



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013**

INTRODUCTION

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Toro Resources Corp. (the "Company") as prepared at November 21, 2013, constitutes management's review of the factors that affected the Company's financial and operating performance for the three months ended September 30, 2013. This MD&A was written to comply with the requirements of National Instrument 51-102 Continuous Disclosure Obligations.

This discussion should be read in conjunction with the Company's condensed interim financial statements for the three months ended September 30, 2013 and the audited consolidated financial statements for the year ended June 30, 2013 together with the notes thereto. In the opinion of management all adjustments considered necessary for a fair presentation have been included.

Statements in this report that are not historically based fact are forward looking statements involving known and unknown risks and uncertainties which could cause actual results to vary considerably from these statements. Readers are cautioned not to place undue reliance on forward-looking statements. All amounts following are expressed in Canadian dollars unless otherwise stated.

OVERVIEW AND OVERALL PERFORMANCE

The Company was incorporated under the provincial laws of British Columbia, Canada, on June 30, 2005. The Company's common shares are listed on the Toronto Venture Exchange ("TSX") under the symbol "TRK". Additional information regarding the Company and its activities is available on SEDAR at www.sedar.com, and also on the Company's web site at www.tororesources.com, or by requesting further information from the Company's head office located in Kelowna, British Columbia, Canada.

The Company is in the business of acquiring mineral properties for exploration to determine whether these properties contain economically recoverable ore reserves. The recoverability of any amounts shown for mineral properties and related deferred costs is dependent upon the existence of economically recoverable reserves and the ability of the Company to obtain necessary financing by way of joint venture, equity financing, option agreements or by other means required to complete the development of the properties and upon future profitable production. To date, the Company is considered to be in the exploration stage and has yet to earn revenues.

Morgan Peak Property

Located in Arizona, USA, the Morgan Creek Property is situated in the Tonto National Forest accessible directly from highway 60 in Gila County, a short distance from the historic mining community of Globe-Miami. The project is less than 8 kilometers (5 miles) from Quadra FNX Mining's Carlota Mine, the Pinto Valley Copper Mine, recently acquired by Capstone Mining Corp from BHP for \$650m, and Freeport McMoRan's Miami complex.

On December 31, 2009, the Company entered into a letter of intent with MinQuest Inc. ("MinQuest") to acquire a 100% undivided interest in the Morgan Peak Property. The property, which has had an active exploration history dating back to the 1950's, is comprised of 101 unpatented mineral claims covering a total of 2,020 acres. Upon execution of the letter of intent the Company paid a \$10,862 (US\$10,000) non-refundable deposit to MinQuest.

On February 1, 2010, the Company entered into a definitive mineral property agreement with MinQuest respecting the option to acquire a 100% interest in the Morgan Peak Property subject to a 3% Net Smelter Royalty (the "Morgan Peak Option Agreement").

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On March 9, 2010, the Company incorporated a wholly owned subsidiary, Toro Resources Inc. ("TRI") a company incorporated in Nevada, for the purpose of holding its mineral property interests located in the USA. The Company then transferred all of its right, title and interest in and to the Morgan Peak Option Agreement to TRI. In order to earn the 100% interest, TRC is required to issue an aggregate of 3,000,000 shares of common stock and TRI is required to make cash payments to MinQuest totaling US\$1,000,000, and incur an aggregate of US\$4,300,000 in exploration expenditures over an eight year period through to February 2018. In addition, if copper prices exceed US\$3.90/lb for a period of 20 consecutive business days between February 1, 2013 and February 1, 2014, the Company shall fund a US\$150,000 drilling program within 60 days.

On June 6, 2012, the Company negotiated an amendment to the original agreement whereby the deadline for the 2012-2013 exploration expenditures of \$450,000 was extended by one year to February 1, 2014 resulting in a required total of \$950,000 in exploration expenditures in the 2013-2014 period. The Company is also required to make annual cash payments over eight years totaling US\$665,000 to another party, through to December 2017. As at September 30, 2013, the Company has made cash payments of \$186,208 (US\$170,000) and issued 1,150,000 common shares valued at \$155,000 pursuant to the terms of the Morgan Peak Option Agreement.

