UNDUR TOLGOI MINERALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2013

Cautionary Statements

Forward-Looking Information

Except for statements of historical fact relating to Undur Tolgoi Minerals Inc., certain statements contained in this MD&A constitute forward-looking information, future oriented financial information or financial outlooks (collectively "forward looking information") within the meaning of Canadian securities laws. Forward-looking information may relate to this document and other matters identified in the Company's public filings, Undur Tolgoi Minerals Inc.'s future outlook and anticipated events or results and in some cases, can be identified by terminology such as "may", "will", "could", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "projects", "predict", "potential", "targeted", "possible", "continue", "objective" or other similar expressions concerning matters that are not historical facts and include, commodity prices, access to sufficient capital resources, mineral resources, mineral reserves, realization of mineral reserves, existence or realization of mineral resource estimates, results of exploration activities, the timing and amount of future production, the timing of construction of the proposed mine and process facilities, the timing of cash flows, capital and operating expenditures, the timing of receipt of permits, rights and authorizations, communications with local stakeholders and community relations, employee relations, settlement of disputes, status of negotiations of joint ventures, availability of financing and any and all other timing, development, operational, financial, economic, legal, regulatory and political factors that may influence future events or conditions. Such forward-looking statements are based on a number of material factors and assumptions, including, but not limited in any manner, those disclosed in any other of Undur Tolgoi Minerals Inc.'s public filings, and include the ultimate determination of mineral reserves, availability and final receipt of required approvals, licenses and permits, ability to acquire necessary surface rights, sufficient working capital to develop and operate the proposed mine, access to adequate services and supplies, economic conditions, commodity prices, foreign currency exchange rates, interest rates, access to capital and debt markets and associated cost of funds, availability of a qualified work force, positive employee relations, lack of social opposition and legal challenges, ability to settle disputes, and the ultimate ability to mine, process and sell mineral products on economically favorable terms. While Undur Tolgoi Minerals Inc. considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in other Undur Tolgoi Minerals Inc's filings. Forward-looking statements are based upon management's beliefs, estimate and opinions on the date the statements are made and other than as required by law, Undur Tolgoi Minerals Inc. does not intend and undertakes no obligation to update any forward-looking information to reflect, among other things, new information or future events.

The following management's discussion and analysis ("MD&A") of Undur Tolgoi Minerals Inc. ("UTM" or the "Company"), is prepared as of November 22, 2013, and should be read together with the unaudited condensed consolidated interim financial statements dated September 30, 2013, as well as the audited consolidated financial statements for the year ended December 31, 2012, and related notes. All financial amounts are stated in United States dollars unless otherwise indicated.

For the purpose of preparing this MD&A, Management in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (1) if 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; or (ii) there is substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if 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 is available on SEDAR at www.sedar.com.

