NANOSTRUCK TECHNOLOGIES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2014 AND 2013

The following management's discussion and analysis ("MD&A") should be read in conjunction with condensed interim unaudited financial statements, including the notes thereto for the three and nine month periods ended June 30, 2014 and 2013, and with annual audited financial statements, including the notes thereto for the year ended September 30, 2013 and period from incorporation on April 13,2012 to September 30, 2012. Additional information relating to NanoStruck Technologies Inc. ("NanoStruck" or the "Company") is available on SEDAR at www.sedar.com. This MD&A is prepared as of August 29, 2014, and has been approved by the Company's Board of Directors. All currency amounts are in Canadian dollars unless otherwise noted.

Forward-looking Information

Certain statements included in this document constitute "forward-looking statements". All statements, other than statements of historical fact, included herein, including but not limited to, statements regarding future anticipated development activities, the nature of future anticipated scientific research programs and the results thereof, business and financing plans and business trends, are forward-looking statements. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct.

Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, variations in the market for, and pricing of, any products the Company may produce or plan to produce, the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, the Company's inability to produce products successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies, and other risks and uncertainties identified herein under "Risks and uncertainties".

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in any of those forward-looking statements. For this reason, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant fluctuations in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to develop any of its present or future mineral properties.

OVERVIEW

Blue Gold Tailing Technologies Inc. was incorporated in Ontario under the Business Corporations Act on April 13, 2012. Blue Gold Tailing Technologies Inc. became a public entity by way of a three-cornered amalgamation between the Golden Cross Resources Inc., a public listed company whose shares were listed for trading on the Canadian Securities Exchange ("CSE") (previously known as Canadian National Stock Exchange ("CNSX")), Golden Cross Acquisition Inc. and Blue Gold Tailing Technologies Inc. The amalgamated company was then named Blue Gold Water Technologies Ltd. (the "Company" or "Blue Gold"). This transaction was completed on May 29, 2013 and constituted a reverse takeover transaction pursuant to the terms of the CSE. On May 29, 2013, the shares of Blue Gold commenced trading on CSE under the ticker symbol "BGO". On October 02, 2013 the Company changed its name to NanoStruck Technologies Inc. and began trading on the CSE under the symbol "NSK". The Company's current business model is based on either selling water remediation plants or leasing out units and charging customers on a price per liter basis with a negotiated minimum payment per annum. For processing mine tailings, the value of precious metal recovered is shared with tailing site owners on a pre-agreed basis.

The Company has a suite of technologies that remove molecular sized particles using absorptive organic polymers. These versatile biomaterials are derived from crustacean shells or plant fibers, depending on requirements of their usage. Acting as molecular sponges, the nanometer-sized polymers are custom programmed to absorb specific particles for remediation or retrieval purposes. These molecular sponges could be used to clean out acids, hydrocarbons, pathogens, oils and toxins in water via its NanoPure solutions or to recover precious metal particles in mine tailings, such as gold, silver, platinum, palladium and rhodium using the Company's NanoMet solutions.

By using modifications to conventional technologies and adding polymer-based nano-filtration, the Company's offers environmentally safe NanoPure solutions for water purification. The Company uses Environmental Protection Agency (EPA) and World Health Organization (WHO) guidelines as a benchmark for water quality and safety to conform to acceptable agricultural or drinking water standards in jurisdictions where the technology is used. Additionally, the Company's technology can be used to recover precious and base metals from mine tailings, which are the residual material from earlier mining activities. By retrieving valuable metals from old tailing dumps, the Company's NanoMet solutions boosts the value of existing mining assets and reduces the need for new, costly and potentially environmentally harmful exploration and mining.

On May 29, 2013, there was a three-cornered amalgamation between the Golden Cross Resources Inc., Golden Cross Acquisition Inc. and Blue Gold Tailing Technologies Inc. The amalgamated company was then named Blue Gold Water Technologies Ltd. (the "Company" or "Blue Gold"). This transaction was completed on May 29, 2013 and constituted a reverse takeover transaction pursuant to the terms of the CSE. On closing, the Company issued a total of 38,000,000 common shares to the former shareholders of Blue Gold Tailing Technologies Inc., 17,257,711 of which were placed into escrow in accordance with CSE policy. In addition, the Company completed a concurrent private placement of 7,857,153 units in shares. The Company also issued 4,478,572 warrants in exchange for warrants held by Blue Gold Tailing warrant holders and 3,000,000 common shares as a finder's fee in connection with the transaction. On closing, the share capital of the Company consisted of (i) 77,995,802 common shares, (ii) 950,000 stock options and (iii) 16,433,722 warrants with exercise prices ranging from $0.20 to $0.38.

