ST-GEORGES PLATINUM AND BASE METALS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the three months ended March 31, 2015

INTRODUCTION

The following management's discussion and analysis of the financial condition and results of operations ("MD&A") for St-Georges Platinum and Base Metals Ltd. ("St-Georges" or the "Company") should be read in conjunction with the unaudited financial statements for the three months ended March 31, 2015 and the audited financial statements for the year ended December 31, 2014. Those financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All currency amounts are in Canadian dollars, unless otherwise stated. Additional information relating to the Company can be found on SEDAR (www.sedar.com) under St-Georges Platinum and Based Metals Ltd. or on the Company's website (www.stgeorgesplatinum.com).

This MD&A is dated May 29, 2015.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements with respect to the Company. These forward-looking statements, by their nature, involve risks and uncertainties that could cause actual results to differ materially from those contemplated. The Company considers the assumptions upon which these forward-looking statements are based to be reasonable, but cautions the reader that these assumptions regarding future events, many of which are beyond the Company's control, may ultimately prove to be incorrect.

COMPANY DESCRIPTION

St-Georges Platinum & Base Metals Ltd. (the "Company" or "St-Georges") was incorporated under the Canada Business Corporations Act on June 21, 2002. The Company is listed on the Canadian Securities Exchange ("CSE"), having the symbol SX, on the OTC PINK, having the symbol SXOOF, and on the Deutsche Börse in Frankfurt (FSE) under the symbol 85G1. The address of the Company's corporate office and principal place of business is 999 De Maisonneuve West, Suite 725, Montreal, Québec H3A 3L4 Canada. The principal activities of the Company are the exploration and evaluation of mineral properties in Canada. The Company, which is in the process of exploring its mineral properties, has one reportable segment in Canada and all of the assets are located in Canada.

OVERVIEW

On September 25, 2014 St-George announced that it had signed an Agreement to transfer all its rights and titles in 9 mining claims in Villebon East to Exploration Khalkos Inc. in consideration of the transfer of 93 mining claims constituting the St-Jean Property (previously known as the “Poissons Blancs” property). As part of the acquisition, St-Georges agreed to issue 800,000 common shares over a period of four years starting in Fall 2015. The transaction was valued by the parties at $51,000 and a 1% Net Smelter Royalty was in favour of each party was assigned to the respective properties. The NSRs are exercisable at any time and half of either of the royalties can be purchased for $500,000.

On December 29, 2014, the Company announced that it had confirmed the presence of a significant zone of Nickel-Copper-Cobalt mineralization on its wholly-owned Julie project following receipt of initial results from AGAT Laboratories. These included significant intersections of interesting grades of Nickel, Copper and Cobalt were discovered over 2 zones, T1 and T2.

On January 26, 2015, the Company announced a new series of results and grades of the previously reported T1 and T2 zones in the Julie Nickel-Copper Discovery. The results from AGAT Laboratories increased the size and grades of the previously reported discovery on the T1 zone as well as additional positive results from the T2 zone. The analysis was reported as an 11.64 metre intersection containing 1.82% Nickel, 0.29% Copper and 0.04% Cobalt.

Conversion of Debt for Equity

In February 2015, the Company announced a private placement of up to $720,000 to reduce debt and to advance exploration work on the Julie Nickel Discovery Project. The private placement consists of Units consisting of one common share and one non-transferable warrant carrying specific exercise conditions. St-Georges subsequently announced that it had received subscriptions of $476,075 from 10 placees in the first closing of its private placement. All of the Directors and Officers of the Company to whom St-Georges was indebted at the time participated in the placement.

Issuance of shares for debt

On February 19, 2015, St-Georges announced that it had concluded a Share-for-Debt Agreement with Fancamp Exploration Limited. Under the terms of this Agreement, 1,000,000 shares were issued to Fancamp to retire a debt of $60,000 accumulated over 3 years as Advance Royalties under the terms of the Company’s acquisition of the Villebon project. The parties also agreed that all future Advance Royalty commitments would be eliminated in exchange for a 5% interest in the Villebon project issued to Fancamp and the commitment of St-Georges to deliver a NI 43-101 report no later than December 2017.

