LA IMPERIAL RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS

YEAR ENDED AUGUST 31, 2013

December 11, 2013

The following discussion and analysis of the results of operations and financial condition ("MD&A") for La Imperial Resources Inc. ("the Company") should be read in conjunction with the audited financial statements for the year ended August 31, 2013 and related notes thereto. The financial information in this MD&A is derived from the Company's financial statements prepared in accordance with International Financial Reporting Standards.

All monetary amounts are in Canadian dollars unless otherwise specified. The effective date of this MD&A is December 11, 2013.

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

FORWARD-LOOKING INFORMATION

This MD&A together with the Company's financial statements for the year ended August 31, 2013 contain certain statements that may be deemed "forward-looking statements". Forward looking statements in this document are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "continue", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management are inherently subject to significant business, economic and competitive uncertainties and contingencies. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Inherent in forward-looking statements are known and unknown risks, and factors may include, but are not limited to: unavailability of financing, changes in government regulation, general economic condition, general business conditions, limited time being devoted to business by directors, escalating professional fees, escalating transaction costs, competition, fluctuation in foreign exchange rates, competition, stock market volatility, unanticipated operating events and liabilities inherent in industry. Readers are cautioned that the foregoing list of important factors and assumptions is not exhaustive. Forward-looking statements are not guarantees of future performance. Events or circumstances could cause the Company's actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

Description of Business

La Imperial Resources Inc. (the "Company") was incorporated on October 4, 2004 under the Canada Business Corporations Act and its principal activity is the acquisition and exploration of mineral properties located in Mexico.

The Company is a reporting issuer in British Columbia, Alberta and Ontario and its shares are listed on the CNSX Stock Exchange under the symbol LAI.

The Company has its corporate and administrative office in Vancouver and a field office in, Chihuahua, Mexico.

Subsidiary

The Company acquired on November 8, 2006 a 99.9% interest in La Kathrina de Mexico, S.A de CV ("La Kathrina"), a Mexican company, by issuing six million common shares valued at $300,000, subject to an escrow restriction, to the La Kathrina shareholders, which included two company directors and certain family members. La Kathrina's sole asset and undertaking are the Uruachi concessions located in the state of Chihuahua, Mexico.

The acquisition was accounted for by the purchase method, with the Company identified as the acquirer, for consideration comprised of 6,000,000 shares valued at $300,000, the amount was based on the estimated expenditures incurred on the property by La Kathrine prior to the acquisition. The purchase price was allocated entirely to mineral property acquisition costs.

Mineral Project

Uruachi Concessions - Chihuahua, Mexico
State of Chihuahua, Mexico

The Company entered into an agreement on November 30, 2005, subject to the expenditure of $200,000 on exploration and also for due diligence, and on November 8, 2006 acquired 99.9% of the outstanding common shares of La Kathrina in consideration for the issue of six million Company common shares (issued) at $0.05 per share, for a total payment of $300,000. La Kathrina has a 70% interest in seven mining concessions covering 13,209 hectares.

The Property is located at approximately 27˚ 50' North Latitude, 108˚ 30' West Longitude in the Municipality of Uruachi, at 170km S56˚ W of Cuauhtemoc, 255km S 75˚ W of Chihuahua and 45km east of the boundary of the State of Sonora.

During the year ended August 31, 2012, the Company determined that the recoverable value of the property was impaired, and recognized an impairment provision of $1,303,953.

Risks and Uncertainties

The Company's principal activity of mineral exploration is considered to be very high risk. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, commodity prices, political and economic, with some of the most significant risks being:

1. Substantial expenditures are required to explore for mineral reserves and the chances of identifying economical reserves are extremely small;

2. The junior resource market, where the Company raises funds, is extremely volatile and there is no guarantee that the Company will be able to raise funds as it requires them;

3. Although the Company has taken steps to verify title to the mineral properties it has an interest in or is earning into, there is no guarantee that the property will not be subject to title disputes or undetected defects; and

4. The global economy experienced a significant downturn which has negatively impacted commodity prices and credit availability which in turn has significantly reduced valuations of most companies in the resource sector. As such, the markets where the Company has traditionally raised equity capital have been significantly curtailed. As such, it will most likely be more difficult and costly, in terms of dilution, to raise equity capital over the short and medium term.

Results of Operation

During the year ended August 31, 2013 the Company recorded a loss of $274,051 or $0.02 diluted loss per share, compared to $1,564,630 or $0.13 diluted per share for the same period last year. The decrease is due to the following:

- Impairment of exploration and evaluation assets of $34,927 (2012-$1,303,953).

