In the short-term, the Company will rely on shareholder loans and other advances. However, there can be no assurance that shareholder loans and other advances will be available or on terms acceptable to the Company.

**Market Risk**

Market risk is the risk of loss that may arise from changes in interest rates and commodity prices.

*(a) Interest Rate Risk*

The Company has cash balances and no interest-bearing debt and therefore is not subject to interest rate risk.

*(b) Foreign Currency Risk*

The foreign exchange risk derived from currency conversions is negligible and the Company does not hold significant balances in foreign currencies, therefore the Company does not hedge its foreign exchange risk.

*(c) Price Risk*

The Company is not exposed to price risk with respect to commodity prices because it is in the exploration and evaluation stage and does not earn revenues. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as they relate to gold to determine the appropriate course of action to be taken by the Company in the future.

**Sensitivity Analysis**

As of May 31, 2015, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to their short term nature.

The sensitivity analysis shown in the notes below may differ materially from actual results.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period:

Commodity price risk could adversely affect the Company. In particular, the Company’s future profitability and viability of development depend upon the world market price of gold. Gold has fluctuated widely in recent years. There is no assurance that, even if commercial quantities of gold are produced in the future, a profitable market will exist for gold. A decline in the market price of gold may also require the Company to reduce its exploration and evaluation property interests further, which could have a material and adverse effect on the Company’s value. As of May 31, 2015, the Company was not a gold producer. Even so, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

## Subsequent Events

Share Exchange

The Company entered into a share exchange agreement (the “Share Exchange Agreement”) dated March 18, 2015, that was previously mentioned under section “Description of Business”.

Debt Settlement

Subsequent to May 31, 2015, the Company settled an amount owed to the former President and CEO for cash consideration of $22,600.

Non-brokered Private Placement

On August 24, 2015, the Company closed a non-brokered private placement of 1,100,000 common shares at a price of $0.63 per common share for total proceeds of $693,000. A total of 90,000 finder warrants were issued in connection with the private placement, exercisable for one common share at a price of $0.63. The first 50,000 warrants are exercisable for six months and the remaining 40,000 warrants are exercisable for two years.

Stock Option Grant

Subsequent to May 31, 2015, the Company granted 1,400,000 stock options to an officer and a director of the Company. The stock options are exercisable at $0.20 per share until July 14, 2016 and vested immediately at the time of grant.

## Share Capital

The Company is authorized to issue an unlimited number of shares. As of the date of this MD&A, the Company had outstanding 15,594,802 common shares.

| Warrants | Expiry Date | Exercise Price |
|---|---|---|
| 50,000 | February 19, 2016 | $0.63 |
| 40,000 | August 19, 2017 | $0.63 |
| **90,000** | | |

## Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Only investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment should undertake such investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

### History of Losses

The Company is a junior mining, exploration and development corporation with no producing properties. There is no assurance that any of the properties the Company now has or may acquire or obtain an interest in will generate earnings, operate profitably, or provide a return on investment in the future.

### Mining Industry Risks

The operations of the Company are speculative due to the high-risk nature of its business, which involves the acquisition, exploration and development of mining properties and opportunities. Accordingly, the following risks in particular should be considered:

(a) The acquisition of, exploration for and development of mineral deposits is an extremely speculative venture involving a high degree of risk. Even a combination of careful evaluation, experience and knowledge may not eliminate such risk. While the discovery of an ore body may result in substantial rewards, very few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, cave-ins, landslides, and the inability of the Company to obtain suitable machinery, equipment or labour are all risks involved with the conduct of exploration programs and the operation of mines. Substantial expenditures may be required to locate and establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site, and additional financing may be required. It is impossible to ensure that the exploration programs planned by the Company will result in a profitable commercial mining operation or venture. The decision as to whether a particular property contains a commercial mineral deposit and should be brought into production will depend on the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and geologists. Several significant factors will be considered, including, but not limited to: (i) the particular attributes of the deposit, such as size, grade and proximity to infrastructure; (ii) metal prices, which are highly cyclical; (iii) government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection; (iv) ongoing costs of production; and (v) availability and cost of additional funding. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company's not receiving an adequate return on invested capital.

(b) The activities of the Company are to be directed toward the search, evaluation and development of mineral deposits. There is no certainty that the expenditures to be made by the Company will result in discoveries of economic ore bodies or commercial production thereof.

(c) Depending upon when commercial quantities of ore are found, the Company may or may not have the financial resources at that time to bring a mine into production. The only sources of funding that might be available to the Company at such time may be limited to the sale of equity capital, exploration and evaluation property interests, royalty interests or the entering into of joint ventures, there being no assurances that any of the foregoing forms of funding will be available to the Company.

(d) All phases of the mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Mining and exploration activities are also subject to various laws and regulations relating to the protection of the environment. Although the Company believes that its exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that would limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company. In the context of environmental permitting, including the approval of reclamation plans, the Company must comply with known standards, existing laws and regulations which may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. The Company is not aware of any material environmental constraint affecting any of its development properties that would preclude the economic development or operation of any specific property.

(e) There is a significant degree of uncertainty attributable to the calculation of mineral deposit estimates and corresponding mineralization grades. Until the mineralized material is actually mined and processed, mineral deposit estimates and mineralization grades must be considered as estimates only. Consequently, there can be no assurance that any mineral deposit estimates or ore-grade information will prove accurate. In addition, the value of mineral deposits may vary depending on mineral prices and other factors. Any material change in ore grades or stripping ratios may affect the economic viability of the Company's projects. Furthermore, mineral deposit estimate information should not be interpreted as any assurance of mine life or of the potential profitability of existing or future projects.