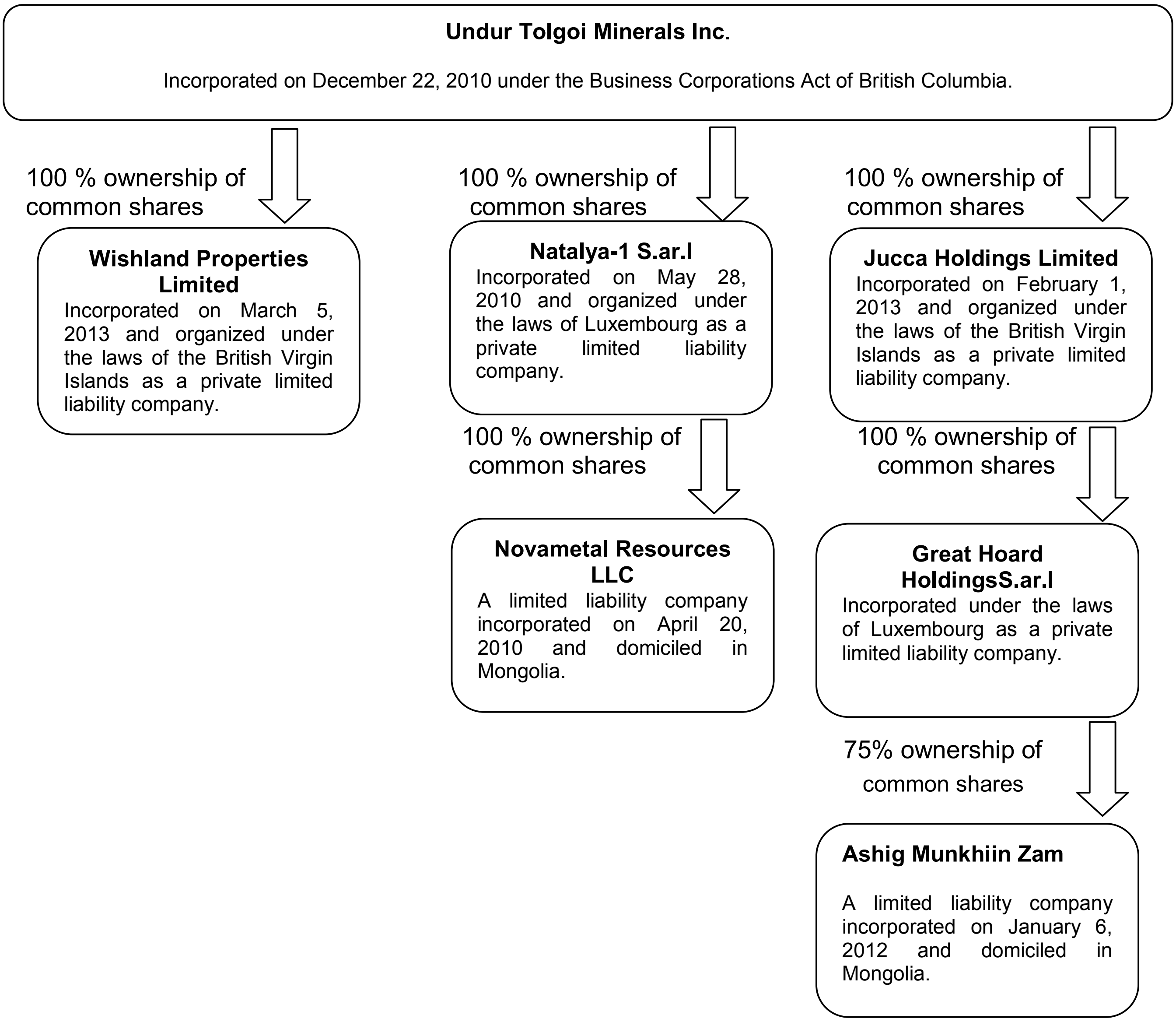
All amounts in this MD&A are expressed in United States dollars ("US$"), unless otherwise noted.

DESCRIPTION OF BUSINESS

The Company was incorporated on December 22, 2010, under the Business Corporations Act of British Columbia and is in the exploration stage. The Company has four wholly owned subsidiaries: Natalya-1 S.à.r.l. ("Natalya-1"), a private limited liability corporation existing under the laws of Luxembourg; Novametal Resources LLC ("Novametal"), a limited liability corporation existing under the laws of Mongolia; Wishland Properties Limited a private limited liability corporation existing under the laws of the British Virgin Islands; and Jucca Holdings Limited a private limited liability corporation existing under the laws of the British Virgin Islands.

The registered office of the Company is Suite 2900, 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 0A3.

GROUP STRUCTURE



OVERALL OBJECTIVE

The Company's overall object is to acquire mineral properties and discover economically viable mineral deposits. UTM is currently looking at non-exploration opportunities in Mongolia to increase the Company's position in Mongolia's developing markets.

ASHIG MUNKHIIN ZAM LLC TRANSACTION

On November 7, 2013, the Company announced that it has acquired, through its wholly owned British Virgin Island-registered subsidiary, Jucca Holdings Ltd., a 100% interest in Great Hoard Holdings SARL, a Luxembourg entity that holds a 75% of the share capital of Ashid Munkhiin Zam LLC ("AMZ"), a Mongolian company, in an exchange for 5,363,636 newly issued shares of UTM. AMZ holds road construction, repair and maintenance permits. AMZ intends to seek road construction contracts and tenders in Mongolia.