- Administration fee of $Nil (2012-$18,000) were paid to a private company for secretarial and general administrative services.

- Interest expenses of $191,408 (2012-$161,580) accrued from the shareholders of the Company. The loans are unsecured and bears interest of 12% per annum, with no fixed terms of repayment.

- Consulting fees of $Nil (2011-$5,000) is paid for general management.

Also, during the year ended August 31, 2013 the Company incurred office expenses of $15,000 (2012- $15,911), professional fees of $22,680 (2012-$42,328) and transfer and filing fees of $8,386 (2012-$10,234)

Selected Annual Information

The following financial data, which has been prepared in accordance with International Financial Reporting Standards, is derived from the Company's audited financial statements for the year ended August 31, 2013, 2012 and 2001.

	2013 $	2012 $	2011 $
Interest Income	-	-	52
Net loss for the year	274,051	1,564,630	295,583
Basic and diluted per shares	0.02	0.13	0.02
Total Assets	7,442	6,530	1,273,615
Income Tax Liabilities	Nil	Nil	Nil

The net loss was higher in 2012 compared to 2013 due to the impairment of exploration and evaluation assets of $1,303,953.

The Company's accounting policy is to record its mineral properties at cost. Cost related to the acquisition, exploration and development of mineral properties are capitalized by property. If, after management review, it is determined that capitalized acquisition, exploration and development costs are not recoverable over the estimated economic life of the property, or the property abandoned, the property is written down to its net realizable value.

Summary of Quarterly Results

The selected information set out below has been gathered from quarterly consolidated financial statements:

	Three Months Period Ended			
	August 31, 2013 $	May 31, 2013 $	February 28, 2013 $	November 30, 2012 $
Interest Income	Nil	Nil	Nil	Nil
Net Gain (Loss)	(93,290)	(60,282)	(67,414)	(53,065)
Basic and diluted per share	(0.01)	(0.00)	(0.01)	(0.00)

	Three Months Period Ended			
	August 31, 2012 $	May 31, 2012 $	February 28, 2012 $	November 30, 2011 $
Interest Income	54	54	Nil	Nil
Net Gain (Loss)	(1,332,757)	(80,910)	(71,004)	(79,959)
Basic and diluted per share	(0.11)	(0.01)	(0.01)	(0.01)

Quarterly results will vary in accordance with the Company's exploration and financing activities.

Fourth Quarter

No significant items or events occurred in Q4, 2013 that would affect the Company's financial position, cash flows or results of operations.

Liquidity and Capital Resources

The Company has $537 in cash on hand. The Company has a working capital deficiency of $2,204,413 as at August 31, 2013 and deficit of $3,640,450. The Company's continued existence as a going concern is dependent upon the continued support of related parties and its ability to raise adequate long-term financing.

The Company will continue to require funds and as a result, will have to continue to rely on equity and debt financing. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company. The Company does not have any commitments for material capital expenditures over either the near or long term and none are presently contemplated other than as disclosed above or over normal operating requirements.

Commitments and Significant Contracts

In November, 2011 a claim was asserted against the Company for unpaid fees of approximately $100,000. The Company filed a response disputing the claim in December 2011. The Company has accrued $54,107 towards this claim. The claim remains unsettled and to date the outcome cannot be determined.

Critical Accounting Policies and Estimates

The details of La Imperial's accounting policies are presented in Note 4 of the consolidated financial statements ended August 31, 2013. These policies are considered by management to be essential to understanding the processes and reasoning that go into the preparation of the Company's consolidated financial statements and the uncertainties that could have a bearing on its financial results.

Off-Balance Sheet Arrangements

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

Related Party Transactions

During the years ended August 31, 2013 and 2012, the Company did not enter into any transactions with related parties.

New Standards Not Yet Adopted

IFRS 9 – *Financial Instruments* ("IFRS 9")

This new standard is a partial replacement of 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, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2015.

IFRS 10 – *Consolidated Financial Statements* ("IFRS 10")

This new standard will replace IAS 27 "Consolidated and Separate Financial Statements", and SIC-12 "Consolidation – Special Purpose Entities". Concurrent with IFRS 10, the IASB issued IFRS 11 "Joint Ventures"; IFRS 12 "Disclosures of Involvement with Other Entities"; IAS 27 "Separate Financial Statements", which has been amended for the issuance of IFRS 10 but retains the current guidance for separate financial statements; and IAS 28 "Investments in Associates and Joint Ventures", which has been amended for conforming changes based on the issuance of IFRS 10 and IFRS 11.

