



**GTA RESOURCES AND MINING INC.**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**FOR THE THREE MONTHS ENDED JUNE 30, 2014**

## **Introduction**

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of GTA Resources and Mining Inc. ("GTA" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three months ended June 30, 2014. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 - Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the years ended March 31, 2014 and 2013, as well as the unaudited condensed interim financial statements for the three months ended June 30, 2014, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the interim period presented are not necessarily indicative of the results may be expected for any future period.

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

The effective date of this report is August 29, 2014.

## **Forward Looking Information**

Certain information regarding the Company within Management's Discussion and Analysis ("MD&A") may include "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such thing as future business strategy, goals, expansion and growth of the Company's business, plans and other such matters are forward-looking statements. When used in this MD&A the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. Such statements by their nature involve certain risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements. The Company considers the assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared, but cautions the reader that these assumptions regarding future events, many of which are beyond the control of management, may ultimately prove to be incorrect. The reader should not rely solely on these forward-looking statements.

## **Nature of the Business and Overall Performance**

The Company was incorporated on August 9, 2006 under the Business Corporations Act (Ontario).

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**Financing**

The Company did not complete any financings during the three months ended June 30, 2014.

**Selected Quarterly Financial Information**

The following table sets out the selected financial information for the three months ended:

	<b>Jun 30, 2014</b>	<b>Mar 31, 2014</b>	<b>Dec 31, 2013</b>	<b>Sept 30, 2013</b>
Total assets	\$ 6,825,749	\$ 7,155,818	\$ 7,693,523	\$ 8,326,494
Working capital	\$ 1,126,783	\$ 1,368,947	\$ 2,002,266	\$ 2,483,364
Net loss for the period	\$ 130,621	\$ 647,316	\$ 66,291	\$ 120,937
Loss per share	\$ 0.00	\$ 0.04	\$ 0.00	\$ 0.00

	<b>Jun 30, 2013</b>	<b>Mar 31, 2013</b>	<b>Dec 31, 2012</b>	<b>Sept 30, 2012</b>
Total assets	\$ 7,742,574	\$ 8,007,912	\$ 8,088,850	\$ 8,496,542
Working capital	\$ 3,288,123	\$ 3,677,685	\$ 3,980,906	\$ 4,441,604
Net loss for the period	\$ 104,944	\$ 203,762	\$ 163,650	\$ 81,393
Loss per share	\$ 0.00	\$ 0.01	\$ 0.01	\$ 0.00

GTA reported no discontinued operations and declared no dividends for any period presented.

**Results of Operations**

*General and Administrative*

Three months ended June 30, 2014 and 2013

The Company incurred a net loss of \$130,621 for the three months ended June 30, 2014, compared to a net loss of \$104,944 for the three months ended June 30, 2013. The increase is due to a decrease in deferred tax benefit and general and administration costs and an increase in professional fees. Details of the more significant changes over last year are as follows:

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- An decrease in management and administration to \$113,251 (2013 - \$156,094), included in the amount is a decrease in management remuneration of \$10,500, decrease in travel and accommodation of \$18,000 and decrease in investor relations costs of \$9,500.
- An increase in professional fee expenses to \$11,250 (2013 - \$9,385), the primary reason for the increase was an increase in legal fees.
- An increase in transfer agent and regulatory fees to \$3,900 (2013 - \$1,822), the increase related to the acquisition of Ivanhoe Property.
- A decrease in the deferred tax benefit to \$nil (2013 - \$65,475), the decrease reflects the fact that the Company had fulfilled its commitment to incur exploration expenditures in relation to flow-through share financing.

As at June 30, 2014, the Company has cash and cash equivalents of \$1,166,225 (2013 - \$3,524,135), including short term deposits of \$1,062,028 (2013 - \$3,435,000), miscellaneous receivables of \$34,803 (2013 - \$65,925), prepaid expenses of \$6,958 (2013 - \$3,634), accounts payable and accrued liabilities of \$81,203 (2013 - \$130,573), and liability for flow-through shares of \$nil (2013 - \$174,998) for total working capital of \$1,126,783 (2013 - \$3,288,123).