Due to a director

On April 25, 2015, the Company signed a Promissory Note in favour of director of the Company. Under the terms of the Note, the Company promises to pay the lender $25,000 no later than April 25, 2016, together with a $5,000 fee and interest of 24% per annum, capitalized on the first day. The loan is secured by a security interest in all of the tangible and intangible property of St-Georges.

QUALIFIED PERSON

The technical information disclosed in this MD&A has been reviewed and approved by Joel Scodnick, P.Geo., Vice-President, Exploration for St-Georges and a Qualified Person, as defined by National Instrument 43-101 for the *Standards of Disclosure for Mineral Projects*.

RESULTS OF OPERATIONS

For the three months ended March 31, 2015, the Company recorded a net loss of $51,723 (2014 - $64,991) and had a cumulative deficit at March 31, 2015 of $12,114,640 (December 31, 2014 – 12,062,917). The Company had no continuing source of operating revenues or related expenditures.

SELECTED ANNUAL INFORMATION

Statements of Comprehensive Loss

For the years ended December 31, 2014, 2013 and 2012 (audited):

For years ended December 31	2014 $	2013 $	2012 $
Revenues – Interest income	-	-	13,482
Operating expenses	(523,357)	(448,738)	(332,976)
Net loss and comprehensive loss for the year	(749,761)	(7,267,254)	(478,299)
Basic and diluted loss per share	(0.022)	(0.456)	(0.03)

Statements of Financial Position

As at December 31, 2014 and 2013 (audited)

As at December 31	2014 $	2013 $
Cash and cash equivalents	3,754	707
Working capital (deficiency)	(774,806)	(493,533)
Exploration and evaluation assets	1,160,084	1,300,000
Total assets	1,252,482	1,428,804
Shareholders' equity	363,179	270,675

For the year ended December 31, 2014, the Company recognized revenues of $Nil, which was equal to revenues of $Nil earned for the year ended December 31, 2013.

The Company incurred a net loss and comprehensive loss for the year of $749,761 (or $0.022 per share) for the year ended December 31, 2014, which was a decrease of $6,517,493 compared to the net loss and comprehensive loss of $7,267,254 (or $0.456 per share) for the year ended December 31, 2013. The increase in the loss is primarily due to the Company's decision to recognize an impairment charge of $6,796,442 on its Exploration and Evaluation Assets in 2013.

For the year ended December 31, 2014, the Company generated operating expenses of $523,357, which was an increase of $74,619 compared to the operating expenses of $448,738 for the year ended December 31, 2013. The following table outlines the variation in operating expenses for the years ended December 31, 2014 and 2013.

Operating Expenses
For the years ended December 31, 2014 and 2013 (audited)

For the years ended December 31	**2014** **$**	**2013** **$**	**Variation** **$**
Professional fees	30,096	55,416	(25,320)
Subcontractors	95,142	146,148	(51,006)
Publicity and promotion	131,174	42,542	88,632
Office expenses	5,679	7,028	(1,349)
Mineral rights	8,219	12,216	(3,997)
Brokerage fees	45,892	45,497	395
Travel expenses	12,195	29,278	(17,083)
Financial fees and bank charges	35,977	58,186	(22,209)
Interest on Convertible Debentures	49,900	56,690	(6,790)
Accretion of Debentures	-	(4,263)	4,263
Stock based compensation	109,083	-	109,083
	523,357	448,738	74,619

Impairment charge on Exploration and Evaluation Assets

The Company has evaluated its Exploration and Evaluation Assets and has determined that there are indicators of impairment as it focuses on specific claims for further investment in 2015. As a result, the Company has recorded an impairment charge of $173,547 in 2014 compared to an impairment charge of $6,796,442 in the fiscal year ended December 31, 2013.

SUMMARY OF QUARTERLY RESULTS

The following table outlines selected unaudited financial information of the Company for the last eight quarters.