In September of 2010 the Company, implemented an evaluation and mapping program by Dr. Warren Pratt who confirmed the presence of significant copper mineralization across an area of roughly 3 km x 0.8 km. This program resulted in the discovery of the "Birthday Zone", a prospective untested target showing great promise. An aerial survey over approximately 1,500 hectares at Morgan Peak produced air photos, a topographic map with 1 m contours and an orthophotos map of the claim at a scale of 1:1000. The Company has also completed an airborne photogrammetry survey. This survey has provided digital photo images to generate 2D and 3D topographic maps and orthophotos used for geologic mapping, drill hole locations and resource modeling.

On August 25, 2011 the Company was issued a permit for an exploration drilling program on the southern and eastern portions of the project area with 27 drill sites under a Plan of Operation.

On July 11, 2013, the Company entered into a letter of intent (the "Letter Agreement") whereby PBar Land and Minerals, LLC, ("PBar") upon completion of a formal option agreement (the "Option"), has the right to earn up to a 51% interest in the Morgan Peak copper project ("Morgan Peak"). PBar is private mineral exploration company located in Phoenix, Arizona. Under the terms of the Option, PBar has the right, subject to the satisfaction of certain conditions precedent including the receipt of TSX Venture Exchange (the "Exchange") acceptance, to acquire up to 51% interest in Morgan Peak by incurring US\$4,300,000 of staged exploration expenditures and paying US\$1,250,000 on or before the 4th anniversary date of the Agreement as follows:

<i>Term</i>	<i>Work Obligation</i>	<i>Cash Consideration</i>
<i>12 months</i>	<i>\$ 850,000</i>	<i>\$ 150,000</i>
<i>24 months</i>	<i>1,000,000</i>	<i>200,000</i>
<i>36 months</i>	<i>1,225,000</i>	<i>300,000</i>
<i>48 months</i>	<i>1,225,000</i>	<i>600,000</i>
<i>Total</i>	<i>\$ 4,300,000</i>	<i>\$ 1,250,000</i>

Once PBar has earned the initial 51% interest, they will have the right to increase their interest to 60% upon completion of a Preliminary Economic Assessment and PBar may increase its interest to 70% upon completion of a Definitive Feasibility Study.

FINANCIAL RESULTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013

During the three months ended September 30, 2013, the Company incurred a net loss of \$74,578 (2012 - \$30,327). As at September 30, 2013, the Company had cash and cash equivalents of \$69,113 and a working capital deficiency of \$289,954 (2012 - cash \$101,617, working capital \$26,084).

Total G&A expenses of \$74,305 for the three months ended September 30, 2013 showed an increase over the comparative period ended September 30, 2012 (\$30,327). The increase was due primarily to the recording of share based compensation expense of \$15,099 for the period with no expense recognized in the prior year and accrued Management Fees of \$45,000 (2012 - \$12,000).. Professional fees were also \$6,000 higher as a result of the Company entering into a Letter of Intent with PBar Minerals PLC. Office expenses were less at \$173 (2012 - \$4,364), Morgan Peak exploration and acquisition cash costs during the three months ended September 30, 2013 were \$16,218 (2012 - \$30,902).

Management continues to evaluate its' financing alternatives and to explore alternative sources of financing in the form of debt, equity or a combination thereof in what has proven to be very challenging equity markets for the resource sector in general and the junior exploration companies in particular. Management will continue to monitor spending and assess results on an ongoing basis and appropriate changes will be implemented where appropriate.