#### **Liquidity and Capital Resources**

This section should be read in conjunction with the unaudited condensed interim statements of financial position for the three months ended June 30, 2014, and the corresponding notes thereto.

The Company has total assets of \$6,825,749 (2013 - \$7,742,574). The primary assets of the Company are cash and cash equivalents of \$1,166,225 (2013 - \$3,524,135), including short term investments of \$1,062,028 (2013 - \$3,435,000), miscellaneous receivables of \$34,803 (2013 - \$65,925), prepaid expenses of \$6,958 (2013 - \$3,634), and mineral properties and deferred exploration expenditures of \$5,609,561 (2013 - \$4,131,822). The Company has no long-term liabilities and has working capital of \$1,126,783 (2013 - \$3,288,123).

The Company's financial statements have been prepared on a going concern basis, under which the Company is assumed to be able to realize its assets and discharge its liabilities in the normal course of operations. The Company currently has no revenue to finance its operations. It is therefore required to fund its activities through the issuance of equity securities and other financing alternatives. The Company's ability to continue as a going concern is therefore dependent upon its ability to raise funds.

The Company has not yet realized profitable operations and has incurred significant losses to date resulting in a cumulative deficit of \$3,794,368. As at June 30, 2014, the Company had cash and cash equivalents of \$1,166,225 to settle current liabilities of \$81,203.

To continue operations and to fund future obligations, the Company will be required to raise funds through equity or other financing alternatives. Recent global economic conditions and market uncertainty may have an

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impact on the Company's ability to raise funds through the equity markets. Management believes that there are sources of financing available. During the three months ended June 30, 2014, the Company did not complete any financings. There can be no assurance that the Company will be successful in its future fund-raising activities.

The Company relies on issuance of equity securities and alternative sources of financing, if required, to maintain adequate liquidity to support its ongoing working capital commitments. The following table is a summary of quantitative data about what the Company manages as capital:

	June 30, 2014		March 31, 2014		Change
Cash and cash equivalents	\$	1,166,225	\$	1,555,645	\$ (389,420)
Share capital	\$	8,869,550	\$	8,850,550	\$ 19,000
Contributed surplus	\$	1,669,364	\$	1,669,364	\$ -
Deficit	\$	(3,794,368)	\$	(3,663,747)	\$ (130,621)

The Company monitors these items to assess its ability to fulfill its ongoing financial obligations, including its flow-through obligations, and its exploration program.

### **Mineral Property Interests**

#### *Northshore Property*

The Northshore Property is located four kilometres south of the town of Schreiber in Ontario and approximately 70 kilometres west along the Trans-Canada Highway from the Hemlo gold deposit in the Schreiber-Hemlo greenstone belt. The property consists of two unpatented and 5 patented mineral claims (approximately 322.26 hectares) situated in the Township of Piske, Thunder Bay Mining Division, Ontario. Gold mineralization at Northshore is hosted within altered and fractured felsic intrusions.

High grade gold mineralization has been identified along several vein systems which include the Audney, Caly and former producing Northshore vein systems. The Audney and Caly veins are part of a broader zone of gold mineralization referred to as the Afric Zone which encompasses both high-grade veins and broad zones of strongly anomalous gold values located in the altered country rock hosting the veins. The Afric Zone is the current focus of exploration on the Property with expansion of the high-grade vein system a secondary priority.

On July 27, 2011 the Company entered into an Option Agreement with Balmoral Resources Ltd. to acquire up to a 70% interest in the Northshore Property by making cash payments in aggregate totaling \$150,000, issuing in favour of Balmoral 3,500,000 common shares and completing \$5,500,000 in eligible work expenditures on the Property over a 5 year period.