Road construction is one of the fastest growing industries in Mongolia. The government intends to build over 10,000 kilometers of paved road in the next 10 years. As part of its goal, the government passed a law in 2012 mandating paved roads between Ulaanbaatar and each of the country's 21 province centers by 2016.

Last year Mongolia raised USD$1.8 billion in its first ever bond offering. Shortly afterward the government announced that most of the bond money would be spend on development of infrastructure and allocated USD$335 million to the road budget.

Mongolia's roads officially total 49,294 km, but only about 25% of the roads are currently paved. Most roads are little more than dirt tracks, which are usually dusty and occasionally muddy. By undertaking straightforward grading work, the roads would be quite similar to those servicing many of the mining and outback communities in Australia.

UTM's CEO, Donald Padgett, stated, "UTM is grateful for the support of its largest shareholder, Firebird Management, and its affiliated team in Mongolia, in assisting the company in the identification and incubation of new venture opportunities in Mongolia."

James Passin, UTM's Chairman, commented, "We are excited to enter the road construction industry in Mongolia. For the benefit of its shareholders, we are committed to building UTM into a significant and successful Mongolian-focused public company. Following a strategic review of the company, the Board of Directors is refocusing the company away from mineral exploration in order to participate in Mongolia's massive infrastructure growth potential."

The Company has accounted for the transaction as an asset acquisition under the scope of IFRS 2, Share Based Payments. Consideration consisted entirely of shares of the Company which were measured at the fair value of net assets acquired. The non-controlling interest in Ashid Munkhiin Zam LLC. was measured as 25% of the fair value of net assets acquired.

The Minister of Road, Transportation, Construction and Urban Development, granted AMZ a special permit (No. 345) for constructing and maintaining auto car roads, affiliated under Sukhbaatar District of Ulaanbaatar city, with State Registration No. 9019065099 and registration number 5548349. The permit includes the following: construct paved roads, construct roads paved with gravel, repair/maintain paved roads and roads paved with gravel, repair/maintain concrete, steel, and wooden bridges, and to build/maintain road related facilities.

The permit was issued for three years starting on April 18, 2012.

ANYA-2 SARL TRANSACTION

On May 31, 2013, the Company announced it has reached a definitive agreement to subscribe for 75,950 common shares representing 5.05% of Anya-2 Sarl ("Anya"), a private Luxembourg company for a total consideration of US$125,000. Under this agreement, UTM shall be entitled to subscribe for additional shares of Anya, so that its aggregate shareholding in Anya may reach 30.25%. Anya is a wholly owned subsidiary of Hulaan Coal Corporation ("Hulaan"), a private Canadian company. Anya in turn, owns 66% of Western Minex LLC ("WM"), a private Mongolian company, which owns the Ochiriin Bulag Gold Prospect (the "Project" or "OB").

As of September 30, 2013, the Company has not made any further acquisitions in Anya-2.

HIGHLIGHTS

Highlights for the three and nine months ended September 30, 2013 to the date of the MD&A, include:

1) Acquisition of Great Hoard Holding;
2) Acquisition of initial interest in Western Minex LLC;
3) Incorporation of wholly owned BVI subsidiaries Wishland Properties Limited and Jucca Holding Limited; and
4) Termination of exploration activity on the Undur Tolgoi License.

ON-GOING PROJECTS

Listed below is a summary of the Undur Tolgoi project and its status:

Country	Project	Commodity	Status at September 30, 2013	Future Plans	Company Ownership	Company held in
Mongolia	Undur Tolgoi	Gold and Copper	Suspension of exploration on the license.	Consider further exploration should market conditions improve.	100%	Novametal

MINERAL RESOURCES AND MINERAL RESERVES

The Company has no known mineral reserves as defined by and compliant with the requirements of National Instrument 43-101 on its exploration property as at September 30, 2013.