On October 2, 2013, the Company announced that the Company has changed its name to NanoStruck Technologies Inc. to better reflect its proprietary nano polymer technologies used in water remediation and precious metal retrieval and commenced trading on the CSE under the symbol "NSK". The Company also announced that effective October 3, 2013; it has commenced trading on OTCQX(R) under the symbol "NSKTF". The Company has chosen to trade on this US marketplace to provide its growing number of US-based investors with home country disclosure, current financial disclosures and Real-Time Level 2 quotes on www.otcmarkets.com. The Company has also changed its trading symbol with the Frankfurt Exchange to 8NSK.

On October 11, 2013, the Company announced the appointment of Mr. Nicholas Bridges as Vice President International Sales and Business Development. Mr. Bridges has been involved in the mining industry for the past 30 years, principally with Zambia Consolidated Copper Mines (Zambia), Minequip Pvt Ltd (Zimbabwe), San Martin Mining (Kenya), Gecamines (Democratic Republic of the Congo) and in a joint venture with Sentrachem, a listed South African chemicals conglomerate.

On October 25, 2013, the Company announced I. Vellmer Inc., Chartered Accountant (the "Former Auditor") of the Company has resigned, at the request of the Company, as auditor of the Company, and the board of directors have appointed Collins Barrow Toronto LLP (the "Successor Auditor") of Toronto, Ontario as auditor for the Company. The Company's audit committee and its board of directors had approved the resignation of the Former Auditor as auditor of the Company.

On November 4, 2013, the Company announced that the Company has granted stock options to purchase a total of 6,620,000 common shares at an exercise price of $0.15 per share. The options are exercisable for a period of three years from date of grant and are subject to vesting over one year with one quarter of options vesting each quarter, in accordance with the provisions of the Company's stock option plan. The options are allocated as to (i) 4,600,000 options to the Company's directors and officers, (ii) 1,420,000 options to the Company's consultants, and (iii) 600,000 options to the Company's advisory board.

On November 6, 2013, the Company announced the restructuring of its executive management team. Former Chief Financial Officer, Mr. Alfredo Albi has taken on the new role of Chief Operating Officer (COO). Mr. Rajeev Agarwal was appointed as Chief Financial Officer (CFO) of the Company. In addition, Raj Kurichh assumed the role of Chief Marketing Officer (CMO) of the Company.

On November 7, 2013, the Company announced the shipment of NanoClear field test filters for Nanosan, a green sanitation system built based on nano-technology and designed for rural and informal areas under severe water stress where the basic infrastructure for water/wastewater is not economically feasible. As announced by the Company in June 2013, NanoStruck received a purchase order of 23,000 units from New World Sanitations CC of South Africa.

On November 12, 2013, the Company announced the renaming and rebranding of its product suite:

- its water purification technology solution that utilizes its proprietary chitosan polymer to treat wastewater is renamed and rebranded as NanoPure;
- its custom designed filter to clear water in sanitation systems is rebranded as NanoClear; and
- its proprietary technology system to retrieve precious metals, such as gold, silver and platinum from mine tailings, is renamed and rebranded as NanoMet.

The capacity of each NanoPure plant can range from 0.5 liters to 400 liters per second. The plant model numbers reflect this capacity. A typical model to treat landfill wastewater (leachate) will be NP10 or NP15, for example, to reflect remediation capacity of 10 liters and 15 liters per second respectively. NanoPure's treatment plants can either be built in portable steel containers or constructed on site, with the latter suited for larger remediation capacities. The precious metal retrieval plants are further rebranded for the metals they primarily retrieve: NanoPlat refers to the Platinum Group Metals (PGM) such as platinum, palladium and rhodium; NanoGold to gold and NanoSilver to silver. NanoClear filters also make use of the Company's chitosan polymer to clean sanitation water.