Certain of the mineral claims on the Northshore Property have attached patented surface rights which also may be acquired as part of the transaction with Balmoral Resources Ltd.

Since acquisition the Company has carried out four phases of diamond drilling. The initial Phase 1 program was completed during the year ended March 31, 2012 and consisted of a 12 holes (1038 m) targeting the Afric Zone in the area surrounding the Audney and Caly Vein systems.

During the 2013 fiscal year the Company completed Phase 2 and Phase 3 programs, comprising approximately 7,200 m of drilling, significantly expanding the scale of the known gold mineralized system over an area of 350 m x 450 m and to a depth of 320 m. Previous results from the central part of the Afric Zone included an intersection of 12.49 grammes per tonne (g/t Au) over 33.2 m within a zone assaying 3.21 g/t Au with a 1.20 g/t cut over 152 m in hole WB-11-11. The zone remains open in several directions. An additional 2,313 m of drilling has been completed in a Phase 4 program with results defining the western extension of the Afric Zone and confirming the continuity of the east extension of the Afric Zone. In addition, the final hole of the Phase 4 program intersected a new high grade gold system between the Afric Zone and the former producing high-grade Northshore mine.

Early interpretation suggests that this new system, termed the Gino vein, is open for lateral and vertical expansion.

In general most holes have resulted in significant gold intersections within a strongly altered felsic volcanic, often including multiple occurrences of visible gold. Results from the recent drilling were very encouraging and have partially outlined the Afric Zone as a "porphyry style" gold system with a minimum surface extent exceeding 450 m by 350 m. The drilling completed to date indicates the zone is open in multiple directions and at depth.

On December 10, 2013 the Company released drilling results from an 853 m drill program. Two of the holes tested the Afric Gold Zone and were highlighted by a high grade interval of 9.47 g/t Au over 9.0 m hosted within a zone of anomalous gold with an average grade of 0.73 g/t Au over 201 m in drill hole WB-13-51. Three additional holes, WB-13-48, WB-13-49 and WB-13-50 were drilled to further evaluate the recently identified Gino Vein. All three holes successfully cut the steeply dipping east-west trending quartz-carbonate vein system returning high-grade intercepts of 46.4 g/t Au over a 1.0 m, 41.6 g/t Au over 1.0 m and 6.38 g/t Au over 2.0 m.

The Company has retained consulting geologists to complete a NI 43-101 compliant mineral resource estimate for the Afric Zone. The Company has completed 52 holes, totalling 11,390 m of drilling and has identified the Afric Zone as an intrusive-related porphyry style gold system. The drilling completed by GTA, has delineated the gold zone over a surface area of approximately 500 m by 350 m, to a depth of 350 m beneath the surface and containing a shallow, central higher grade sub-zone. GTA's drill data, combined with results from previous operators, is currently being evaluated and modeled.

#### *Squid East Property*

On February 27, 2013 the Company and Metals Creek Resources Corp. entered into a Letter Agreement whereby the Company was granted the right to acquire up to a 70% interest in Metals Creek's interest in the Squid East Property. The property is located 80 km southwest of Dawson City in the White Gold District. The claims are proximal to the Matson Creek placer gold mining camp which is accessed via an airstrip and a four wheel drive ridge road originating from the "Top of the World" Highway west of Dawson City.

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Under the terms of the Letter Agreement, the Company could earn an initial 51% interest ("First Option") in the Squid East Property by making cash payments to Metals Creek of \$60,000, issuing in favour of Metals Creek 2,000,000 common shares of GTA and incurring a minimum of \$2,000,000 in eligible exploration expenditures on the Property over a three-year period from receipt of regulatory approval.

Upon exercise of the First Option outlined above, the Company would have the right to elect to proceed with a Second Option, under which the Company would have the ability to earn an additional 19% interest in the Squid East Property by making an additional cash payment of \$100,000, issuing an additional 1,000,000 shares in favour of Metals Creek upon exercising its right and incurring additional exploration expenditures totalling \$1,000,000 over an additional 24 month time frame.