(f) Failure to comply with applicable laws, regulations and requirements may result in enforcement actions, including orders issued by regulators or judicial authorities causing operations to cease or to be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

(g) The profitability of the Company’s operations is significantly affected by changes in the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company’s control. The level of interest rates, the rate of inflation, world supply of mineral commodities and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of mineral commodities has fluctuated widely in recent years, and future serious price declines could cause commercial production of a particular mineral property to be impracticable.

(h) The business of mining is generally subject to a number of risks and hazards, including environmental hazards, industrial accidents, labour disputes, encountering unusual or unexpected geologic formations, rock bursts, pressures, cave-ins, flooding and periodic interruptions due to inclement or hazardous weather conditions, among several others. Such risks could result in damage to, or destruction of, exploration and evaluation property interests or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability. While the Company may be able to obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks is such that liabilities could exceed policy limits or could be excluded from coverage. There are some risks such as certain environmental risks (including potential for pollution or other hazards as a result of disposal of waste products occurring from exploration and production) for which insurance is not generally available or is prohibitively expensive due to excessive premium costs. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage or non-compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the Company's earning and competitive position in the future and, potentially, its financial position. Failure to have insurance coverage for any one or more such risks or hazards could have a material adverse effect on the Company, its business, financial condition and results of the operations.

(i) The mineral exploration and mining business is extremely competitive in all of its phases. The Company encounters competition from other companies in connection with its search for and acquisition of mining properties and interests which are producing or capable of producing minerals. Some of the Company's competitors are large, established mining companies with substantial capabilities and greater financial and technical resources than the Company. As a result of this competition, the Company may at any point in time be unable to acquire or develop attractive properties on terms it considers acceptable.

(j) The Company's ability to continue exploration of its properties will be dependent upon its ability to raise significant additional funds in the future. Should the Company not be able to obtain such financing, a portion of its interest in properties may be needed to be transferred to potential joint venture partners, or its properties may be lost entirely.

### Early Stage Properties

The Dixie Lake Property, the Loisan Property and the Bonanza Property are in the early or pre-exploration stage only and are each without a known body of commercial ore. There is no certainty that the expenditures made by the Company on the search and evaluation of mineral deposits on either of these or any other properties will result in discoveries of commercial quantities of ore.

### Additional Capital

The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business performance of the Company. The development and exploration of the Company's properties may require substantial additional financing. Failure to obtain such financing may result in the delay or indefinite postponement of exploration, development or production on any or all of the Company's properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company. If additional financing is raised by the Company through the issuance of securities from treasury, control of the Company may change and security holders may suffer additional dilution.

### Dilution

In the event the Company seeks to procure additional financing through the sale and issuance of its securities, or in the event that current common share option or warrant holders exercise their options or warrants, the shareholders of the Company may suffer immediate and substantive dilution in their percentage ownership of the issued and outstanding shares of the Company.

### Dependence on Key Executives

The Company is dependent on the services of key executives and a small number of highly skilled and experienced consultants and personnel. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. Due to the Company’s relatively small size, the loss of these persons or the Company's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations. The Company does not currently carry any key man life insurance on any of its executives. The Company’s directors and officers, including the CEO and CFO, are currently engaged on a part-time basis.

### Absence of Dividends

The Company has no earnings or dividend record. Because it intends to employ available funds for mineral exploration and development, it does not intend to pay any dividends in the immediate or foreseeable future. The future dividend policy will be determined by the Board of Directors.

### Potential Volatility of Market Price of Common Shares

The TSX Venture Exchange has, from time to time, experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the market price of the Company's common shares. In addition, the market price of the common shares is likely to be highly volatile. Factors such as the price of gold, and other minerals, announcements by competitors, changes in stock market analyst recommendations regarding the Company, and general market conditions and attitudes affecting other exploration and mining companies may have a significant effect on the market price of the common shares. Moreover, it is likely that during the future quarterly periods, the Company's results and exploration activities may fluctuate significantly or may fail to meet the expectations of stock market analysts and investors and, in such event, the market price of the common shares could be materially adversely affected.

**Financial Markets**

In addition to the risks outlined above, the Company has identified the extreme volatility occurring in the financial markets recently as a significant risk for the Company. As a result of the market turmoil, investors are moving away from assets they perceive as risky to those they perceive as safer. Companies like the Company are considered risk assets and as mentioned above investment in them are highly speculative. The volatility in the markets and investor sentiment may make it difficult for the Company to access the capital markets in order to raise the capital it will need to fund its current level of expenditures.

## Disclosure Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements, and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers’ Annual and Interim Filings (“NI 52-109”), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures (“DC&P”) and internal control over financial reporting (“ICFR”), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the issuer’s generally accepted accounting principles (IFRS).

The Company’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

## Additional Disclosure for Venture Issuers

The Company's general and administration expenses consist of:

| Description | Year Ended May 31, 2015 $ | Year Ended May 31, 2014 $ |
|---|---|---|
| Reporting issuer costs | 24,620 | 12,381 |
| Professional fees | 143,723 | 64,970 |
| Management and consulting services | nil | 31,200 |
| Office and administration | 20,683 | 3,958 |
| Property and carrying costs | nil | 2,444 |
| | **189,026** | **114,953** |

| Description | Three Months Ended May 31, 2015 $ | Three Months Ended May 31, 2014 $ |
|---|---|---|
| Reporting issuer costs | 13,512 | 2,680 |
| Professional fees | 92,708 | 8,192 |
| Management and consulting services | nil | 19,200 |
| Office and administration | 10,207 | 3,120 |
| | **116,427** | **33,192** |

## Additional Information

Additional information regarding the Company is available on SEDAR at **www.sedar.com**.