SUMMARY OF QUARTERLY RESULTS

Quarter Ended	September 30, 2013	June 30, 2013	March 31, 2013	December 31, 2012
Total Assets	\$ 1,100,768	\$ 1,104,032	\$ 996,037	\$ 1,016,330
Working capital (deficiency)	(289,964)	(214,267)	(106,504)	(26,945)
Net income (loss) for the period	(74,578)	(107,379)	(82,806)	(31,918)
Basic and diluted loss per common share	(0.01)	(0.01)	(0.01)	(0.01)

Quarter Ended	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011
Total Assets	\$ 1,055,995	\$ 1,075,709	\$ 1,113,546	\$ 1,102,217
Working capital	26,084	75,130	212,444	259,609
Net income (loss) for the period	(30,327)	(66,970)	(51,108)	(44,269)
Basic and diluted loss per common share	(0.01)	(0.01)	(0.01)	(0.01)

SELECTED ANNUAL INFORMATION

The Company has had the following history of annual net and comprehensive losses:
June 30, 2013 (\$252,430), 2012 (\$221,445), 2011 (\$370,316), 2010 (\$240,360), 2009 (\$211,360).
The accumulated deficit recorded as at June 30, 2013 is (\$1,628,225) (\$1,375,795 at June 30, 2012).

For the year ended June 30,	2013	2012	2011
Net loss and comprehensive loss	\$ (252,430)	\$ (221,445)	\$ (370,316)
Total assets	1,104,032	1,075,709	1,221,873
Total liabilities	304,556	94,328	79,047
Shareholders Equity	799,476	981,381	1,142,826
Basic and diluted loss per common share	(\$0.01)	(\$0.01)	(\$0.02)

RELATED PARTY TRANSACTIONS

Compensation costs for related parties for the three months ended September 30, 2013 and 2012 are:

	September 30, 2013	September 30, 2012
Wages and consulting fees accrued	\$ 45,000	\$ 12,000
Share-based payments for options granted	9,707	-
	\$ 54,707	\$ 12,000

Included in accrued liabilities at September 30, 2013 is \$226,280 - (September 30, 2012 – \$59,920) for consulting and management fees owing to officers and companies controlled by officers. These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

OUTSTANDING SHARE DATA

No shares were issued during the three months ended September 30, 2013. As at November 21, 2013 the Company had 24,198,636 common shares issued and outstanding.

During the three months ended September 30, 2013, there were 2,050,000 incentive stock options outstanding with exercise prices ranging from \$0.10 to \$0.20 per share.

LIQUIDITY AND CAPITAL RESOURCES

The Company is engaged in the acquisition, exploration and development of mineral properties and has yet to determine whether its properties contain mineral resources that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets, including acquisition costs and related exploration and evaluation costs, are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production. The Company expects to rely upon equity financing and/or joint venturing project development as primary sources of funding. The Company's ability to continue as a going concern is dependent upon successful completion of additional financing and upon its ability to attain profitable operations. The interim consolidated financial statements for the three months ended September 30, 2013 do not give effect to any adjustments that would be necessary should the Company not be able to continue as a going concern.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The Company has no significant contractual obligations or commitments with any parties respecting executive compensation, consulting arrangements, rental premises or other general matters. The company does have significant obligations due on the Morgan Peak property as disclosed in the consolidated financial statements under note 7 - *Exploration and Evaluation Assets*.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values unless otherwise noted.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in conformity with IAS 3 requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Accounts that require significant estimates as the basis for determining the stated amounts include exploration and evaluation assets and share-based compensation. The assessment of any impairment of exploration and evaluation assets is based on the estimated recovery of future exploitation or sale where the activities have not reached a stage which permits a reasonable assessment of existence of reserves. Share-based compensation expense is calculated using Black-Scholes valuation model which requires significant judgment as to considerations such as stock option lives and stock volatility.

RISKS AND UNCERTAINTIES

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to; environmental, social, political, financial, economic and fluctuation of metal prices. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable.

