BROOKEMONT CAPITAL INC.
For the year ended July 31, 2014

Management's Discussion and Analysis

Date of Report: November 3, 2014

The following discussion and analysis of our financial condition and results of operations for the year ended July 31, 2014 should be read in conjunction with our financial statements and related notes. The requisite financial data presented for the relevant periods has been prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to our company's activities can be found on SEDAR at www.sedar.com

Disclaimer for Forward-Looking Information

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance, business prospects and opportunities such as our intended work programs on our existing property interests, our ability to meet financial commitments and our ability to raise funds when required. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this Management's Discussion and Analysis. These assumptions, which include management's current expectations, estimates and assumptions about our current property interests, the global economic environment, the market price and demand for mineral commodities and our ability to manage our property interests and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) a decreased demand or price for mineral commodities, (3) delays in the start of projects with respect to our property interests, (4) inability to locate and acquire additional property interests, (5) the uncertainty of government regulation and politics in North America regarding mineral exploration and mining, (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (7) other factors beyond our control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. Except as required by law, we disclaim any intention or obligation to update or revise any forward-looking statements. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

Nature of Business

We are involved in the identification, acquisition and exploration of mineral properties that management deems as potentially viable to assist in the growth of the company. These properties include gold, silver, and aluminous clay properties. At July 31, 2014, we had mineral property interests located in Canada.

Mineral Properties

Ontario Albany East Hydrothermal Graphite Prospect

On July 7, 2013, our company entered into a purchase agreement with two arm's length vendors (the "Albany Vendors") to acquire a 100% interest in certain mineral claims located in Ontario. In consideration, our company paid $10,000 cash and issued 4,000,000 common shares at a value of $160,000 to the Albany Vendors.

Our company contracted Prospectair Geosurveys Inc. to assist in the exploration and development of this property, including an airborne magnetic and electromagnetic survey. The survey was completed in December 2013. Our company will need to raise additional funds in order to continue exploration on this prospect. We may continue exploration activities if we are able to obtain sufficient financing. While we have been successful in securing financings in the past, there is no assurance that we will be able to do so in the future, and/or that we will be able to raise sufficient funds to meet our work commitments for all of our properties

As at July 31, 2014, we had spent a total of $21,759 in exploration expenditures on this property.

Quebec Gaspe Bay Aluminous Clay and Rare Earth Prospect

On June 8, 2012, we entered into an option agreement with an arm's length vendor (the "Gaspe Bay Vendor") to acquire 40 contiguous mineral claims (5,520 acres) located in the Gaspe Bay Region of Quebec. This prospect is located 32 km northeast of Murdochville, Quebec and is strategically located near several deepwater ports and across the St. Lawrence River from the province's major aluminum smelters. The Gaspe Bay Vendor currently owns a 100% interest in this property.

On June 3, 2013, we amended the option agreement, whereby the Gaspe Bay Vendor agreed to defer cash payment of $20,000 by one year to July 20, 2014. On November 4, 2013, we further amended the option agreement and the amendment dated June 3, 2013. The Gaspe Bay Vendor agreed to defer the remaining work commitments due to be spent on the prospect by two years. On July 18, 2014, we further amended the option agreement and the amendments dated June 3, 2013 and November 4, 2013. The Gaspe Bay Vendor agreed to defer the cash payment of $20,000 by twelve months to July 20, 2015. We are now required to make a cash payment and incur the following exploration costs:

	Cash	Exploration Costs	Common Shares
Upon Exchange approval (issued at a value of $87,500)	$ -	$ -	2,500,000
On or before July 20, 2013 (issued at a value of $100,000)	-	-	2,500,000
On or before December 20, 2013 (incurred)	-	40,000	-
On or before July 20, 2015	20,000	-	-
On or before December 20, 2015	-	60,000	-
On or before December 20, 2016	-	250,000	-
On or before December 20, 2017	-	500,000	-
	$ 20,000	$ 850,000	5,000,000

In June 2012, we acquired a 100% interest in additional claims for staking costs of $4,164. We owned a 100% interest in these claims.

In August 2012, we commenced a sampling program on this prospect. As disclosed in a news release on November 26, 2012, we announced that during 2012, a total of 1,071 soil samples (including 53 quality assurance/quality control duplicate samples) were collected. Soil samples were analyzed in the field via portable X-ray fluorescence (XRF) instrument, and anomalous values were confirmed by whole rock XRF analysis at ALS Minerals, North Vancouver, BC.

The soil geochemical program defined five separate zones that returned anomalous Al_2O_3 values based on portable XRF analysis. As a result, 36 samples were submitted for confirmation to ALS Minerals. Of the 36 samples submitted to ALS, 13 samples returned analyses of greater than 18% Al_2O_3; ranging from 18.02% and up to 19.08% Al_2O_3. Eleven of the 13 samples occur along a single survey line over a distance of 600 metres defining a single high-priority anomaly.

During the year ended July 31, 2013, we decided not to renew certain claims and allowed them to lapse as they became due. Prior acquisition costs of $65,864 associated with these claims were written off.

Additional work plans would call to complete additional follow-up infill soil geochemical sampling, and conditions permitting, prospecting and geologic mapping to define the extent of the anomaly with the plan to drill once the highest priority targets are established. Our company will need to raise additional funds in order to conduct this work. We may continue exploration activities if we are able to obtain sufficient financing. While we have been successful in securing financings in the past, there is no assurance that we will be able to do so in the future, and/or that we will be able to raise sufficient funds to meet our work commitments for all of our properties.