MINERAL EXPLORATION

UTMI, through its wholly owned subsidiary Novametal, owns a 100% interest in the License named “Undur Tolgoi” granted by the DGMC of the Minerals Resources Authority of Mongolia pursuant to the Revised Minerals Law of Mongolia effective August 26, 2006. The License was granted in October 2004 to ASA Group LLC and was transferred to Novametal in May 2010. The license is in the final year of the current term. The Company plans to request a pre mining contract, which will allow an additional term of three years.

The Company is in compliance with annual minimum expenditure requirements and has no outstanding obligations under the Minerals Law with respect to the License, including any outstanding obligations to pay applicable license fees and environmental reclamation payments or file any environmental protection plans and reports.

The Company commissioned Micromine Pty Ltd. ("Micromine") to complete a National Instrument 43-101 ("NI 43-101") compliant technical report for the purpose of identifying exploration targets on the License. The following description of the License is taken from the 43-101 report, prepared for the Company by Micromine and Warren Woodhouse, a geologist and Qualified Person, dated March 11, 2011.

Location

The License is situated 700 kilometres south of Ulaanbaatar in the Khatanbulag sub-province of the Dornogobi province. The License covers approximately 9,620 hectares of property and allows for the exploration of all minerals with the exception of uranium, petroleum, gas and water exploration, all in accordance with the mineral laws of Mongolia.

The townships of Khanbogd and Khatanbulag are located approximately 85 kilometres to the west and 100 kilometres to the east of the License area respectively. The property can be accessed by driving from Ulaanbaatar to Undurdov Tourist Camp; travel is on sealed road for 40 kilometres, and for the remainder from Undurdov Tourist Camp to Khanbogd by dirt roads. The driving time from Khanbogd to site is approximately 2 hours. The licensed property is also situated approximately 100 kilometres from Ivanhoe Mines Ltd. "Oyu Tolgoi" copper and gold mine.

Geology

The northwestern and southeastern parts of the licence are distributed with Cenozoic shale, conglomerate, and sand.

Most of the rocks distributed in the central part of the licence are bodies of bi-granite, granodiorite, diorite, and gabbrodiorite of the Devonian 2-3 Khatanbulag complex, and they contain dykes of granite porphyry and diorite porphyry. In addition, there are intrusions of Permian 1 Bairam Ovoo Formation consisting of bodies of sub-alkaline leucogranite, granosyenite, and quartz syenite as well as dykes of granosyenite porphyry and trachyrhyolite porphyry, occurring in the area where the Devonian intrusions are found.

In the southeastern part of the area, there are occurrences of Toli Uul (R3-V tu) limestone and silicic rocks occurring as xenoliths in a very limited area, and these rocks are found only within the host sedimentary-metamorphic rocks of Proterozoic 1 TumenUlzii complex. The Tumen Ulzii complex is formed of sandstone, siltstone, quartzite, schist, limestone, marble, migmatite, granite gneiss, some andesite, basalt, silicic tuff, and jasper.

Mineral Occurences

Historical geological studies in the licence area identified zones of base metals mineralizations such as Pb, Zn, Cu and precious metal mineralizations such as Au and Ag plus some mineral occurrences within a 10 km long and 2-3 km wide northeasterly zone of Tumen Ulzii. Analyses on rock chip samples from the zone returned 73 ppm Au, 105 ppm Ag, 0.2% Cu, 1.1% Pb, and 0.4% Zn.

These mineral occurences are usually hosted in quartz veins that vary in size from 10 to 100 meters long and from 30 to 40 cm thick and have strike directions at 60-65 degrees northeast with dip angles at 55-60 degrees. They contain pyrite, limonite, and malachite. Sample NR_0127, which gave the highest grade of gold, was collected from just outside the license boundary to the south.

Recent exploration work

During Q4-2012 the Company undertook a field mapping exercise to geologically map the contact between the granitic pluton and the calcareous host rocks. This was previously identified as being anomalous in Pb, Zn, Ag, and Au in a soil sampling program as well as identify zones of alteration and mineralization.