On November 13, 2013, the Company announced the completion of a trial period with Food Specialties, a Canadian company specializing in the formulation and development of frozen dessert products and flavorings. Food Specialties was notified by the Ontario Ministry of Food and Agriculture as well as the Municipality of Peel Region in the Greater Toronto area, for exceeding the provincial and municipal levels for acceptable wastewater discharge limits. Specific testing discovered elevated levels of BOD (Biological Oxygen Demand) and TSS (Total Suspended Solids). NanoStruck engineering and scientific teams investigated the issue and employed internal and external lab testing on the water samples provided by Food Specialties. Once the lab analysis results were confirmed, NanoStruck discovered that the water contained 10 times the authorized contaminants in their wastewater discharge. NanoStruck designed and installed a water remediation plant that met the specific environmental and CAPEX requirements of Food Specialties.

On November 19, 2013 the Company announced that it has issued shares to a consultant for amounts owed for consulting fees. The Company issued a total of 111,706 common shares of the Company for a value of $16,756, which was based on the fair value of the shares on the date of issue.

On November 22, 2013, the Company announced the appointment of Mr. Somail S. Bains as the Chair of the NanoStruck Advisory Board effective immediately. The Company, in its press release had announced establishing an Advisory Board of eminent individuals to assist with science, technology, governance and business development.

On January 24, 2014, the Company announced that Rocky Bellotti has resigned as a member of Board of Directors of the Company.

On January 31, 2014, the Company announced the appointment of Brian Mok as Senior Mining Analyst as a consultant-in-residence. Brian has been involved with the mining industry for the past 17 years. He is a Senior Mining Analyst at BG Partners Corp.

On February 7, 2014 the Company announced that testing of its mine tailings treatment techniques and preliminary results showing recovery rates of gold from mine tailings from Zimbabwe to be much higher than expected by industry observers. NanoStruck's techniques involve nanotechnology and industrial collaboration for specific innovative milling, pryometallurgy and hydrometallurgy processes combined with proprietary organic compounds. Tests completed over the past three months indicate that the NanoStruck techniques can recover as much as 96% of 9.1 grams per metric ton, or 0.32 ounces per ton, of gold contained in representative gold tailings samples.

On February 18, 2014 the Company announced signing of a non-binding Letter of Intent ("LOI") with Tierra Nuevo Mining Ltd (TNM), a private exploration company with mining assets in Mexico BG Partners Corp. The LOI is to explore the potential of TNM engaging NanoStruck to recover gold and silver from TMN's tailings material using the NanoMet Technology at TNM's Noche Buena Mine site, located in Zacatecas state, 10 kilometers northeast of Goldcorp's Peñasquito Mine. The Noche Buena mine began operations sometime between 1926 and 1930 and was worked continuously until 1992 when it was shut down due to the collapse of metal price.

On February 24, 2014 the Company announced that it has reached an agreement with Nano Africa (Pty) Ltd. and its affiliate New World Sanitations (NWS) whereby NWS intends to increase sales of its sanitation system, which utilizes NanoStruck's NanoClear Filters as well as Nano Africa marketing and promoting NanoStruck's NanoPure water purification and NanoMet precious metal retrieval systems in South Africa. As consideration, Nano Africa shall receive a commission, based on net revenues achieved by NanoStruck, in relation to each water remediation and/or mineral remediation plant that is sold in South Africa as a result of Nano Africa's efforts. Additionally, Jurgen Graupe, or his assigneess, receive 500,000 common shares of NanoStruck as consideration for consulting services already provided to NanoStruck for a value of $35,000, which was based on the fair value of shares on the date of issue.

On March 10, 2014 the Company announced the signing of a Letter of Intent (LOI) with the town of El Tuito to use the Company's NanoPure technology to treat wastewater from the municipality of Cabo Corrientes in Mexico.

On April 14, 2014 the Company announced the appointment of Steve McCann as a new Board Member of NanoStruck Technologies Inc. In addition, the Company announced that for personal reasons Mr. Alfredo Albi has decided to step down from the Board and as a Chief Operating Officer. Also Mr. David Rowson stepped down from the Board.