As at July 31, 2014, we had spent a total of $42,067 in exploration expenditures on this property.

Yukon Quartz Claims

During the year ended July 31, 2010, we acquired a 100% interest in ninety five load quartz mineral claims covering an area of approximately 4,836 acres, located in the Yukon Territory. We hold a 100% interest in the Yukon quartz claims.

In September 2012 we conducted a minor work program to follow up on the samples taken from previous work programs. The area does not have much previous work and more soil sampling, mapping and prospecting is warranted. In order to move forward to the next stage, we would need to raise additional funds to allocate to this project. While we have been successful in securing financings in the past, there is no assurance that we will be able to do so in the future, and/or that we will be able to raise sufficient funds to meet our work commitments for all of our mineral properties.

During the year ended July 31, 2013, we decided not to continue with certain claims. In September 2013, we decided not to continue with certain other claims, and we allowed these claims to lapse. Accordingly, the related acquisition costs of $577,085 and exploration costs of $26,475 associated with these lapsed claims were written off as of July 31, 2013.

As at July 31, 2014, we had spent a total of $8,075 in exploration expenditures on the remaining Yukon quartz claims.

Ontario Kenagami Hydrothermal Graphite Prospect

On November 13, 2013, our company entered into a purchase agreement with an arm's length vendor (the "Kenagami Vendor") to acquire a 100% interest in the Kenagami hydrothermal graphite prospect, consisting of four claims. The Kenagami Vendor currently holds a 100% interest in these claims.

In consideration, we are required to make cash payments and issue common shares as follows:

	Cash	Common Shares
Upon Approval (issued at a value of $40,000)	$ -	2,000,000
On or before December 27, 2014	20,000	2,000,000
	$ 20,000	4,000,000

During the year ended July 31, 2014, our company acquired a 100% interest in certain mineral claims located in Ontario for staking costs of $5,950. These new claims border the initial Kenagami claims and together become one contiguous claim.

Our company contracted Prospectair Geosurveys Inc. to assist in the exploration and development of this property, including an airborne magnetic and electromagnetic survey. The survey was completed in December 2013. As disclosed in a news release on March 12, 2014, the airborne survey discovered a large TDEM conductive anomaly measuring approximately 800 metres by 500 metres. A follow up work program is currently being formulated for the coming months. However, in order to continue with a work program we would need to raise additional funds to allocate to this project. While we have been successful in securing financings in the past, there is no assurance that we will be able to do so in the future, and/or that we will be able to raise sufficient funds to meet our work commitments for all of our mineral properties.

As at July 31, 2014, we had spent a total of $4,400 in exploration expenditures on this property.

Quebec Rare Earth Prospect

On June 2, 2010, we entered into an option agreement to acquire 31 contiguous rare earth mineral claims in Quebec with an arm's length vendor (the "Rare Earth Vendor"). The Rare Earth Vendor currently holds a 100% interest in these claims.

On May 25, 2011, we amended the option agreement, whereby the Rare Earth Vendor waived the work commitment of $150,000 for the first year of the agreement and increased the work commitment from $400,000 to $550,000 for the fourth year of the agreement. On June 11, 2012, we further amended the option agreement and the amendment dated May 25, 2011. The Rare Earth Vendor agreed to amend the option agreement and the amendment regarding the work commitments due to be spent on the prospect. We were required to incur exploration costs as follows:

	Cash	Common Shares	Exploration Costs
Upon Exchange approval (paid and issued at a value of $130,000)	$ 17,500	2,000,000	$ -
By June 17, 2014	-	-	150,000
By June 17, 2015	-	-	150,000
By June 17, 2016	-	-	550,000
	$ 17,500	2,000,000	$ 850,000

In addition, 195,000 common shares were issued as a finder's fee during the year ended July 31, 2010.

In March 2014, we decided not to continue with the claims under the option agreement and allowed the claims to lapse when they became due in April 2014. Accordingly, related acquisition costs of $163,245 and carrying costs of $8,164 were written off as of January 31, 2014.

In August 2011, we acquired an additional 4,600 contiguous acres by way of staking for a cost of $4,360. In September 2013, we decided not to continue with these claims and allowed them to lapse. Accordingly, related acquisition costs of $4,360 were written off as of July 31, 2013.

Handeni Gold, Tanzania

On September 3, 2010, we entered into a letter agreement with an arm's length vendor (the "Handeni Vendor") to acquire an 80% interest in a 63.4 square kilometre gold property located in the Handeni Region of Tanzania. The letter agreement was superseded by an option agreement dated January 31, 2011. The Handeni Vendor held a 100% interest in this property.

In February 2011, we paid a finder's fee to an arm's length party of $59,325.

On March 20, 2012, we amended the option agreement, whereby the Handeni Vendor agreed to waive the cash payment of US$350,000 due by March 21, 2012 and instead our company was required to make four instalments of US$87,500 over a twelve-month period.