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not listed in order of importance nor are they inclusive of all the risks and uncertainties the Company may be subject to as other risks may apply.

(1) The mineral property interests of the Company are in the exploration stage only and consequently, exploration of the Company's mineral property interests may not result in any discoveries of commercial bodies of mineralization.

The property interests owned by the Company are in the exploration stages only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. The Company's mineral exploration activities may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

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(2) Government expropriation may result in the total loss of the Company's mineral property interests.

Even if the Company's mineral property interests are proven to host economic reserves of copper or other precious or non-precious metals, governmental expropriation may result in the total loss of the Company's mineral property interests without any compensation to the Company.

(3) Governmental regulation may have negative impacts on the Company.

The Company's assets and activities are subject to extensive American federal and state, laws and regulations governing various matters, including, but not limited to:

- environmental legislation and protection;
- management and use of toxic substances and explosives;
- management of natural resources;
- exploration, development of mines, production and post-closure reclamation;
- exports;
- price controls;
- taxation;
- mining royalties;
- onerous development criteria;
- restrictions on the movement of capital into and out of USA which could impact the Company's ability to repatriate funds and therefore, pay dividends;
- labour standards and occupational health and safety, including mine safety; and
- historic and cultural preservation.

The costs associated with compliance with these laws and regulations are substantial and possible future laws and regulations, changes to existing laws and regulations (including the imposition of higher taxes and mining royalties which may be implemented or threatened in the USA) or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expenses, capital expenditures, restrictions on or suspensions of the Company's operations and delays in the development of its properties.

Moreover, these laws and regulations may allow governmental authorities and private parties to bring lawsuits against the Company based upon damage to property and injury to persons resulting from the environmental, health and safety impacts of the Company's past and current operations, or possibly even those actions of parties from whom the Company acquired its properties, and could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions. It is difficult to strictly comply with all regulations imposed on the Company. The Company retains competent and well trained individuals and consultants in jurisdictions in which it does business; however, there is no certainty that the Company will continuously be compliant with all applicable laws.

(4) Failure to comply strictly with applicable mining laws, regulations and local practices may have a material adverse impact on the Company's operations or business.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriations of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. Any such loss, reduction or imposition of partners could have a material adverse impact on the Company's operations or business. Further, the increasing complexity of mining laws and regulations may render the Company incapable of strict compliance.

(5) The exploration and future development of the Company's property interests is subject to extensive environmental laws and regulations.

The Company's exploration activities are subject to extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, mine development and protection of endangered and protected species. The Company's ability to obtain permits and approvals and to successfully operate in particular communities may be adversely impacted by real or perceived detrimental events associated with the Company's activities or those of other mining companies affecting the environment, human health and safety of the surrounding communities. Delays in obtaining or failure to obtain government permits and approvals may adversely affect the Company's ability to explore or develop its properties. The Company has made, and expects to make in the future, significant expenditures to comply with such laws and regulations and to the extent possible, create social and economic benefit in the surrounding communities. Future changes in applicable laws, regulations and permits or changes in their enforcement or regulatory interpretation could have an adverse impact on the Company's financial condition.

(6) The Company may not be able to obtain or renew permits that are necessary to its operations.

In the ordinary course of business, the Company is required to obtain and renew governmental permits for existing operations and any ultimate development, construction and commencement of new mining operations. Obtaining or renewing the necessary governmental permits is a complex and time-consuming process involving numerous jurisdictions and often involving public hearings and costly undertakings on the Company's part. The duration and success of the Company's efforts to obtain and renew permits are contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by the permitting authority. The Company may not be able to obtain or renew permits that are necessary to its operations, or the cost to obtain or renew permits may exceed what the Company believes it can recover from a given property once in production. Any unexpected delays or costs associated with the permitting process could delay the development or impede the exploration or development of the Company's mineral properties, which could adversely impact the Company's operations.

(7) The Company has no significant source of operating cash flow and failure to generate revenues in the future could cause the Company to go out of business.