A cash payment of \$20,000, issuance of 200,000 shares and a year one exploration expenditure of \$500,000 were firm commitments by GTA under the Letter Agreement. The Company made the initial cash payment of \$20,000 and issued 200,000 common shares during the year ended March 31, 2013. In addition the Company has incurred exploration expenditures of \$9,691 and \$460,972 to March 31, 2013 and March 31, 2014 respectively.

During the year, the Company reported that chip sampling from trenching activity returned 1.96 g/t Au over 22 m. This trench also contained a higher grade zone of 6.39 g/t Au and 513.5 g/t of silver (Ag) over 4.0 m. Individual chip samples within this zone were 2.0 m long and ranged from 0.25 g/t Au to 8.55 g/t Au. Trenching was limited to 22 m within this portion of the trench due to frost conditions on both ends. Mineralization has not been cut-off in terms of defining the width of the zone and remains open in all directions. A follow up drill program commenced in mid-August to follow-up on these encouraging results and better define the orientation and geometry of the newly discovered zone.

On October 8, 2013 the Company released drilling results from a 428 m drill program at the newly discovered Exploits Zone. The drill program focused on results from the previously completed trenching program and a strong northwest trending gold plus pathfinder soil anomaly. The results show the new zone to have significant gold and silver mineralization returning results up to 1.54 g/t Au and 114 g/t Ag and 0.31% g/t lead (Pb) over 21 m in hole SE13-002. This hole also contained a higher grade zone of 2.43 g/t Au and 185 g/t Ag and 0.47% Pb over 12 m.

On January 9, 2014, the Company announced it would not continue exploration activities on the Squid East Property. As a result the Company has no further interest in and has written off the carrying amounts related to the Squid East Property.

#### *Auden Property*

The Auden Property is located north of Highway 11 between the towns of Hearst and Longlac, in northern Ontario. The Auden Property consists of 1,748 claim units covering approximately 28,000 hectares and the property covers virtually an entire Archean aged greenstone belt. This belt has been interpreted to be the eastern extension of the Beardmore-Geraldton greenstone belt, which lies approximately 110 kilometres to the east. The Beardmore-Geraldton greenstone belt has historic gold production in excess of 4 million ounces. The Auden claims are all located in the Porcupine Mining Division, in Auden Township, Pitopiko River Area, Feagan Lake Area, Fintry Township, Mulloy Township, Rowlandson Township, Shuel Township and Limestone Rapids.

Based on historical drilling, encouraging gold mineralization is known to occur on the Auden Property, and gold mineralization occurs in a variety of geological settings. Previous exploration on the Auden Property has identified gold mineralization associated with sulphide facies iron formation, silica facies iron formation, quartz - carbonate - tourmaline veining with mafic volcanics and volcanic tuffs, metasediments mineralized with pyrite and pyrrhotite and conglomerate mineralized with pyrite and pyrrhotite.

On October 24, 2013, the Company entered into an Exploration Agreement with Constance Lake First Nation ("CLFN") with respect to exploration activity on the Auden Property. The Exploration Agreement allows for compensation to CLFN for cultural and environmental impacts and includes the issuance of 100,000 GTA common shares on signing and the issuance of 200,000 common share purchase warrants on the first to the third anniversary dates (subject to regulatory approval). The agreement also allows for local work opportunities and business ventures, and for continued consultation on land use issues.

During the year ended March 31, 2014, the Company completed an airborne geophysical survey of the Auden property as well as line cutting activities and ground geophysics. Diamond drilling of ten holes totalling 1217 metres targeting a weak EM anomaly for graphite was completed. As reported in a press release dated April 30, 2014, no graphite horizons were encountered. The Auden Property host several other EM anomalies which are currently being evaluated. Further drilling is expected to commence in Q3 of fiscal 2015.