	Mar. 31, 2015	*Dec. 31, 2014*	*Sep. 30, 2014*	*Jun. 30, 2014*
Total assets	1,248,775	1,252,482	2,438,099	1,494,905
Working capital (deficiency)	(298,865)	(774,806)	(767,556)	(667,459)
Shareholders' equity	847,531	363,179	1,413,567	270,67584
Revenue	-	-	-	-
Net income (loss)	(51,723)	(1,459,727)	864,381	(89,424)
Net income (loss) per share	(0.001)	(0.042)	0.30	(0.004)

	Mar. 31, 2014	*Dec. 31, 2013*	*Sep. 30, 2013*	*Jun. 30, 2013*
Total assets	1,491,161	1,428,804	7,995,300	8,038,566
Working capital (deficiency)	(587,891)	(493,533)	(10,313)	(1,812,052)
Shareholders' equity	398,790	270,675	5,992,886	6,019,337
Revenue	-	-	-	-
Net loss	(64,991)	(7,081,763)	(26,451)	(92,076)
Net loss per share	(0.003)	(0.444)	(0.002)	(0.006)

THREE MONTHS ENDED MARCH 31, 2015

For the three months ended March 31, 2015 and 2014, the Company had no revenues.

The Company incurred a net loss for the period of $51,723 (2014 - $64,991). The decrease in the loss is primarily due to a reduction in interest costs to $13,132 (2014 - $27,059) as the Company reduced interest bearing debt and a reduction in Subcontractor's fees to $14,575 (2014 - $24,649) as the

Company reduced discretionary spending. These reductions were offset somewhat by an increase in publicity costs to $10,314 (2014 – $1,454) relating to the final months of a one year contract.

LIQUIDITY AND CASH FLOW

At March 31, 2015, the Company had cash and cash equivalents of $2,162 (December 31, 2014 - $3,754).

At March 31, 2015, the Company had a working capital deficit of $298,865 (December 31, 2014 - $774,806 deficit). The change in working capital is primarily attributable to the issuance of $536,075 in shares during the period to settle outstanding debts. Management expects to finance future operations and growth as required by the issuance of equity and debt securities.

SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. Please refer to section (p) which addresses standards issued but not yet effective.

a) Mining Properties and Deferred Exploration and Evaluation Expenditures

Pre-exploration Costs

Pre-exploration costs are expensed in the year in which they are incurred.

Exploration and Evaluation Expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures (“E&E”) are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur. Tax credits and mining duties are applied to reduce related E&E in the period recognized.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss/income.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset’s fair value less costs to sell and value in use.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as ‘mines under construction'. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

Mining exploration and evaluation expenditures are classified as intangible assets.

b) Impairment of Non-Financial Assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets, including exploration and evaluation assets, are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to profit or loss, except to the extent they reverse gains previously recognized in accumulated other comprehensive loss/income.

c) Financial Instruments

Financial Assets

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

Financial assets at fair value through profit or loss ("FVTPL")

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management strategy. Attributable transaction costs are recognized in profit or loss when incurred. FVPTL are measured at fair value, and changes, are recognized in profit or loss. There are no financial assets classified in this category.

Held to Maturity ("HTM")

Securities that have a fixed maturity date and which the Company has positive intention and the ability to hold to maturity are classified as held-to-maturity and are initially recognized at fair value and subsequently at amortized cost using the effective interest rate method. Transaction costs incurred to acquire held to maturity financial instruments are included in the underlying balance. There are no financial assets classified in this category.

Loans and Receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process. The Company has classified cash and cash equivalents, and other receivables as loans and receivables.

Available-For-Sale Investments

Non-derivative financial assets that do not meet the definition of loans and receivables are classified as available-for-sale and comprise principally the Company's strategic investments in entities not qualifying as subsidiaries or associates. Available-for-sale investments are carried at fair value with changes in fair value recognized in other comprehensive loss/income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive loss/income, is recognized in profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost. There are no financial assets in this category. On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive loss/income to profit or loss.