The Company has no revenues from ongoing operations and has recorded losses since inception. Based upon current plans, the Company expects to incur operating losses in future periods due to continuing expenses associated with the holding and exploration of the Company's mineral property interests. The Company has limited financial resources and its ability to achieve and maintain profitability and positive cash flow is dependent upon the Company being able to:

- locate a profitable mineral property;
- generate revenues in excess of expenditures; and
- reduce exploration and administrative costs in the event revenues are insufficient.

Additional funds raised by the Company through the issuance of equity or convertible debt securities will cause the Company's current shareholders to experience dilution. Such securities may grant rights, preferences or privileges senior to those of the Company's common shareholders. There is no certainty the Company will be able to raise funds in the event it needs to do so.

The Company does not have any contractual restrictions on its ability to incur debt and accordingly, the Company could incur significant amounts of indebtedness to finance its operations. Any such indebtedness could contain covenants, which would restrict the Company's operations.

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(8) The mineral exploration industry is intensely competitive in all its phases and the Company competes with many companies possessing greater financial resources and technical facilities.

The mineral exploration industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical abilities than itself for the acquisition of mineral concessions, claims, leases, other mineral interests, and equipment required to conduct its activities as well as for the recruitment and retention of qualified employees. In addition, there is no assurance that even if commercial quantities of minerals are discovered, a ready market will exist for their sale. Factors beyond the control of the Company may affect the marketability of any minerals discovered. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, international economic and political trends, expectations of inflation, currency exchange fluctuations (specifically, the U.S. dollar relative to other currencies), interest rates and global or regional consumption patterns, speculative activities, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital or losing its invested capital.

(9) Substantial expenditures are required to be made by the Company to establish mineral reserves and the Company may not either discover minerals in sufficient quantities or grade or may not have the necessary required funds.

Substantial expenditures are required to establish mineral reserves through drilling and the estimation of mineral reserves or mineral resources in accordance with the Canadian Institute of Mining (CIM) Guidelines.

Although substantial benefits may be derived from the discovery of a major mineralized deposit, the Company may not discover minerals in sufficient quantities or grades to justify commercial operation and the funds required for development may not be obtained on a timely basis. Estimates of mineral reserves and mineral resources can also be affected by environmental factors, unforeseen technical difficulties and unusual or unexpected geological formations. In addition, the grade of mineral ultimately mined may differ from that indicated by drilling results. Material changes in mineral reserve or mineral resource estimates, grades, stripping ratios or recovery rates may affect the economic viability of any project.

(10) The lack of available infrastructure may adversely affect the Company's operations and profitability.

Mining, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay development of the Company's projects. If adequate infrastructure is not available in a timely manner, there can be no assurance that the development of the Company's projects will be commenced or completed on a timely basis, if at all; the Company's operations will achieve anticipated results; or the construction costs and ongoing operating costs associated with the development of any of the Company's advanced stage exploration projects will not be higher than anticipated. In addition, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations and profitability.

(11) The Company currently has limited insurance covering its assets or operations and as a consequence, could incur considerable costs.

Mineral exploration involves risks which, even with a combination of experience, knowledge and careful evaluation, mineral exploration companies may not be able to overcome. Operations in which the Company has a direct or indirect interest may be subject to all the hazards and risks normally incidental to exploration of precious and non-precious metals, any of which could result in work stoppages, damage to property, and possible environmental damage. The Company presently has limited commercial liability insurance. As a

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result, the Company could incur significant costs that could have a materially adverse effect upon its financial condition and even cause the Company to cease operations. To date, the Company has not experienced any material losses due to hazards arising from its operations.

(12) The Company's mineral property interests may be subject to prior unregistered agreements or transfers and as such title to some of the Company's mineral property interests may be affected.