On May 7, 2014 the Company announced that it has completed the first tranche of a non-brokered private placement in the amount of $512,000. Pursuant to the private placement, NanoStruck issued 6,400,000 units at a price of $0.08 per unit. Each unit sold in the private placement consists of one common share and one non-transferable common share purchase warrant. The shares, warrants and warrant shares underlying the units are subject to a four-month and a day hold period (the "Hold Period"). Each warrant is exercisable at $0.13 per share on or before 36 months from the closing date.

On May 20, 2014, the Company announced a new sales contract with Buttcon Limited, a Canadian general contractor specializing in industrial, commercial, institutional and high-rise residential construction. The Company will supply a wastewater treatment plant for Metrolinx, the public transportation agency for the Greater Toronto and Hamilton Area, which operates the regional public transit service, GO Transit. Subsequently, the Company received $40,378 as down payment from Buttcon, which has been, treated as deferred revenue and will be recognized as revenue upon delivery of the plant. The total revenue for this contract is $71,467.

On May 21, 2014 the Company announced that it has signed a one-year agreement, renewable yearly, with Metrolinx to maintain its bus wash treatment unit at the GO Transit Halton Hills bus facility. As per the contract Metrolinx will pay $7,600 as maintenance fees to the Company sixty days after satisfactory installation of the plant.

On May 27, 2014 the Company announced signing a non-binding Letter of Intent (LOI) with Purple Grid Trading Pvt. Ltd ("Purple Grid"), a Zimbabwean company. The LOI describes that Purple Grid Trading agrees to cooperate with NanoStruck for the purpose of utilizing the Company's NanoMet technology to extract gold and other precious metals from the tailings that arise from mining projects accessed or owned by Purple Grid Trading in Zimbabwe.

On June 6, 2014 the Company announced that the Company has issued 500,000 shares to a consultant for marketing and business development services for a value of $40,000, which was based on the fair value of the shares on the date of issue. An additional 250,000 options were issued at an exercise price of $0.15 per share for a period of three years in accordance with the provision of the Company's stock option plan.

On June 17, 2014 the Company approved an Advance Notice Policy effective May 22, 2014 and the policy will be presented to shareholders of the Company in the form of amendments to the Company's articles at the Company's annual general and special meeting of shareholders to be held on June 20, 2014.

On June 18, 2014 the Company announced signing of a Letter of Intent (LOI) with the Municipality of Puerto Vallarta, Mexico to treat the leachate water at the Puerto Vallarta Landfill site. Both parties will be working to finalize an agreement for sale of plant for a price of approximately C$2.21M including financing costs, payable over 72 monthly payments. The LOI spells out the technology and commercial terms for the proposed undertaking.

On June 19, 2014 the Company announced that it has issued 500,000 shares to a consultant for business development services for a value of $40,000, which was based on the fair value of the shares on the date of issue. In addition 5,980,538 shares and 1,453,850 warrants were issued to certain directors and key management for amounts owed for board fees, consulting fees and expenses. In addition, the Company also granted stock options to outside consultants to purchase a total of 1,150,000 common shares at an exercise price of $0.15 per share for a period of three years, in accordance with the provisions of the Company's stock option plan.

On June 23, 2014 the Company announced that Brij P.S Chadda and Martin Bernholtz have been appointed as the new board members. In addition, the Company has entered into an investor relations consulting agreement with First Canadian Capital Corp ("First Canadian") under which First Canadian will provide consulting services to the Company to raise investor awareness, attract investment and find strategic, financial partners, for a term of 12 months from the date of execution of the consulting agreement, for a fee of (i) $5,000 per month, plus HST, and (ii) the grant a total of 400,000 incentive stock options to First Canadian, exercisable at $0.15 per share for a period of three years. The grant of the options was announced in a press release on June 18, 2014.

On June 24, 2014 the Company announced the results of its AGM as follows:

1. The ordinary resolution fixing the number of directors to 6 was approved.
2. All the directors were reappointed.
3. Collins Barrow was appointed as auditors.
4. Stock option plan was re-approved.
5. The amendment of articles to incorporate advance notice provision was approved.