During the field program 58 rock samples were taken over areas of interesting boundaries, alterations, mineralisation and lithologies. The samples were sent to ALS in Ulaanbaatar for 44 element and gold assay. The table below shows the most promising assay results.

SAMPLE	Ag ppm	Pb ppm	Zn ppm
UTMRS01	5.8	175	35
UTMRS02	4.9	1930	179
UTMRS04	6.4	1865	543
UTMRS06	14.1	7110	2020

Conclusion of the 2012 Exploration

The mapping project that was carried out in Q4 indicated that UTM and the surrounding area has undergone significant plastic and brittle deformation, resulting in many generations of folds and faults.

Sampling work carried out to date indicates that there are many areas that have anomalous base metal (Cu, Pb, Zn Ag) and gold signatures throughout the tenement. All of the encountered anomalous metal results from rock chips, have been discovered in and around quartz/calcite veins which indicated that there has been mineral rich fluids at UTM.

It is recommended that an IP program be carried out over the NW anomalous magnetic/gravity anomaly to test for sulphides hosted in quartzveins.

On June 30, 2013, the Company made the decision to suspend further exploration on the Undur Tolgoi license. Due to the current economic conditions as well as the recent decrease in gold prices, the Company, has decided that at this time it would no longer be funding exploration on this project. As at June 30, 2013, the Company recorded an impairment of $490,859 on the Undur Tolgoi property.

The Company will continue to monitor changes in the current market as well as fluctuations in gold price to determine if a future exploration program will be carried out on the Undur Tolgoi license.

SELECTED FINANCIAL INFORMATION

The following tables provide selected annual and quarterly financial information in accordance with IFRS for the Company's quarter ended September 30, 2013. In the quarter ended September 30, 2013, the Company has not generated any revenue or incurred any loss from discontinued operations or extraordinary items.

Three Months Ended	Total Expenses for the period US$	Net Loss for the period US$	Loss per share basic and fully diluted US$	Total long-term financial liabilities US$	Cash dividends per common share US$
March 31, 2012	(186,138)	(104,946)	(0.00)	-	-
June 30, 2012	(212,387)	(290,825)	(0.00)	-	-
September 30, 2012	(148,983)	(89,453)	(0.00)	-	-
December 31, 2012	(320,495)	(300,435)	(0.00)	-	-
March 31, 2013	(136,605)	(208,740)	(0.00)	-	-
June 30, 2013	(829,550)	(912,862)	(0.02)	-	-
September 30, 2013	(104,608)	(55,500)	(0.00)	-	-

RESULTS OF OPERATION FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

The loss for the nine months ended September 30, 2013, was $1,177,105 compared to $483,985 in the prior year.

Significant variances

The Company incurred promotional costs of $143,613 ($79,265 – prior year) during the year. A significant portion of these costs relates to the Company's participation in the Hong Kong resource show ($69,700) in April 2013, Investor relations ($34,800). In the second quarter 2012 the Company also hired an investor relations firm in which it pays $7,500 per month. The Company has since terminated all investor relation agreements.

The Company incurred professional fees of $94,623 ($211,034 – prior year). The professional fees relate to amounts paid to the Company's Chief Financial Officer, as well as audit and legal fees. The legal fees in the prior year were higher primarily due to the work performed by the lawyers in preparation of the TSX listing application and communication with the TSX.

The Company recorded a write-off of exploration and evaluation assets of $490,859 ($NIL – prior year) which relate to costs incurred on the Undur Tolgoi license. There were no such impairments in 2012.

The Company incurred other expenses of $236,055 ($143,813 – prior year). The increase is primarily due to an increase in administrative and consulting expenses in Novametal.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2013, the Company's working capital, defined as current assets less current liabilities, was $2,089,535. The Company's cash resources are sufficient to fund a business acquisition and meet liabilities as they come due for the next 12 months. However, the Company may need to raise further funds prior to or in conjunction with any acquisition of mineral properties or further exploration of the Undur Tolgoi licence in the future.