Although the Company has sought and received such representations as it has been able to achieve from vendors in connection with the acquisition of or options to acquire an interest in its mining properties and has conducted limited investigations of legal title to each such property, the mining properties in which the Company has an interest may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects.

(13) The price of copper, base and precious metals has fluctuated widely in recent years and may adversely affect the economic viability of any of the Company's mineral properties.

The Company's revenues, if any, are expected to be in large part derived from the mining and sale of copper and other precious and non-precious metals. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control, including: international economic and political trends; expectations of inflation, currency exchange fluctuations; interest rates; consumption patterns; speculative activities; and increased production due to new mine developments and improved mining and production methods. The effect of these factors on the price of copper, base and precious metals and therefore, the economic viability of any of the Company's mining properties, cannot be accurately predicted but may adversely affect the Company's operation and its ability to raise capital.

(14) The business of exploration for minerals involves a high degree of risk; as a result, few properties that are explored are ultimately developed into producing mines.

The Company's exploration activities are subject to a high degree of risk due to factors that, in some cases, cannot be foreseen or anticipated. The operations of the Company may be disrupted by a variety of risks and hazards which may be beyond the control of the Company. These risks include, but are not limited to, labour disruptions, the inability to obtain adequate sources of power, water, labour, suitable or adequate machinery and equipment and consultants or other experts. In addition, the Company may be unable to acquire or obtain such things as water rights and surface rights which may be critical for the continued advancement of exploration activities on its mineral property rights.

(15) The possible issuance of additional shares may impact the value of the Company's common shares.

The Company is authorized to issue an unlimited number of common shares without par value. The Company may issue more common shares in the future. The Sale of substantial numbers of common shares (including shares issuable upon the exercise of stock options, the conversion of notes and the exercise of warrants), or the perception that such sales could occur, could materially adversely affect prevailing market prices for the common shares and the ability of the Company to raise equity capital in the future.

(16) The Company's future performance is dependent on key personnel. The loss of the services of any of the Company's executives or directors could have a material adverse effect on the Company's business.

The Company's performance is substantially dependent on the performance and continued efforts of the Company's executives and its board of directors. The loss of the services of any of the Company's executives or directors could have a material adverse effect on the Company business, results of operations and financial condition. The Company has limited resources and is currently unable to compete with larger organizations with respect to compensation and perquisites.

(17) The Company is exposed to financial risk arising from fluctuations in the exchange rates between the U.S. dollar and Canadian dollar.

The Company's exploration and development expenditures are predominantly in U.S. dollars, and any future equity financing raised is expected to be predominantly in Canadian dollars. The Company is exposed to financial risk arising from fluctuations and volatility in the exchange rates between the US and Canadian dollar. The Company does not use derivative instruments to reduce its exposure to foreign currency risks.

DISCLOSURE OF INTERNAL CONTROLS

Management has established processes which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the audited 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 audited consolidated financial statements; and (ii) the audited consolidated financial statements fairly present all material respects the financial condition, results of the operations and cash flows of the Company, as of the date of and for the periods presented by the audited consolidated financial statements.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings (NI 52-109), the Company utilizes the Venture Issuer Basic Certificate which 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 the 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 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 financial statements for external purposes in accordance with the issuer's GAAP and 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 this 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.

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

The IASB issued the following pronouncements that are effective for years beginning January 1, 2013 or later. These new accounting policies were adopted by the Company on July 1, 2013 and have had no significant impact on the Company's financial position and results of operation.

IAS 1 – *Presentation of Financial Statements*

IAS 12 – *Deferred Tax*

IAS 24 – *Related Party Disclosures*

IAS 28 – *Investments in Associates*

IFRS 7 - *Financial Instruments: Disclosures*

IFRS 9 – *Financial Instruments*

IFRS 10 – *Consolidated Financial Statements*

IFRS 11 – *Joint Arrangements*

IFRS 12 – *Disclosures of Interests in Other Entities*

IFRS 13 – *Fair Value Measurement*