Effective interest method

The effective interest method calculates the amortized cost of a financial asset and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

Impairment of Financial Assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.
If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment loss is recognized in the statement of loss and comprehensive loss.

Financial Liabilities

Financial Liabilities are classified into one of following categories:

Fair Value through profit or loss

This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with the changes in fair value recognized in the statement of loss and comprehensive loss. There are no financial liabilities in this category.

Other financial liabilities

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred, and comprise of trade payables and accrued liabilities. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding. This category includes accounts payable and accrued liabilities, due to a company controlled by a director and convertible debentures.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired.

d) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible debentures that can be converted into shares include both a financial liability and an equity component, such as the option to convert debentures in shares. The components of the instrument are classified separately as liabilities and equity. The Company first determines the carrying amount of financial liability by discounting future cash flows representing principal payments and interest payments generally at market rate for a similar liability which no equity component is associated to. The carrying value of the equity instrument that represents the convertible in share option is then determined by deducting the carrying amount of financial liability in the amount of the hybrid instrument as a whole.

e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash in trust, deposits with banks and other highly liquid short-term investments with original maturities of three months or less.

f) Tax Credits and Mining Duties

The Government of Quebec provides a 16% non-taxable refundable credit for losses to help operators meet exploration, mineral deposit evaluation and mine development costs by refunding part of eligible expenditures incurred. This credit is based on the lesser of:

- The amount of the annual loss; and
- 50% of eligible exploration expenditures, mineral deposit evaluation and mine development expenses, reduced by tax credits related to resources.

The Government of Quebec also offers businesses having establishments and that carry on activities in Quebec a refundable tax credit of 35% (28% since June 5, 2014) on eligible exploration expenses.

Tax credits and mining duties, which are earned as a result of qualifying mineral exploration expenses, are recognized when the exploration expenses are incurred and collection is reasonably assured. They are applied to reduce related mineral exploration expense in the period recognized.

g) Income Taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

h) Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, preferred shares, share warrants and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Flow-through Shares

The Company may from time to time issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital.

Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's reporting year is disclosed separately as flow-through share proceeds.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

i) Contributed Surplus

Contributed surplus is used to record the accumulated fair value of stock options recognized as share based payments and warrants issued. Contributed surplus is increased by the fair value of these items on vesting and is reduced by the corresponding amounts when options and warrants are exercised, cancelled or expire.

j) Warrants

The Company accounts for warrants using the fair value method. Under this method, the value of warrants is measured at fair value at the grant date using the Black-Scholes option pricing model, using management's assumptions disclosed in Note 8, and recorded as share capital when the warrants are exercised.

k) Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss/income over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income. Options or warrants granted related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

l) Loss per Share

The basic loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant year.

The diluted loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

m) Rehabilitation Provisions

The Company is subject to various government laws and regulations relating to environmental disturbance caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the explorations sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes: restoration, reclamation, and revegetation of the affected exploration sites.
The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur. As of December 31, 2014, no rehabilitation provision has been recorded.

n) Net Smelters Return (NSR) Royalties

The NSR royalties are generally not be accounted for when acquiring the mining property since they are deemed to be a contingent liability. Royalties are only accounted for when probable and can be measured with sufficient reliability.

o) Segment Disclosures

The Company currently operates in a single segment: the acquisition and exploration of mining properties. All of the Company's activities are conducted in Canada.

p) New and revised IFRSs in issue but not yet effective

IFRS 9 –Financial Instruments - In November 2009, the IASB issued IFRS 9, which will replace IAS 39, "Financial instruments: Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, and replaces the multiple category and measurement models in IAS 39. The approach in IFRS 9 focuses on how an entity manages its financial instruments in the context of its business model, as well as the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods currently provided in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of IFRS 9 on its financial statements.