The Company's working capital amounts are as follows:

	September 30, 2013	December 31, 2012
Cash	**$ 1,969,088**	$ 2,789,956
Accounts receivable	**175,297**	242,950
Prepaid expenses	**19,324**	48,686
Accounts payable & accrued liabilities	**(74,174)**	(239,421)
	$ 2,089,535	$ 2,842,171

The Company, which is involved in early stage exploration, has no sources of revenue and does not anticipate receiving revenues in the foreseeable future. Therefore, the Company must utilize its current cash reserves, income from cash held in the bank, funds obtained from the exercise of stock options and other financing transactions to maintain its capacity to meet working capital requirements, expected exploration activity and operating activity. The Company anticipates going to the market to raise capital when the opportunity arises.

SHARE CAPITAL

Authorized capital

The authorized capital of the company consists of unlimited common shares without par value.

The holders of common shares are entitled to receive dividends which maybe declared from time to time, and are entitled to one vote per share at Undur Tolgoi Mineral Inc.'s meetings. All shares are ranked equally with regards to the Company's residual assets.

The equity structure of the group represents the equity structure of the legal parent.

Issued share capital

At September 30, 2013, and December 31, 2012, there were 58,987,848 common shares outstanding.

Common share issuances

There were no common shares issued in the three and nine month period ended September 30, 2013.

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and due to related parties. Given their short-term nature, the fair value of these instruments approximates their carrying value. It is management's opinion that the Company is not exposed to significant credit risks arising from these financial instruments.

Risk management

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

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Market rate risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity prices.

Foreign currency risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using cash flow forecasting.

The Company's functional and reporting currency is the United States dollar. The Company also holds a bank account in CDN dollars.

To mitigate the exposure to foreign currency risk the Company typically holds funds in CDN dollars for operating expenditures.

The Company does not enter into any forward exchange contracts to mitigate the exposure to foreign currency risk.

Commodity and price risk

The Company is exposed to a price risk with respect to commodity prices. 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 precious and base metals and other minerals in order to determine the appropriate course of action to be taken by the Company.

Commodity price can adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of precious and base metals and other minerals. Precious and base metals and other mineral prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals and other minerals are produced in the future, a profitable market will exist for them.

As at September 30, 2013, and December 31, 2012, the Company was not a precious metal, base metals, and other minerals producer. Even so, commodity prices may affect the completion of future equity offerings and the exercise of stock options. This may also affect the Company's liquidity and its ability to meet ongoing obligations.

Credit risk

Credit risk arises due to the potential for one party to a financial instrument to fail to discharge it obligations and cause the other party to suffer a loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, and receivables. The maximum credit risk represented by the Company's financial assets is represented by their carrying amounts. The Company holds its cash with financial institutions that are believed to be creditworthy.

The Company continues to monitor default of accounts receivable and other counterparties and incorporates this information into its credit risk control. The company policy is to deal only with creditworthy counterparties.

Key Management of UTM considers all financial assets not to be impaired or past due for the above mentioned reporting date and are of good credit quality. None of the financial assets are secured by collateral or other credit enhancements.

The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

In respect of accounts receivable, UTM is not exposed to a significant credit risk as the principal amounts of the receivable are from sales tax credits with the province of Ontario and the Federal government. Risk of default with the various levels of Canadian Government is considered low due to the economic stability of the country.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flows primarily from its financing activities.

The Company manages its liquidity needs by carefully monitoring scheduled exploration and evaluation activity as well as forecasted cash inflows and outflows due in day-to-day business. Liquidity is measured in various time bands, on day-to-day and week-to-week basis, as well as on long term liquidity needs over 180 day to 360 day lookout periods.

The Company maintains cash to meet its liquidity requirements for a 90 day period at a minimum. Funding for long term liquidity needs is based on the ability of the company to successfully complete private placements as well as, in certain cases, to pay the outstanding balances owed in shares of the Company rather than in cash.

The Company considers expected cash flow from financial assets in managing liquidity risk, in particular its cash resources and accounts receivable. The Company's existing cash resources and accounts receivable currently meet the current cash outflow requirements.