On June 21, 2012, we further amended the option agreement and the amendment dated March 20, 2012. The Handeni Vendor agreed to waive the four instalments of US$87,500 and our company was required to issue 3,000,000 common shares upon the TSX Venture Exchange's ("Exchange") approval of this amendment and a further 3,000,000 shares within 13 months of such approval date and pay US$50,000 prior to July 1, 2013. Our company received Exchange approval. Our company was required to make cash payments and issue common shares as follows:

	Cash	Exploration Costs	Common Shares
Upon execution of the letter agreement (paid)	US$ 75,000	US$ -	-
Upon closing date (paid and issued at a value of $600,000)	200,000	-	3,000,000
On or before February 21, 2012 (incurred)	-	350,000	-
On or before March 21, 2012 (issued at a value of $840,000)	-	-	3,000,000
Upon Exchange approval of amendment (issued at a value of $75,000)	-	-	3,000,000
On or before February 21, 2013 (incurred)	-	500,000	-
On or before February 21, 2013	-	-	3,000,000
On or before July 1, 2013	50,000	-	-
On or before September 8, 2013	-	-	3,000,000
	US$ 325,000	US$ 850,000	15,000,000

On February 13, 2013, we decided not to continue with this property. Accordingly, all capitalized costs of $2,863,695 were written off during the year ended July 31, 2013.

Overall Performance

We are a mineral exploration company engaged in the business of acquisition, exploration and, if warranted, development of mineral properties. We do not expect to generate any revenues in the foreseeable future or until a mineable reserve is defined and economically recoverable. We expect our company to continue to incur expenses as our company works to further explore and develop our mineral properties.

Our company has conducted limited exploration on some of our properties, due to, among other things, the availability of sufficient funds for the purposes of mineral exploration and development, access to the property due to climate conditions, the uncertainties associated with the prices of precious and base metals and other minerals, and the global economic climate. Our company is in the process of exploring our mineral properties and has not yet determined whether the properties contain reserves that are economically recoverable.

Our company's future performance is largely tied to the outcome of future exploration and the overall financial markets. The recoverability of minerals from our company's properties is dependent upon, among other things, the discovery of economically recoverable reserves, the ability of our company to obtain necessary financing to continue to explore and develop our properties and upon future profitable production. Uncertainty in credit markets, fluctuation in commodity prices and general economic downturns have led to increased difficulties in raising and borrowing funds. As a result, our company may have difficulty raising equity financing for the purposes of exploration and development of our company's properties, without diluting the interests of current shareholders of our company. See "Liquidity and Capital Resources" and "Risk and Uncertainties" for a discussion of risk factors that may impact our company's ability to raise funds.

Information about our company's commitments relating to our mineral properties is discussed above under "Nature of Business – Mineral Properties".

Our company did not generate any revenue during the year ended July 31, 2014 and 2013. Our company's net comprehensive loss decreased from $4,099,159 for the year ended July 31, 2013 to $998,096 for the year ended July 31, 2014, mainly due to a decrease in the write-down of exploration and evaluation assets from $3,537,479 during the year ended July 31, 2013, compared to $171,409 during the year ended July 31, 2014. Our company's cash decreased from $69,696 as at July 31, 2013 to $16,057 as at July 31, 2014, and our working capital deficiency increased from $695,346 as at July 31, 2013 to $1,198,545 as at July 31, 2014.

Our company's current assets have decreased from $92,132 as at July 31, 2013 to $29,325 as at July 31, 2014, due mainly to a decrease in cash as well as a decrease in receivables. Our company's current liabilities have increased from $787,478 as at July 31, 2013 to $1,227,870 as at July 31, 2014, due to an increase in accounts payable and accrued liabilities. The value ascribed to our company's exploration and evaluation assets has decreased from $631,079 as at July 31, 2013 to $532,292 as at July 31, 2014.

Additional information about the risks and uncertainties relating to our company's business and financial performance is discussed below under "Risks and Uncertainties".

Summary of Quarterly Results

The following table sets out selected quarterly financial data for the eight most recently completed interim quarters:

	2014 Fourth	2014 Third	2014 Second	2014 First	2013 Fourth	2013 Third	2013 Second	2013 First
Revenues	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Operating expenses	$(139,630)	$(136,675)	$(141,117)	$(409,265)	$(152,977)	$(130,293)	$(142,672)	$(135,738)
Loss before other items	$(139,630)	$(136,675)	$(141,117)	$(409,265)	$(152,977)	$(130,293)	$(142,672)	$(135,738)
Loss per share (Basic and diluted)	$(0.002)	$(0.002)	$(0.002)	$(0.005)	$(0.002)	$(0.002)	$(0.002)	$(0.002)
Other items:								
Write-down of mineral properties	$Nil	$Nil	$(171,409)	$Nil	$(673,784)	15,000	$(2,878,695)	$Nil
Net comprehensive loss	$(139,630)	$(136,675)	$(312,526)	$(409,265)	$(826,761)	$(115,293)	$(3,021,367)	$(135,738)
Basic and diluted loss per share	$(0.002)	$(0.002)	$(0.004)	$(0.005)	$(0.011)	$(0.002)	$(0.050)	$(0.002)

Summary of Results During Prior Eight Quarters

Net comprehensive loss increased substantially from the first quarter to the second quarter of 2013 primarily due to the write-down of exploration and evaluation assets of $2,878,695 in the second quarter versus $Nil write-down in the first quarter. Net comprehensive loss decreased substantially from the second quarter to the third quarter of 2013 primarily due to a decrease in write-down of exploration and evaluation assets. Net comprehensive loss increased by $711,468 from the third quarter to the fourth quarter of 2013 primarily due to an increase in write-down of exploration and evaluation assets. Net comprehensive loss decreased by $417,496 from the fourth quarter of 2013 to the first quarter of 2014 mainly due to a decrease of $673,784 in the write-down of exploration and evaluation assets, offset by an increase of $265,148 in share-based payments. Net comprehensive loss decreased by $96,739 from the first to second quarter of 2014 primarily due to a decrease of $265,148 in share-based payments, offset by an increase of $171,409 in the write-down of exploration and evaluation assets. Net comprehensive loss decreased by $175,851 from the second to third quarter of 2014 mainly due to a decrease in the write-down of exploration and evaluation assets. Net comprehensive loss was relatively stable from the third to fourth quarter of 2014, as there was an increase in office and miscellaneous expenses offset by a decrease in transfer agent and filing fees.