FINANCIAL RISK MANAGEMENT AND FINANCIAL ESTIMATES

Financial Risk

The primary goals of the Company's financial risk management are to ensure that the outcomes of activities involving elements of risk are consistent with the Company's objectives and risk tolerance, and to maintain an appropriate risk/reward balance while protecting the Company's balance sheet from events that have the potential to materially impair its financial strength. Balancing risk and reward is achieved through aligning risk appetite with business strategy, diversifying risk, pricing appropriately for risk, mitigating risks through preventive controls and transferring risk to third parties.

The Company's exposure to potential loss from financial instruments is primarily due to various market risks, including interest rate, liquidity and credit risk. There has been no change in the financial risk of the Company during the year.

Market Risk

Market risk is the risk of loss arising from adverse changes to market rates and prices, such as interest rates, equity market fluctuations, foreign currency exchanges rates, and other relevant market rate or price changes. Market risk is directly influenced by the volatility and liquidity in the markets in which the related underlying assets are traded. Below is a discussion of the Company's primary market risk exposures and how those exposures are currently managed.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. The purpose of liquidity management is to ensure that there is sufficient cash to meet all financial commitments and obligations as they fall due. To manage cash flow requirements, the Company may have to issue additional common shares or conclude private investments.

As at March 31, 2015, the Company has current liabilities and accrued liabilities of $307,871 due within 12 months and has cash and cash equivalents of $2,162 to meet its current obligations. As a result, the Company does face liquidity risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The Company's credit risk is due mainly to its other receivables.

The Company's statement of financial position is presented net of any allowance for doubtful advances established on a case by case basis. This amount best represents the Company's maximum exposure to any potential credit risk. As of March 31, 2015 the allowance for doubtful advances was $Nil (December 31, 2014 - $Nil).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market-interest rates. The Company's convertible debentures fixes interest at 6% per annum and accordingly is not subject to cash flow interest rate risk due to changes in the market rate of interest. The Company does not use financial derivatives to reduce its exposure to risk. The management of the Company considers minimal its interest rate risk.

Fair Value Measurement

Fair value is the amount at which a financial instrument could be exchanged between willing parties, based on current markets for instruments with the same risk, principal and remaining maturity. Fair value estimates are based on present value and other valuation techniques using rates that reflect those that the Company could currently obtain, on the market, for financial instruments with similar terms, conditions and maturities.

The carrying amount and fair value of financial instruments, with the exception of the secured debenture, are considered to be a reasonable approximation of fair value because of their short-term maturities.

The carrying values of the convertible debentures approximate its fair value at the reporting date because the convertible debentures was calculated by discounting future cash flows using rates that the Company would otherwise use for such debt with similar terms, conditions and maturity dates, adjusted for the Company's credit risk. Management believes that no significant change occurred in the risk of these instruments.

CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at March 31, 2015, the Company's shareholders' equity was $847,531 (December 31, 2014 – $363,179) and it had an amount due to a related party of $3,833 (December 31, 2014 - $136,583). The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels. To meet these objectives, management monitors the Company's capital requirements against unrestricted net working capital and assesses additional capital requirements on specific business opportunities on a case-by-case basis.

The capital for expansion was mostly from proceeds from the issuance of common shares. The net proceeds raised will only be sufficient for a certain amount of exploration and development work on its properties, and for working capital purposes. Additional funds may be required to finance the Company's corporate objectives. There was no change in the Company's capital management policy for the three months ended March 31, 2015.

The Company is not exposed to any externally imposed capital requirements, except when the Company issues flow-through shares, for which an amount should be used for exploration work.

RELATED PARTY TRANSACTIONS

a) Management Contracts

During the period, the Company has incurred professional fees amounting to $11,575 (2014 – $15,220) with a company controlled by its Chief Financial Officer. In relation with these transactions, $ 52,823 was payable as at March 31, 2015 (December 31, 2014 - $48,028. These amounts are included in accounts payable and accrued liabilities.