Fair value of financial instruments

Financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and due to related party. At September 30, 2013, and December 31, 2012 there were no significant differences between the carrying amounts reported on the balance sheet and their estimated fair values.

OUTSTANDING SHARE INFORMATION

As at the date of this MD&A the Company has 59,987,848 shares issued and outstanding.

Information with respect to outstanding common shares, warrants, and stock options as at November 22, 2013, September 30, 2013, and December 31, 2012, is as follows:

	November 22 2013	September 30 2013	December 31 2012
Common shares	**64,351,484**	58,987,848	58,987,848
Stock options	**4,525,000**	4,525,000	4,525,000
	68,876,484	63,512,848	63,512,848

On November 7, 2013, UTM completed the acquisition of Great Hoard Holdings in for 5,363,636 common shares.

BOARD PURPOSE AND FUNCTION

The Directors and Management of the parent company have extensive experience operating and taking projects through to various stages of exploration and development. There is a balanced representation of directors with operational, corporate and financial backgrounds.

The board's purpose is to ensure corporate governance, risk, strategy and shareholder interests are priorities at all times. At the end of the financial year under review the board consisted of four members.

RELATED PARTY TRANSACTIONS

Key management of the Company are members of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, and Vice President of Exploration. Key management remuneration includes the following:

1) Management fees include $44,256 ($44,711 – 2012) paid to Primary Venture Corporation, a Company which is associated with the Company's Chief Executive Officer. The Company has a consulting contract with Primary Venture Corp. whereby the company pays CND$10,000 a month for management fees. As at September 30, 2013, no accounts payable were due to Primary Venture Corporation.

2) Professional fees include $25,304 ($36,671 – 2012) paid to Sabino Di Paola the Company's current Chief Financial Officer and Corporate Secretary. The Company has a consulting contract with Sabino Di Paola whereby the company pays CND$100/hour for services rendered. As at September 30, 2013, accounts payable of $685 ($NIL – 2012) were due to Sabino Di Paola.

Transactions with related companies

As at September 30, 2013, receivables include $147,018 (December 31, 2012 - $227,528) receivable from entities with common directors in respect of reimbursement of costs. As at September 30, 2013, accounts payable of $NIL (December 31, 2012 - $16,866) were due to the related company.

All related party transactions were within the normal course of operations and have been recorded at amounts agreed to by the transacting parties.

CONTRACTUAL OBLIGATIONS

The Company has no long-term debt outstanding. The Company does not have any fixed contractual obligations or commitments for capital or operating leases, purchase obligations or other long-term commitments. As of September 30, 2013, the Company had a year-to-year agreement for the operating lease for the office premises.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not engaged in any off-balance sheet arrangements such as: obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or that engages in leasing, hedging or research and development services with the Company.

PROPOSED TRANSACTIONS

As is typical of the mineral exploration and development industry, the Company is continually reviewing potential merger, acquisition, investment and joint venture transactions and opportunities that could enhance shareholder value. Currently, there are no material transactions being pursued or negotiated by the Group that is not otherwise disclosed herein.

UNCERTAINTIES AND RISK FACTORS

The Company is subject to a number of risks and uncertainties due to the nature of its business and the present stage of development of its business. Investment in the natural resource industry in general, and the exploration and development sector in particular, involves a great deal of risk and uncertainty. Current and potential investors should give special consideration to the risk factors involved.

Exploration Stage Company
The Company is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits, with the discovery of precious minerals being the Company's focus. The Company's property interests are in the exploration stage only and are without a known economic mineral deposit. Accordingly, there is little likelihood that the Company will realize any profits in the short to medium term. Any profitability in the future from the Company's business will be dependent upon locating economic mineral deposit, which itself is subject to numerous risk factors. Further, there can be no assurance, even if an economic deposit of precious minerals is located, that any of the Company's property interests can be commercially drilled. The exploration and development of mineral deposits involve a high degree of financial risk over a significant period of time of which even a combination of careful evaluation, experience and knowledge of Management may not eliminate. Major expenses may be required to establish reserves by drilling and to construct wells and processing facilities at a particular site. It is impossible to ensure that the current exploration programs of the Company will result in profitable commercial operations. The profitability of the Company's operations will be, in part, directly related to the cost and success of its exploration programs which may be affected by a number of factors. Substantial expenditures are required to establish reserves which are sufficient to commercial precious minerals.