Selected Annual Information

The following table sets out selected audited financial information for our company, which has been prepared in accordance with IFRS:

	Year ended July 31,		
	2014	**2013**	**2012**
Total revenues	Nil	Nil	Nil
Loss before discontinued operations and extraordinary items:			
Total	$(998,096)	$(4,099,159)	$(1,127,094)
Per share	$(0.01)	$(0.06)	$(0.02)
Per share fully diluted	$(0.01)	$(0.06)	$(0.02)
Net comprehensive loss:			
Total	$(998,096)	$(4,099,159)	$(1,127,094)
Per share	$(0.01)	$(0.06)	$(0.02)
Per share fully diluted	$(0.01)	$(0.06)	$(0.02)
Total assets	$571,337	$733,743	$3,947,069
Total long term debt	Nil	Nil	Nil
Cash dividends	Nil	Nil	Nil

Year Ended July 31, 2014 Compared to the Year Ended July 31, 2013

Net comprehensive loss decreased by $3,101,063 to $998,096 for the year ended July 31, 2014 from $4,099,159 for the year ended July 31, 2013 due to a decrease in the write-down of exploration and evaluation assets (fiscal 2014: $171,409; fiscal 2013: $3,537,479) offset by an increase in operating expenses (fiscal 204: $826,687; fiscal 2013 $561,680).

Total assets decreased by $162,406 from $733,743 as at July 31, 2013 to $571,337 as at July 31, 2014 due to a decrease of $98,787 in exploration and evaluation assets from $631,079 as at July 31, 2013 to $532,292 as at July 31, 2014 and a decrease of $53,639 in cash from $69,696 at July 31, 2013 to $16,057 as at July 31, 2014.

Our company's current assets have decreased by $62,807 from $92,132 as at July 31, 2013 to $29,325 as at July 31, 2014. This was in addition to increased current liabilities of $787,478 as at July 31, 2013 compared to $1,227,870 as at July 31, 2014. Current liabilities as at July 31, 2014 consisted solely of accounts payable and accrued liabilities (July 31, 2013: 744,478).

Year Ended July 31, 2013 Compared to the Year Ended July 31, 2012

Net comprehensive loss increased by $2,972,065 to $4,099,159 for the year ended July 31, 2013 from $1,127,094 for the year ended July 31, 2012 due to an increase in the write-down of exploration and evaluation assets (fiscal 2013: $3,537,479; fiscal 2012: Nil) offset by a decrease in expenses (fiscal 2013 $561,680; fiscal 2012 $1,144,616).

Total assets decreased by $3,213,326 to $733,743 as at July 31, 2013 from $3,947,069 as at July 31, 2012 due to a decrease of $3,189,010 in exploration and evaluation assets from $3,820,089 as at July 31, 2012 to $631,079 as at July 31, 2013 and a decrease of $11,651 in receivables as at July 31, 2012 from $33,270 to $21,619 as at July 31, 2012.

Our company's current assets have decreased by $23,304 from $115,436 as at July 31, 2012 to $92,132 as at July 31, 2013. This was in addition to increased current liabilities of $787,478 as at July 31, 2013 compared to $355,820 as at July 31, 2012. Current liabilities as at July 31, 2013 consisted of $744,478 (July 31, 2012: $355,820) of accounts payable and accrued liabilities, and $43,000 of share subscriptions payable (July 31, 2012: Nil).

See "Overall Performance" for a discussion of trends in financial position and financial performance of our company and "Changes in Accounting Policies" for a discussion of the trends and risks that have affected our company as a result of transition from Canadian GAAP to IFRS effective August 1, 2010.

Discussion of Operations

We did not generate any revenue for the year ended July 31, 2014 and 2013. Net comprehensive loss decreased from $4,099,159 for the year ended July 31, 2013 to $998,096 for the year ended July 31, 2014. The primary cause of this decrease was that during the year ended July 31, 2013, we wrote-off the Handeni Gold Prospect $2,863,695 and we wrote-down the Yukon Quartz Claims by $603,560, as well as other prospects. There was only a write-off of $171,409 in respect to the Quebec Rare Earth Prospect during the year ended July 31, 2014.

Total operating expenses were $826,687 for the year ended July 31, 2014 compared to $561,680 for the year ended July 31, 2013. The increase was due to an increase in share-based payments (fiscal 2014: $265,148; fiscal 2013: $Nil). These expenses represent the costs of administering a public company.

See "Selected Annual Information" for a discussion of our financial condition and financial performance and factors that have caused period to period variations.

See "Nature of Business – Mineral Properties" for a discussion of our mineral properties on a property by property basis, including our plans for our mineral properties, the status of our plans, expenditures made and the anticipated timing and costs to take our mineral properties to the next stage of the project plan.

See "Overall Performance" for a discussion of the commitments, events, risks and uncertainties that we believe will materially affect our company's future performance and "Risks and Uncertainties" for a discussion of risk factors affecting our company.

Liquidity and Capital Resources

Liquidity

At July 31, 2014, we had $16,057 in cash and a working capital deficiency of $1,198,545 as compared to cash of $69,696 and a working capital deficiency of $695,346 at July 31, 2013.