During the period, the Company has incurred professional fees amounting to $ Nil ($8,192 in 2014) with a director of the company. In relation with these transactions, $ 4,685 was payable as at March 31, 2015 (December 31, 2014 - $43,803). This amount is included in accounts payable and accrued liabilities.

b) Due to a Director

On February 21, 2014 the Company issued a promissory note in the amount of $200,000 maturing on February 21, 2019 in favour of a Director of the Company. Under the terms of the Promissory Note the Director will provide financing to the Company in a series of scheduled payments between February 21, 2014 and March 30, 2015.

Interest on the Promissory Note is calculated at 18% per annum of which 12% is payable in cash or shares and 6% is payable in shares.

On February 23, 2015, this amount was settled by the issuance of shares (Note 9).

c) St-Georges Family Trust

On October 5, 2013, following the final payment related to the 2007 initial acquisition of Julie and Isoukustouc properties, the St-Georges Family Trust (of which Francois Dumas, a Director of the Company, is one of the Trustees) became eligible to receive a perpetual production royalty of 1.5% of the Net Smelter Returns from these properties. The Company has the option to purchase 0.5% of these NSR within 12 months of commencement of industrial exploitation of the properties for an amount of $500,000.

As exploration of these properties is ongoing, there is currently no industrial exploitation.

d) Stocked based compensation

During the prior year, the company issued 1,125,000 stock options to the members of the board. The stock options are exercisable at a price of $ 0.20 per share before April 3 2019. The fair value of the stock option grant was calculated at $109,083. No options have been granted in the current period.

RISK FACTORS

Exploration

Exploration and mining involve a high degree of risk. Few exploration properties end up going into production. Other risks related to exploration and mining activities include unusual or unforeseen formations, fire, power failures, labour disputes, flooding, explosions, cave-ins, landslides and shortages of adequate or appropriate manpower, machinery or equipment.

The development of a resource property is subject to many factors, including the cost of mining, variations in the quality of the material mined, fluctuations in the commodity and currency markets, the cost of processing equipment and others, such as aboriginal claims and government regulations, including regulations regarding royalties, authorized production, import and export of natural resources and environmental protection. Depending on the price of the natural resource produced, the Company may decide not to undertake or continue commercial production. There can be no assurance that the expenses incurred by the Company to explore its properties will result in the discovery of a commercial quantity of ore. Most exploration projects do not result in the discovery of commercially viable mineral deposits.

Environmental and Other Regulations

Current and future environmental laws, regulations and measures could entail unforeseeable additional costs, capital expenditures, restrictions or delays in the Company's activities. Environmental regulations and standards are subject to constant revision and could be substantially tightened, which could have a serious impact on the Company and its ability to develop its properties economically. Before it commences mining a property, the Company must obtain environmental permits and the approval of the regulatory authorities. There is no assurance that these permits and approvals will be obtained, or that they will be obtained in a timely manner. The cost of complying with government regulations may also impact the viability of an operation or altogether prevent the economic development of a property.

Financing and Development

The Company does not presently have sufficient financial resources to undertake its planned exploration and development programs. Development of the Company's properties therefore depends on its ability to raise the additional funds required. There can be no assurance that the Company will succeed in obtaining the funding required. The Company also has limited experience in developing resource properties, and its ability to do so depends on the use of appropriately skilled personnel or signature of agreements with other large resource companies that can provide the required expertise.

Commodity Prices

The factors that influence the market value of platinum, palladium, rhodium, copper, cobalt, nickel, carbon graphite and any other mineral discovered are outside the Company's control. The impact of these factors cannot be accurately predicted. Resource prices can fluctuate widely and have done so in recent years.

Risks Not Covered by Insurance

The Company may become subject to claims arising from cave-ins, pollution or other risks against which it cannot insure itself due to the high cost of premiums or other reasons. Payment of such claims would decrease and could eliminate the funds available for exploration and mining activities.

ST-GEORGES PLATINUM AND BASE METALS LTD.

Date: May 29, 2015

signed "Francois Dumas"	*signed "Richard Barnett"*
President and Chief Executive Officer	Chief Financial Officer