On July 15, 2014 the Company announced that it has signed a binding agreement to acquire a technology business in order to strengthen the Company's technology and operations. Upon completion of accretive acquisition, the Company will be able to consolidate financial results of the two companies. The parties have signed a binding agreement subject to the signing of a definitive purchase and sale agreement upon completion of final due diligence and receiving regulatory approval.

On August 22, 2014 the Company announced that it has completed interim second and third tranches of a non-brokered private placement in the amount of $210,000. Pursuant to the private placement, the Company issued 2,625,000 units at a price of $0.08 per unit. Each unit sold in the private placement consists of one common share and one common share purchase warrant. The shares, warrants and warrant shares underlying the units are subject to a four-month and a day hold period. Each warrant is exercisable at $0.13 per share on or before 36 months from the closing date.

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SELECTED FINANCIAL INFORMATION

Summary of Quarterly results

The following table sets forth selected unaudited financial information for Company's eight most recent quarters ending with the last quarter for the three months ended June 30, 2014.

	For the Three Months Ended							
	June 30, 2014	**March 31, 2014**	**December 31, 2013**	**September 30, 2013**	**June 30, 2013**	**March 31, 2013**	**December 31, 2012**	**September 30, 2012**
Revenue	-	-	-	-	-	35,400	-	-
Income (loss) from continuing operations	(1,513,879)	(994,880)	(740,185)	(988,685)	(851,196)	(920,025)	(563,408)	(401,930)
Reverse take over transaction costs	-	-	-	-	4,964,243	-	-	-
Net Income (Loss)	(1,513,879)	(994,880)	(740,185)	(988,685)	(5,815,439)	(920,025)	(563,408)	(401,930)
Income (loss) from continuing operations per share- basic and diluted	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(563,408)	(401,930)
Income (loss) per share- basic and diluted	(0.02)	(0.01)	(0.01)	(0.01)	(0.07)	(0.01)	(563,408)	(401,930)

For the Three months Period ended June 30, 2014

The Company's net loss for the three-month period ended June 30, 2014 was $1,513,879 compared to the loss of $5,815,439 for the corresponding period ended June 30, 2013. The decrease in loss of $4,301,560 was primarily due to the following:

a) Professional fees, consulting and advisory decreased by $79,545 from $101,500 in 2013 to $21,955 in 2014 due to decrease in lawyer's fees and other consultants. In 2013, the Company was incurring high fees due to the impending reverse take over transaction.

b) Salary and wages decreased by $114,330 from $256,655 in 2013 to $142,325 in 2014. The decrease was mainly due to reduction in the total number of staff and hiring selective staff on project basis.

c) Share based payments increased by $430,971 from $Nil in 2013 to $430,971 in 2014. The increase was mainly related to $131,756 for shares issued to consultants, $297,140 for shares issued to directors and key management for consultancy fees and board fees at a deemed price of $0.08 per share. As part of share based payments a total of 5,361,200 shares were issued. The balance increase was due to compensation expense for deferred stock based compensation for stock options. During the quarter 1,750,000 stock options were issued, 550,000 stock options were expired and 650,000 stock options were forfeited.

d) Fixed Assets impairment increased by $490,911 from $Nil in 2013 to $490,911 in 2014. The increase was primarily related to construction in progress for two tailing projects and one water remediation project as a result of future development uncertainty. The loss was determined using a fair value less cost to sell methodology.

e) Advertising and promotion increased by $130,356 from $57,935 in 2013 to $188,291 in 2014. This was due to the company hiring consultants for marketing activity, participating in events, website enhancement, printing of brochures and marketing material etc.

f) Reverse take over transaction costs decreased by $4,964,243 from $4,964,243 in 2013 to $Nil in 2014. These costs were incurred in 2013 as part of reverse take over transaction on May 29, 2013.