Our company's current assets have decreased from $92,132 as at July 31, 2013 to $29,325 as at July 31, 2014 due mainly to a decrease in cash. Our company's current liabilities have increased from $787,478 as at July 31, 2013 to $1,227,870 as at July 31, 2014, due to increased accounts payable and accrued liabilities. The value ascribed to our company's exploration and evaluation assets has decreased from $631,079 as at July 31, 2013 to $532,292 as at July 31, 2014.

Management believes that our company's cash will not be sufficient to meet our working capital requirements, including our existing commitments relating to our mineral properties, in either the short term or long term. See "Nature of Business – Mineral Properties" and "Overall Performance" for a discussion of our company's commitments relating to our mineral properties. As a mineral exploration company, our expenses are expected to increase as we explore our mineral properties further. Management does not expect our company to generate sustained revenues from mineral production in the foreseeable future.

Our company's ability to conduct the planned work programs on our mineral properties, meet our ongoing levels of corporate overhead and discharge our liabilities as they become due is dependent, in large part, on the ability of our management to raise additional funds as necessary. Management anticipates that additional equity financings will need to be conducted to raise additional funds which, if successful, will result in dilution in the equity interests of our company's current shareholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments. Although we have secured financings in the past, there is no assurance that we will be able to do so in the future on terms that our favourable to our company or al all. Our company's ability to raise additional funds in the future and its liquidity may be negatively impacted by a number of factors, including changes in commodity prices, market volatility and general economic downturns.

There is substantial doubt about our ability to continue as a going concern as the continuation of our business is dependent upon obtaining further long-term financing, successful exploration of our property interests, the identification of reserves sufficient enough to warrant development, successful development of our property interests and, finally, achieving a profitable level of operations. Due to the uncertainty of our ability to meet our current operating and capital expenses, our independent auditors added an explanatory paragraph to their audit report issued in connection with our annual audited financial statements for the year ended July 31, 2014 regarding their substantial doubt about our ability to continue as a going concern.

Capital Resources

We have the following commitments for capital expenditures with respect to our mineral properties as of July 31, 2014. The expenditures are optional and we may decide not to incur such payments in the event we do not decide to pursue further exploration with respect to such properties.

- *Quebec Gaspe Bay Aluminous Clay and Rare Earth Prospect:*

    - June 2012 option agreement, and amendments dated June 3, 2013, November 4, 2013 and July 18, 2014: As at July 31, 2014, our company is required to: pay $20,000 prior to July 20, 2015; incur $60,000 in exploration expenditures on or before December 20, 2015, of which we have currently spent $2,067; incur $250,000 in exploration expenditures on or before December 20, 2016; and incur $500,000 in exploration expenditures on or before December 20, 2017. In addition, five Gaspe Bay claims will expire on August 2, 2015. In order to renew these five claims for another two years, we are required to incur a minimum of $6,000 in exploration on these claims by June 1, 2015 or pay it in annual rental income to the Minister of Finance by August 2, 2015. Fees associated with these claims are $271 if pay by June 1, 2015 or it will be doubled to $542 if pay between June 2, 2015 and August 2, 2015. Furthermore, two Gaspe Bay claims will expire on September 25, 2015. In order to renew these two claims for another two years, we are required to incur a minimum of $2,400 in exploration on these claims by July 25, 2015 or pay it in annual rental income to the Minister of Finance by September 25, 2015. Fees associated with these claims are $109 if pay by July 25, 2015 or it will be doubled to $218 if pay between July 26, 2015 and September 25, 2015.

- *Ontario Kenagami Hydrothermal Graphite Prospect*:

    - November 2013 purchase agreement: As at July 31, 2014, our company is required to pay $20,000 in acquisition costs prior to December 27, 2014.

- *Yukon Quartz Claims*:

    - Our Yukon Quartz claims are in good standing until October 3, 2014. In order to renew these claims for another year, we are required to pay an annual rent of $1,500 to the Government of Yukon by October 3, 2014 for the Yukon Quartz claims, unless we spend an amount greater than that in exploration beforehand. In addition, we are also required to pay the claim recording fees of $75 to the Government of Yukon by October 3, 2014.

If we elect to meet these capital expenditure requirements, it is expected that in addition to using funds currently available to our company, additional funds will need to be raised through equity financings, shareholder loans or otherwise. Our company's ability to raise additional funds is subject to a number of uncertainties and risk factors. See "Liquidity and Capital Resources – Liquidity".

See "Nature of Business – Mineral Properties" for a discussion of our company's capital expenditure commitments with respect to our mineral properties.

Operating Activities

During the years ended July 31, 2014 and July 31, 2013, operating activities used cash of $69,712 and $116,955, respectively. The use of cash for the year ended July 31, 2014 was attributable to our loss for the year of $998,096, offset by non-cash share-based payments of $265,148, write-down of exploration and evaluation assets of $171,409 and by non-cash accounts payable and accrued liabilities of $481,847, as well as other items. The use of cash for the year ended July 31, 2013 was attributable to our loss for the year of $4,099,159, offset mainly by non-cash write-down of exploration and evaluation assets of $3,537,479 and non-cash accounts payable and accrued liabilities of $427,734.

Investing Activities

During the year ended July 31, 2014 and July 31, 2013, we used cash of $31,077 and $52,545, respectively, in investing activities due to investments in exploration and evaluation assets.

Financing Activities

During the years ended July 31, 2014 and July 31, 2013, we were provided $47,150 and $162,175 by financing activities, respectively. During the year ended July 31, 2014, $90,150 was provided to us from the issuance of share capital due to 1,803,000 warrants being exercised into common shares at a price of $0.05 per share, offset by a refund of $43,000 in share subscriptions due to a private placement being cancelled. During the year ended July 31, 2013, $125,000 was provided to us from the issuance of share capital, offset by $5,825 in share issuance costs.