The Company has been granted an extension of time, to a maximum of twelve months, to complete exploration work on several of its mining claims within the Auden Property.

#### *Ivanhoe Property*

On April 25, 2014 the Company entered into an Option Agreement with an individual and a private company to acquire a 100% interest in mining claims comprising the Ivanhoe Property in Northeastern Ontario.

Under the terms of the Option Agreement, GTA can earn a 100% interest in the Ivanhoe Property by making staged cash payments totaling \$260,000 and share issuances totaling 1,000,000 common shares over a 5 year period, and incurring minimum exploration expenditures of \$250,000 over a two year period. The Company may elect to accelerate some or all of the cash and share payments in order to exercise the Option at an earlier time. During the period, the Company issued 200,000 common shares and made cash payments of \$45,000 as the initial payments required pursuant to the Option Agreement.

The vendors will retain a 3% Net Smelter Royalty, half of which can be purchased for \$1,500,000.

#### **Qualified Person and QA/QC**

Robert Duess P.Geo, a qualified person as defined by NI 43-101, has reviewed the scientific and technical information that forms the basis for the disclosure regarding the Company's properties in this MD&A and has approved the disclosure herein. Mr. Duess is not independent of the Company, as he is the Vice President, Exploration and holds common shares and incentive stock options.



### **Critical Accounting Estimates**

The preparation of the unaudited condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These unaudited condensed interim financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the unaudited condensed interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the recoverability of sundry receivables that are included in the unaudited condensed interim statements of financial position;
- the recoverability of exploration and evaluation expenditures incurred on the Company's property interests; and
- the inputs used in accounting for share based payment transactions included in financial assets at fair value through profit or loss.

### **Changes in Accounting Policies**

#### *Future Accounting Changes*

IFRS 9, Financial Instruments is a partial replacement of IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2015.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

### **Financial Instruments**

Financial risk

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

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

**(i) Credit risk**

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and amounts receivable. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents are held with a Canadian Schedule A bank, from which management believes the risk of loss to be minimal.

Amounts receivable consists mainly of sales tax receivable from government authorities in Canada. Amounts receivable are in good standing as of June 30, 2014. Management believes that the credit risk with respect to financial instruments included in amounts receivable is minimal.

**(ii) Liquidity risk**

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at June 30, 2014, the Company had cash and cash equivalents of \$1,166,225 (2013 - \$3,524,135) to settle current liabilities of \$81,203 (2012 - \$305,571). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

**(iii) Market risk**

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

*(a) Interest rate risk*

Cash and cash equivalents are subject to floating interest rates. Sensitivity to a plus or minus 1% change in interest rates would not have a material impact on the reported net income (loss) and comprehensive income (loss) for the three months ended June 30, 2014.

*(b) Foreign currency risk*

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Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal. The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

*(c) Commodity and equity price risk*

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as they relate to precious and base metals and other minerals, and the stock market to determine the appropriate course of action to be taken by the Company.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of precious and base metals and other minerals. Precious and base metals and other mineral prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals and other minerals are produced in the future, a profitable market will exist for them. As of June 30, 2012, the Company was not a precious mineral, base metals and other minerals producer. Even so, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

**Related Party Transactions**

During the three months ended June 30, 2014, the Company entered into the following transactions with related parties and paid or accrued the following amounts, excluding share-based payment charges in connection therewith:

<b>Name</b>	<b>Relationship</b>	<b>Purpose of Transaction</b>	<b>Three Months Ended</b>
Eastrock Exploration Inc.	Company controlled by the CEO of GTA	Consulting/Technical Services	\$ 36,000
		Rent	\$ 3,000
Brant Capital Partners Inc.	Company controlled by the CFO of GTA	Consulting	\$ 22,500
		Rent, office supplies, administrative expenses	\$ 7,500
DGS Exploration Inc.	Company controlled by the V P Exploration of GTA	Technical Services	\$ 36,000
		Rent including equipment	\$ 3,100
Maplegrow Capital Inc.	Company controlled by the Executive VP of GTA	Consulting	\$ 22,500

### **Off-Balance-Sheet Arrangements**

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

### **Proposed Transactions**

The Company is not a party to any proposed transactions.