For the Nine months Period ended June 30, 2014

The Company's net loss for the nine-month period ended June 30, 2014 was $3,248,943 compared to the loss of $7,298,874 for the corresponding period ended June 30, 2013. The decrease in loss of $4,049,931 was primarily due to the following:

a) Professional fees, consulting and advisory decreased by $186,216 from $535,530 in 2013 to $349,314 in 2014 due to decrease in lawyer's fees and other consultants. In 2013, the Company was incurring high fees due to the impending reverse take over transaction.

b) Salary and wages decreased by $400,934 from $810,668 in 2013 to $409,734 in 2014. The decrease was mainly due to reduction in the total number of staff and hiring selective staff on project basis.

c) Share based payments increased by $813,498 from $Nil in 2013 to $813,498 in 2014. The increase was mainly related to $131,756 for shares issued to consultants, $297,140 for shares issued to directors and key management for consultancy fees and board fees at a deemed price of $0.08 per share. As part of share based payments a total of 5,361,200 shares were issued. The balance increase was due to compensation expense for deferred stock based compensation for stock options. During the nine months ended June 30, 2014 a total of 8,370,000 stock options were issued, 550,000 stock options were expired and 650,000 stock options were cancelled.

d) Fixed Assets impairment increased by $490,911 from $Nil in 2013 to $490,911. The increase was primarily related to construction in progress for two tailing projects and one water remediation project as a result of future development uncertainty. The loss was determined using a fair value less cost to sell methodology.

e) Advertising and promotion increased by $159,895 from $104,313 in 2013 to $264,208 in 2014. This was due to the company hiring consultants for marketing activity, participating in events, website enhancement, printing of brochures and marketing material etc.

f) Reverse take over transaction costs decreased by $4,964,243 from $4,964,243 in 2013 to $Nil in 2014. These costs were incurred in 2013 as part of reverse take over transaction on May 29, 2013.

LIQUIDITY AND CAPITAL RESOURCES

The financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to acquire resource property or business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Company may revise commercialization and development programs depending on its working capital position.

Issue and outstanding warrants at June 30, 2014 were 23,428,439 with exercise prices of $0.20, $0.36, $0.38 and $0.13 (post consolidated).

In May 2013, the Company granted 950,000 stock options at an exercise price of $0.48. These options vested immediately. In November 2013, the Company granted 6,620,000 stock options at an exercise price of $0.15 per share for a period of three years. The options will vest evenly over four quarters. In May 2014 and June 2014, the Company granted 100,000 and 1,650,000 stock options respectively to consultants at an exercise price of $0.15 per share for a period of three years. The options will vest evenly over 12 quarters. In addition 550,000 stock options granted in November 2013 were expired and 650,000 stock options granted in November 2013 were cancelled. Issued and outstanding stock options at June 30, 2014 were 8,120,000.

During the quarter ended December 31, 2013, as part of settlement agreement with a consultant, a total of 111,706 shares were issued for a value of $16,756, which was based on the fair value of the shares on the date of issue. On April 25, 2014, as consideration for consulting services already provided to the Company by Nano Africa (Pty) Ltd. and its affiliate New World Sanitations CC of South Africa, Jurgen Graupe, and his assignees, were issued a total of 500,000 shares for a value of $35,000, which was based on the fair value of the shares on the date of issue. On May

02, 2014 the Company completed the first tranche of private placement of 6,400,000 units at $0.08 per unit, raising a total of $512,000 in gross proceeds. Each unit is comprised of one common share and one non-transferrable common share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at an exercise price of $0.13. Of the $512,000 in gross proceeds $260,799 was allocated to the fair value of the shares and $251,201 was allocated to the value of the warrants. No finder's fee was paid. During the quarter ended June 30, 2014, the Company issued 500,000 shares to a consultant for marketing and business development services for a value of $40,000, which was based on the fair value of the shares on the date of issue. In addition the Company issued 500,000 shares to a third party consultant for business development for a value of $40,000, which was based on the fair value of the shares on the date of issue. In addition 5,980,538 shares and 1,453,850 warrants were issued to certain directors and key management for amounts owed for board fees, consulting fees and expenses.

At June 30, 2014, the Company's had a negative working capital of ($495,105) (September 30, 2013 : surplus- $844,833). As of the date of this MD&A, the Company has no outstanding commitments other than a short term loan, its on-going trade payable, lease commitments, share commitments and has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants.

The Company recognizes the need to obtain equity financing to meet its obligations and fund its development programs. The Corporation is in discussion with potential investors, however, at this time potential investors have made no written commitments. There is no guarantee that the Corporation will be successful in raising sufficient funds to continue as a going concern.