Changes in Accounting Policies

Accounting standards, interpretations and amendments adopted

As of August 1, 2013, our company adopted the new and amended IFRS pronouncements in accordance with transitional provisions outlined in the respective standards. Our company has adopted the following new standard without any significant effect on our financial statements. The nature and impact of this new standard is described below:

IFRS 13 Fair Value Measurement

IFRS 13 is a comprehensive standard for all fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes additional disclosures regarding fair value measurements. IFRS 13 had no impact on our company's financial statements.

Accounting standards issued but not yet effective

We have reviewed new and revised accounting pronouncements that have been issued but are not yet effective. We have not early adopted any of these standards and are currently evaluating the impact, if any, that these standards might have on our financial statements.

IFRS 9 – Financial Instruments (“IFRS 9”)

In November 2009, the IASB issued IFRS 9 Financial Instruments as the first step in its project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity’s business model and the contractual cash flow of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument.

IFRS 9 amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including added disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on financial liabilities and derecognition of financial instruments. The amended standard is effective for annual periods beginning on or after January 1, 2018.

IAS 32 – Financial Instruments: Presentation (“IAS 32”)

The IASB amended IAS 32, “Financial Instruments: Presentation” to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

- the meaning of ‘currently has a legally enforceable right of set-off’;
- the application of simultaneous realization and settlement;
- the offsetting of collateral amounts; and
- the unit of account for applying the offsetting requirements.

The amended standard is effective for annual periods beginning on or after January 1, 2014.

IAS 36 – Impairment of Assets (“IAS 36”)

The amendments to IAS 36 restrict the requirement to disclose the recoverable amount of an asset or CGU to periods in which an impairment loss has been recognized or reversed. The amendments also expand and clarify the disclosure requirements applicable when an asset or CGU’s recoverable amount has been determined on the basis of fair value less cost of disposal. The amended standard is effective for annual periods beginning on or after January 1, 2014 and should be applied retrospectively.

IFRIC 21 – Levies (“IFRIC 21”)

An interpretation of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets (“IAS 37”), on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (“obligating event”). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods commencing on or after January 1, 2014.

Off-Balance Sheet Arrangements

Our company does not utilize off-balance sheet arrangements.

Related Parties Transactions

During the year ended July 31, 2014, our company incurred $96,562 payable to one director and a private company controlled by a director with respect to management fees. There are no management agreements in place and our company has no contractual requirement to continue paying management fees. During the year ended July 31, 2014, we accrued $2,500 in director's fees to one director. Management fees, directors' fees and share-based payments are intended to compensate such persons for their time and dedication to our company.

During the year ended July 31, 2014, our company incurred share-based payments of $34,283 to two directors, a company controlled by a director and an officer. As a mineral exploration issuer, our company partially relies on the issuance of stock options to compensate our directors and officers for their time and dedication to our company.

As at July 31, 2014, accounts payable and accrued liabilities include $283,913 (July 31, 2013: $162,638) payable to a public company with two directors in common, to a private company controlled by a director, and to two of our directors. We had accrued $45,884 payable to Makena Resources Inc., a public company with two directors in common with our company, for reimbursement of expenses, as well as accounting and administrative expenses. We had accrued $329 payable to a private company controlled by a director for reimbursement of office expenses. We had also accrued a total of $235,200 payable to a director from March 2012 to July 2014 with respect to unpaid management fees. We have accrued $2,500 payable to a director for director's fees.

These amounts are unsecured, non-interest bearing and payable on demand.

These transactions are in the normal course of operations and were measured at the exchange amount, which is a reasonable amount agreed upon by our company and the particular related party or parties.

Fourth Quarter - Unaudited

We did not have any revenue during the three months ended July 31, 2014 and 2013. Total operating expenses were $139,630 for the three months ended July 31, 2014, as compared to $152,977 for the three months ended July 31, 2013. The decrease resulted primarily from management and directors' fees of $30,250 for the three months ended July 31, 2013 compared to management and directors' fees of $25,000 for the three months ended July 31, 2014.

Our net comprehensive loss significantly decreased to $139,630 for the three months ended July 31, 2014 compared to $826,761 for the three months ended July 31, 2013. The decrease resulted mainly from a write-down of exploration and evaluation assets of $673,784 being recognized during the three months ended July 31, 2013 compared to no write-down of exploration and evaluation assets being recognized during the three months ended July 31, 2014.

Financial Instruments and Other Instruments

Financial instruments

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:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The fair value of our company's receivables, accounts payable and accrued liabilities, interest payable, and loans payable approximates their carrying values. Our company's cash is measured at fair value using Level 1 inputs.

Our company is exposed to varying degrees to a variety of financial instrument related risks:

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. As at July 31, 2014, our company has a minimal exposure to the US$ that is subject to fluctuations as a result of exchange rate variations to the extent that transactions are made in this currency. Our company considers this risk to be insignificant and therefore does not hedge its foreign exchange risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Our company's cash and receivables are exposed to credit risk. Our company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. As at July 31, 2014, our company is not exposed to any significant credit risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Included in the loss for the year in the financial statements is interest expense on loans payable and interest income on Canadian dollar cash. Our company has debt instruments at fixed rates and is therefore not exposed to risk in the event of interest rate fluctuations. As at July 31, 2014, our company is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that our company will encounter difficulty in meeting obligations associated with financial liabilities. Our company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. Our company addresses its liquidity through equity financing obtained through the sale of common shares and the exercise of warrants and options. While our company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

Price Risk

Our 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. Our company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by our company.