### **Financial Instruments and Other Instruments**

The Company's financial instruments consist of cash, cash equivalents, sundry receivables, accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The only credit risk identified by management is the risk related to the interest bearing promissory note received as partial payment of the loan receivable. The risk arises from the nature of the security of the promissory note. The fair value of these financial instruments approximates their carrying values.

### **Outstanding Share Data**

As of the date of this MD&A, the Company has 30,906,855 common shares issued and outstanding as well as: (a) stock options to purchase an aggregate of 1,462,500 common shares expiring at various date between June 2015 and November 2018 and exercisable at prices between \$0.20 per common share and \$1.00 per common share and, (b) share purchase warrants to purchase an aggregate of 3,875,000 common shares expiring August 15, 2013 and exercisable at \$0.15 per common share.

For additional details of share data, please refer to Notes 6, 7 and 8 of the June 30, 2014 unaudited condensed interim financial statements.

### **Capital Management**

The Company's objectives when managing capital are as follows:

- i) To safeguard the Company's ability to continue as a going concern;
- ii) To raise sufficient capital to finance its exploration and development activities on its mineral exploration properties;
- iii) To raise sufficient capital to meet its general and administrative expenditures.

The Company manages its capital structure and makes adjustments to it based on the general economic conditions, its short term working capital requirements, and its planned exploration and development program expenditure requirements. The capital structure of the Company is comprised of shareholders' equity which includes share capital, warrants, contributed surplus and deficit. The Company may manage its capital by issuing flow through or common shares, or by obtaining additional financing.

The Company utilized annual capital and operating expenditure budgets to facilitate the management of its capital requirement. These budgets are approved by management and updated for changes in the budgets underlying assumptions as necessary.

There were no changes in the Company's approach to managing capital during the period.

## **Risks and Uncertainties**

### Liquidity and Additional Financing

The Company has limited financial resources and no current revenues. There can be no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could cause the Resulting Issuer to reduce or terminate its operations.

### Regulatory Requirements

Even if the Company's properties are proven to host economic reserves of gold or other precious or non-precious metals, factors such as governmental expropriation or regulation may prevent or restrict mining of any such deposits. Exploration and mining activities may be affected in varying degrees by government policies and regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation and mine safety.

### Nature of Mineral Exploration and Mining

At the present time, the Company does not hold any interest in a mining property in production. The Company's viability and potential success lie in its ability to discover, develop, exploit and generate revenue out of mineral deposits. Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. The profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, if any, which may be affected by a number of factors beyond the Company's control. Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of diamond, precious and non-precious metals, any of which could result in work stoppages, damage to the property, and possible environmental damage. Hazards such as unusual or unexpected formations and other conditions such as formation pressures, fires, power outages, labor disruptions, flooding, explorations, cave-ins, landslides and the inability to obtain suitable adequate machinery, equipment or labor are involved in mineral exploration, development and operation. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect

not to insure. The payment of such liabilities may have a material, adverse effect on the financial position of the Company.

The Company will continue to rely upon consultants and others for exploration and development expertise. Substantial expenditures are required to determine if mineralization reserves exist through drilling, to develop processes to extract the precious and non-precious metals from the mineralization and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis or at all. The economics of developing mineral properties are affected by many factors including the cost of operations, variations in the grade of mineralization mined, fluctuations in markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The remoteness and restrictions on access to any properties in which the Company has or may have an interest may have an adverse effect on profitability in that infrastructure costs will be higher.

#### Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and cause insolvency and/or a decline in the value of the securities of the Company.