Economic Risk
The price of precious minerals will depend on numerous factors beyond the Company's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased production due to new methods. The effect of these factors on the price of commodities, and therefore on the economic viability of the Company's projects, cannot accurately be predicted.

Dependence on Key Personnel, Contractors and Service Providers
Shareholders of our Company rely on the good faith, experience and judgment of the Company's management, contractors and service providers in supervising and providing for the effective management of the business and the operations of the Company and in selecting and developing new investment and expansion opportunities. The Company may need to recruit additional qualified contractors and service providers to supplement existing management. The Company will be dependent on a relatively small number of key persons, the loss of any one of whom could have an adverse effect on the Company.

Value of Our Common Shares
The value of the Company's common shares could be subject to significant fluctuations in response to variations in quarterly and annual operating results, the success of the Company's business strategy, competition or other applicable regulations which may affect the business of the Company and other factors.

Competition
There is aggressive competition within the precious mineral industry for the discovery and acquisition of properties considered to have commercial potential. UTM competes with many other companies, which may have greater financial resources, for the opportunity to participate in projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

Additional Funding and Financing Risk
Additional funds will be required for future exploration and development. There is no assurance that sufficient equity financing will be available at reasonable terms to the Company. In addition, any future equity financings by the Company may result in substantial dilution for existing shareholders.

Environmental Risk
Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes to environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties in which the Company holds interests that have been caused by previous or existing owners or operators.

Uninsured Hazards
The Company currently carries minimal insurance coverage. The nature of the risks the Company faces in the conduct of its operations are such that liabilities could exceed policy limits in any insurance policy or could be excluded from coverage under an insurance policy. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the Company's financial position.

Conflicts of Interest
Certain Directors of the Company also serve as Directors of other companies involved in mineral resource exploration, development and production. Consequently, there exists the possibility that such Directors will be in a position of conflict of interest. Any decision made by such Directors involving the Company are made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such Directors will declare, and refrain from voting on, any matter in which such Directors may have a material conflict of interest.

Permits, Licenses and Approvals
The operations of the Company may require licenses and permits from various governmental authorities. The Company believes it holds or is in the process of obtaining all necessary licenses and permits to carry on the activities which it is currently conducting under applicable laws and regulations. Such licenses and permits are subject to changes in regulations and in various operating circumstances.

Regulatory Matters
The Company's business is subject to various federal, provincial and local laws governing prospecting and development, taxes, labor standards and occupational health, mine safety, toxic substances, environmental protection and other matters. Exploration and development are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws impose high standards on the mining industry to monitor the discharge of waste water and report the results of such monitoring to regulatory authorities, to reduce or eliminate certain effects on or into land, water or air, to progressively rehabilitate mine properties, to manage hazardous wastes and materials and to reduce the risk of worker accidents. A violation of these laws may result in the imposition of substantial fines and other penalties.

No source of revenue
As of the date of this MD&A, the Company has no source of income other than interest income earned on cash held in investment accounts. For the nine months ended September 30, 2013, the Company recorded $17,307 (2012 – ($193)) in interest income. All of the Company's short to medium-term operating and project expenses must be derived from its existing cash position or from external financing.

STRATEGY AND OUTLOOK

Our objective is to maximize the value of the Company for our shareholders and as part of this strategy the Company is currently looking to leverage its unique 100% owned license and local Mongolian infrastructure to create UTM as a significant publicly traded Mongolian investment vehicle. The Company is always looking at exploring opportunities with potential strategic partners as these opportunities present themselves.

OTHER INFORMATION

Other information and additional disclosure of the Company's technical reports, material change reports, new releases, and other information may be found on the SEDAR website at www.SEDAR.com.

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