Based on management's knowledge and experience of the financial markets, management does not believe that our company's current financial instruments will be affected by foreign exchange risk, credit risk, interest rate risk and price risk.

Proposed Transactions

Our company does not have any proposed transactions as of the date of this report except for a proposed name change and share consolidation on a one-new-for-two-old basis. This transaction will be subject to Exchange approval.

Additional Disclosure for Venture Issuers without Significant Revenue

During the year ended July 31, 2014 and 2013, our company incurred expenses including the following:

	2014	**2013**
Write-down of exploration and evaluation assets	$171,409	$3,537,479
Acquisition costs	$47,502	$346,500
Operating expenses	$826,687	$561,680
Capitalized exploration costs	$25,120	$16,969

Please refer to Note 6 *Exploration and Evaluation Assets* in the financial statements for the year ended July 31, 2014 for a description of the capitalized acquisition and exploration costs presented on a property-by-property basis.

Additional Disclosure of Outstanding Share Data

Common Shares

Our company has authorized an unlimited number of common shares without par value.

As at July 31, 2014 and November 3, 2014, we had 83,153,262 common shares issued and outstanding.

Stock options

As at July 31, 2014, we had 7,916,500 share purchase options outstanding and exercisable entitling the holders thereof the right to purchase one common share for each option held as follows:

Number	Exercise Price	Expiry Date
187,500	$0.11	September 8, 2014
306,000	$0.10	October 9, 2014
120,000	$0.13	August 31, 2015
1,050,000	$0.10	January 13, 2017
58,000	$0.10	October 11, 2017
6,195,000	$0.05	September 3, 2018
7,916,500		

Subsequent to July 31, 2014, 187,500 share purchase options at an exercise price of $0.11 per share and 306,000 share purchase options at an exercise price of $0.10 per share expired unexercised. At November 3, 2014, we had 7,423,000 share purchase options outstanding.

Warrants

As at July 31, 2014 and November 3, 2014, we had 20,255,189 share purchase warrants outstanding. Each warrant entitles the holder the right to purchase one common share as follows:

Number	Exercise Price	Expiry Date
9,208,189	$0.25	September 6, 2016
350,000	$0.30	September 6, 2016
10,697,000	$0.10	January 28, 2018
20,255,189		

Risks and Uncertainties

Because of the unique difficulties and uncertainties inherent in mineral exploration ventures, we face a high risk of business failure.

Potential investors should be aware of the difficulties normally encountered by mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration program that we intend to undertake on our properties and any additional properties that we may acquire. These potential problems include unanticipated problems relating to exploration, and additional costs and expenses that may exceed current estimates. The expenditures to be made by us in the exploration of our properties may not result in the discovery of any mineral deposits. Any expenditure that we may make in the exploration of any other mineral property that we may acquire may not result in the discovery of any commercially exploitable mineral deposits. Problems such as unusual or unexpected geological formations and other conditions are involved in all mineral exploration and often result in unsuccessful and/or expensive exploration efforts. If the results of our exploration do not reveal viable commercial mineralization, we may decide to abandon or sell some or all of our property interests.

Because of the speculative nature of the exploration of mineral properties, there is no assurance that our exploration activities will result in the discovery of any quantities of mineral deposits on our current properties or any other additional properties we may acquire.

We intend to continue exploration on our current properties and we may or may not acquire additional interests in other mineral properties. The search for mineral deposits as a business is extremely risky. We can provide investors with no assurance that exploration on our current properties, or any other property that we may acquire, will establish that any commercially exploitable quantities of mineral deposits exist. Additional potential problems may prevent us from discovering any mineral deposits. These potential problems include unanticipated problems relating to exploration and additional costs and expenses that may exceed current estimates. If we are unable to establish the presence of mineral deposits on our properties, our ability to fund future exploration activities will be impeded, we will not be able to operate profitably and investors may lose all of their investment in our company.

Because of the inherent dangers involved in mineral exploration and exploitation, there is a risk that we may incur liability or damages as we conduct our business.

The search for mineral deposits involves numerous hazards. As a result, we may become subject to liability for such hazards, including pollution, cave-ins and other hazards against which we cannot insure or against which we may elect not to insure. At the present time we have no coverage to insure against these hazards. The payment of such liabilities may have a material adverse effect on our financial position.

The potential profitability of mineral ventures depends in part upon factors beyond the control of our company and even if we discover and exploit mineral deposits, we may never become commercially viable and we may be forced to cease operations.

The commercial feasibility of an exploration program on a mineral property is dependent upon many factors beyond our control, including the existence and size of mineral deposits in the properties we explore, the proximity and capacity of processing equipment, market fluctuations of prices, taxes, royalties, land tenure, allowable production and environmental regulation. These factors cannot be accurately predicted and any one or a combination of these factors may result in our company not receiving any return on invested capital. These factors may have material and negative effects on our financial performance and our ability to continue operations.

Exploration and exploitation activities are subject to comprehensive regulation which may cause substantial delays or require capital outlays in excess of those anticipated causing an adverse effect on our company.

Exploration and exploitation activities are subject to foreign, federal, provincial, and local laws, regulations and policies, including laws regulating the removal of natural resources from the ground and the discharge of materials into the environment. Exploration and exploitation activities are also subject to foreign, federal, provincial, and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of drilling methods and equipment. Properties may also be subject to complex Aboriginal claims.