#### No Assurance of Title to Properties

The acquisition of title to mineral projects is a very detailed and time consuming process. Although the Company has taken precautions to ensure that legal title to its property interests is properly recorded in the name of the Company where possible, there can be no assurance that such title will ultimately be secured. Furthermore, there is no assurance that the interest of the Company in any of its properties may not be challenged or impugned.

#### Permits and Licenses

The operations of the Company may require licenses and permits from various governmental authorities. The company believes that it presently holds all necessary licences and permits to carry on with activities which it is currently conducting under applicable laws and regulations and the Company believes it is currently complying in all material respects with the terms of such laws and regulations. However, such laws and regulations are subject to change. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

#### Competition

## **GTA RESOURCES AND MINING INC.**

### **Management's Discussion & Analysis**

Three Months Ended June 30, 2014

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The mineral exploitation industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral properties, claims, leases and other mineral interests 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, 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.

#### Environmental Regulations

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

#### Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important requirements, which affect capital and operating costs. 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.

#### Fluctuating Prices

Factors beyond the control of the Company may affect the marketability of any copper, nickel, gold, platinum or any other minerals discovered. 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 gold, base and precious metals and therefore the economic viability of any of the Company's projects cannot be accurately predicted.

#### Reliance on Key Personnel

The Company is dependent on a relatively small number of key people, the loss of any of whom could have an adverse effect on its operations. The Company does not carry any key man insurance.

#### Conflicts of Interest

The directors and officers of the Company may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interest of the Company. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director is required by the *Business Corporations Act* (Ontario) to disclose the conflict of interest and to abstain from voting on the matter.

From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

#### Share Price Volatility

Recently, securities markets in North America have experienced a high level of price and volume volatility, and the market price of many companies, particularly those considered exploration and development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that significant fluctuations in the trading price of the Company's common shares will not occur, or such fluctuations will not materially adversely impact on the Company's ability to raise equity capital without significant dilution to its existing shareholders, or at all.

#### General Economic Conditions

Recent events in the global financial markets have had a significant impact on the global economy. Many industries, including the gold and base metal mining industry, are impacted by these market conditions. A continued or more profound slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending/confidence, employment rates, business conditions, inflation, fuel and energy, consumer debt levels, lack of available credit, the state of the financial markets, sovereign debt issues, interest rates, and tax rates may adversely affect the Company's growth and profitability.

More specifically, the global credit/liquidity crisis could impact the cost and availability of financing and the Company's overall liquidity, and the devaluation and volatility of global stock markets impacts the valuation of the Company's common shares, which may impact the Company's ability to raise funds through the issuance of equity securities.

#### Financial Resources

The Company does not presently have sufficient financial resources to undertake by itself the exploration and development of all of its planned exploration and development programs. Future property acquisitions and the



future exploration/development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public/private financing, or other means. There is no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its properties.

#### Dilution

The Company may require additional equity financing to be raised in the future. The Company may issue securities on less than favourable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

#### **Commitments and Contingencies**

The Company has fulfilled its obligations with respect to the flow-through offering that was completed in March 2012. The obligations were fulfilled by December 31, 2013.

#### **Internal Control over Financial Reporting**

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the unaudited condensed interim 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 unaudited condensed interim financial statements, and (ii) the unaudited condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

The issuer'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 the 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 disclosure controls and procedures ("DC&P") and internal control over financial reporting ("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.

#### **Subsequent Event**

On July 14, 2014 the Company, pursuant to the Northshore Option Agreement, delivered to Balmoral the Exercise Notice to vest the Company's initial 51% interest in the Northshore Property and has advised Balmoral that it has elected to form a 51/49 joint venture on the Property with Balmoral.

On August 1, 2014 the Company issued 3,875,000 units at a price of \$0.10 per unit with each unit consisting of one flow-through common share and one share purchase warrant which is exercisable at \$0.15 per share until August 1, 2015.

Cash commission of \$19,750 and 160,000 broker warrants were issued as compensation. The broker warrants are exercisable on the same basis as the above warrants.

**Additional Information**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).