IFRS 10 uses control as the single basis for consolidation, irrespective of the nature of the investee, eliminating the risks and rewards approach included in SIC-12, and requires continuous assessment of control over an investee. The above consolidation standards are effective for annual periods beginning on or after January 1, 2013.

IFRS 11 – *Joint Arrangements* ("IFRS 11")

The IASB issued IFRS 11 – *Joint Arrangements*, on May 12, 2011 with an effective date for annual periods beginning on or after January 1, 2013. This standard supersedes IAS 31 – Interest in Joint Ventures and SIC 13 – Jointly *Controlled Entities – Non-Monetary Contributions by Venturers*. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures based on the rights and obligations of the parties to the joint arrangements. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement ("joint operators") have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement ("joint ventures") have rights to the net assets of the arrangement. IFRS 11 requires that a joint operator recognize its portion of assets, liabilities, revenues and expenses of a joint arrangement, while a joint venture recognizes its investment in a joint arrangement using equity method.

IFRS 12 – *Disclosure of Interest in Other Entities* ("IFRS 12")

In May 2011 the IASB published IFRS 12 - *Disclosure of Interests in Other Entities*, effective for annual periods beginning on or after January 1, 2013. The objective of IFRS 12 is to require the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities; and the effects of those interests on its financial position, financial performance and cash flows.

IFRS 13 – *Fair Value Measurement* ("IFRS 13")

In May 2011, as a result of the convergence project undertaken by the IASB with the US Financial Accounting Standards Board to develop common requirements for measuring fair value and for disclosing information about fair value measurements, the IASB issued IFRS 13 – *Fair Value Measurement*. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. IFRS 13 defines fair value and sets out a single framework for measuring fair value which is applicable to all IFRSs that require or permit fair value measurements or disclosures about fair value measurements. IFRS 13 requires that when using a valuation technique to measure fair value, the use of relevant observable inputs should be maximized while unobservable inputs should be minimized.

New interpretation IFRIC 20 *"Stripping Costs in the Production Phase of a Surface Mine"*

This new IFRIC clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. IFRIC 20 is effective for annual periods beginning on or after January 1, 2013.

Amendments to IAS 32 *"Financial Instruments: Presentation"*

These amendments address inconsistencies when applying the offsetting requirements, and are effective for annual periods beginning on or after January 1, 2014.

The Company has not yet completed its evaluation of the effect of adopting these standards on its consolidated financial statements.

<u>Management Financial Risks</u>

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

a. Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities
b. Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

c. Level 3 – inputs that are not based on observable market data.

	Financial assets at fair value			
	Level 1	Level 2	Level 3	August 31, 2013
Held-for-trading financial asset				
Cash	$ 537	$ -	$ -	$ 537
Other receivable	-	1,154	-	1,154
Restricted cash	5,750	-	-	5,750
Total financial assets at fair value	$ 6,287	$ 1,154	$ -	$ 7,441

	Financial assets at fair value			
	Level 1	Level 2	Level 3	August 31, 2012
Held-for-trading financial asset				
Cash	$ 6	$ -	$ -	$ 6
Other receivable	-	773	-	773
Restricted cash	5,750	-	-	5,750
Total financial assets at fair value	$ 5,756	$ 773	$ -	$ 6,529

Financial liabilities included in the statement of financial position are as follows:

	August 31, 2013	August 31, 2012
Non-derivative financial liabilities:		
Trade and other payables	$ 341,549	$ 311,938
Unsecured advances	1,854,555	1,601,203
	$ 2,196,104	$ 1,931,141

The fair values of the Company's accounts receivable, amount due to related parties and accounts payable and accrued expenses approximate their carrying values due to their short term nature.

The Company is exposed to varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes, inclusive of counterparty limits, controlling and reporting structures.

The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company currently does not have sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in bank accounts which are available on demand. As a result, liquidity risk is assessed as high.

Interest rate risk

The Company's bank account earns interest income at variable rates. The fair value of its cash is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to short-term rates.

The Company has some advances which bear interest at a fixed rate and, thus, do not expose the Company to interest rate risk.

Capital Risk Management

The Company's objective when managing capital is to safeguard its accumulated capital in order to provide adequate return to shareholders by maintaining a sufficient level of funds, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is dependent on external financing to fund its activities. In order to carry out property acquisitions and exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential, and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Management's Report on Internal Control Over Financing Reporting

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Outstanding Shares

As at December 11, 2013, the Company had the following securities issued and outstanding:

a) Authorized: Unlimited number of common shares without par value.

b) Issued and outstanding shares: 12,085,970