Environmental and other legal standards imposed by foreign, federal, provincial, or local authorities may be changed and any such changes may prevent us from conducting planned activities or may increase our costs of doing so, which would have material adverse effects on our business. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on us, especially, foreign laws and regulations. Additionally, we may be subject to liability for pollution or other environmental damages that we may not be able to or elect not to insure against due to prohibitive premium costs and other reasons. Any laws, regulations or policies of any government body or regulatory agency may be changed, applied or interpreted in a manner which will alter and negatively affect our ability to carry on our business.

Because our property interests may not contain any mineral deposits and because we have never made a profit from our operations, our securities are highly speculative and investors may lose all of their investment in our company.

Our securities must be considered highly speculative, generally because of the nature of our business and our stage of explorations. We currently have exploration stage property interests which may not contain mineral deposits. We may or may not acquire additional interests in other mineral properties but we do not have plans to acquire rights in any specific mineral properties as of the date of this Management's Discussion and Analysis. Accordingly, we have not generated any revenues nor have we realized a profit from our operations to date and there is little likelihood that we will generate any revenues or realize any profits in the short term. Any profitability in the future from our business will be dependent upon locating and exploiting mineral deposits on our current properties or mineral deposits on any additional properties that we may acquire and subsequent development. The likelihood that any mineral properties that we may acquire or have an interest in will contain commercially exploitable mineral deposits is extremely remote. We may never discover mineral deposits in respect to our current properties or any other area, or we may do so and still not be commercially successful if we are unable to exploit those mineral deposits profitably. We may not be able to operate profitably and may have to cease operations, the price of our securities may decline and investors may lose all of their investment in our company.

As we face intense competition in the mineral exploration and exploitation industry, we will have to compete with our competitors for financing and for qualified managerial and technical employees.

Our competition includes large established mining companies with substantial capabilities and with greater financial and technical resources than we have. As a result of this competition, we may have to compete for financing and be unable to conduct any financing on terms we consider acceptable. We may also have to compete with the other mining companies for the recruitment and retention of qualified managerial and technical employees. If we are unable to successfully compete for financing or for qualified employees, our exploration programs may be slowed down or suspended, which may cause us to cease operations as a company.

We have a history of losses and have a deficit, which raises substantial doubt about our ability to continue as a going concern.

We have not generated any revenues during the year ended July 31, 2014 and 2013. We will continue to incur operating expenses without revenues if and until we engage in commercial operations. Our accumulated loss as of July 31, 2014 was $11,319,451 since inception. We had cash in the amount of $16,057 as at July 31, 2014. We estimate our average monthly operating expenses to be approximately $10,000 each month. We cannot provide assurances that we will be able to successfully explore and develop our property interests. These circumstances raise substantial doubt about our ability to continue as a going concern, which was also described in an explanatory paragraph to our independent auditors' report on our audited financial statements, July 31, 2014. If we are unable to continue as a going concern, investors will likely lose all of their investments in our company.

Our future is dependent upon our ability to obtain financing and if we do not obtain such financing, we may have to cease our exploration activities and investors could lose their entire investment.

There is no assurance that we will operate profitably or will generate any positive cash flow in the future. We will require additional financing in order to proceed with the exploration and, if warranted, development of our properties. We will also require additional financing for the fees we must pay to maintain our status in relation to the rights to our properties and to pay the fees and expenses necessary to operate as a public company. We will also need more funds if the costs of the exploration of our mineral claims are greater than we have anticipated. We will require additional financing to sustain our business operations if we are not successful in earning revenues. We will also need further financing if we decide to obtain additional mineral properties. We currently do not have any arrangements for further financing and we may not be able to obtain financing when required. Our future is dependent upon our ability to obtain financing. If we do not obtain such financing, our business could fail and investors could lose their entire investment.

Our directors and officers are engaged in other business activities and accordingly may not devote sufficient time to our business affairs, which may affect our ability to conduct operations and generate revenues.

Our directors and officers are involved in other business activities. As a result of their other business endeavours, our directors and officers will exercise their fiduciary duties and duty of care but nonetheless may not be able to devote sufficient time to our business affairs, which may negatively affect our ability to conduct our ongoing operations and our ability to generate revenues. In addition, the management of our company may be periodically interrupted or delayed as a result of our officers' other business interests.

RISKS RELATING TO OUR COMMON STOCK

A decline in the price of our common stock could affect our ability to raise further working capital and adversely impact our ability to continue operations.

A prolonged decline in the price of our common stock could result in a reduction in the liquidity of our common stock and a reduction in our ability to raise capital. Because a significant portion of our operations have been and will be financed through the continued sale of equity securities, a decline in the price of our common stock could be especially detrimental to our liquidity and our operations. Such reductions may force us to reallocate funds from other planned uses and may have a significant negative effect on our business plan and operations, including our ability to continue our current operations. If our stock price declines, we can offer no assurance that we will be able to raise additional capital or generate funds from operations sufficient to meet our obligations. If we are unable to raise sufficient capital in the future, we may not be able to have the resources to continue our normal operations or become insolvent.

The market price for our common stock may also be affected by our ability to meet or exceed expectations of analysts or investors. Any failure to meet these expectations, even if minor, may have a material adverse effect on the market price of our common stock and our operations as a result.

Additional Information

We file annual and interim reports, information circulars and other information with certain Canadian securities regulatory authorities. The documents filed with the Canadian securities regulatory authorities are available at http://www.sedar.com.