TRANSACTIONS WITH RELATED PARTIES

The Company has entered into certain transactions with related parties during the nine months ended June 30, 2014 and 2013. The following is the detail of remuneration/ consulting paid / accrued to related parties:

Name of Officer / Director	Position	Nature of Payment	Fees Accrued/ Paid ($)	Share based Payment ($)	Number of Shares issued (1)	Oct 1, 2013- June 30, 2014) Total ($)
Bundeep Singh Rangar	Chairman, Interim CEO	Consultancy fees/ expenses	79,425	303,183*	3,789,788	382,608
Rajeev Agarwal	CFO	Consulting fees	85,560	53,848**	673,100	139,408
Raj Kurichh	Director, Officer	Consulting fees	67,500	50,850**	635,625	118,350
Alfredo Albi	Ex-Director, Ex-COO	Consulting fees	72,000	-	-	72,000
John Morita	Director	Board Fees	5,438	16,312	203,900	21,750
Steve McCann	Director	Board Fees	-	4,250	53,125	4,250
Rocky Belotti	Ex-Director	Board Fees	4,000	-	-	4,000
Michael Morris	Strategic Advisor	Consultancy	-	50,000	625,000	50,000

*Includes out of pocket expenses of $116,308 that were converted into 1,453,850 shares and an equivalent number of warrants.

**Includes HST

(1) A total of 5,980,538 shares were issued to directors and key management for amounts owed for board fees, consulting and expenses. The shares were issued at a deemed price of $0.08 per share. Key management personnel were not paid post-retirement benefits, termination benefits or other long-term benefits during the nine months ended June 30, 2014 and 2013.

Name of Officer / Director	Position	Nature of Payment	Fees Accrued/ Paid ($)	Share based Payment ($)	Number of Shares issued (2)	Oct 1, 2012- June 30, 2013) Total ($)
Raj Kurichh	Director, Officer	Consulting fees	45,000	57,527	7,701,098	102.527
Alfredo Albi	Ex-Director, Ex-COO	Consulting fees	108,000	-	-	108,000

(2) As part of consultancy agreements, Blue Gold Tailings Ltd. issued 7,701,098 shares to Raj Kurichh at a deemed value of $0.00747. The share issued as consideration for services were measured on the basis of the services rendered. Pursuant to the amalgamation agreement each of the each of the share of Tailings immediately before the effective date of the transaction, May 29, 2013, were exchanged for 0.373549223 of Golden Cross shares.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's interim condensed financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and continent liabilities at the date of the financial statements and reported amounts of expenses during the reporting year. Financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the 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 may affect both current and future periods.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the statement of financial position date, 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:

1. Impairment of property, plant & equipment and intangible assets – in assessing impairment, management must determine the level at which independent cash flows exist, the asset or an asset grouping. Estimates of the recoverable amount of each asset or cash generating unit is determined; based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.
2. Fair value measurements for share-based payments and other equity-based transactions.
3. Useful lives of depreciable assets – management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of water remediation and mining tailings recovery equipment.
4. Recognition of deferred tax assets and liabilities – the extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.
5. Recognition and valuation of provisions for restoration and environmental liabilities.

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CONTRACTUAL OBLIGATIONS

Future minimum payments under operating leases for premises & equipment and payments under consultancy agreement(s) are approximately as follows:

	June 30, 2014 $
Due within one year	326,141
Due from one to five years	29,825
Due after five years	-
	355,966

In addition, the Company has made the following commitments to issue shares:

1. Commitment to issue 111,706 shares to a consultant on satisfaction of predetermined criteria.
2. Commitment to issue 93,750 shares to a consultant for sales & marketing services.

ACCOUNTING POLICIES

Accounting standards issued but not yet effective

Several new standards, interpretation and amendments to existing standards have been issued by the IASB and IFRIC that are mandatory but not yet effective for the year ended September 30, 2014, and have not been applied in preparing these financial statements. Many of these are not applicable or inconsequential to the Company and have been excluded from the discussion below. The Company is currently assessing the impact of standards that may be applicable on the financial statements.

The following standards or interpretations have been issued by the IASB and IFRC and are effective in the annual period beginning on or after the date shown:

IFRS 9	*Financial Instruments*	*TBD*
IAS 32	*Financial Instruments: Offsetting Financial Assets and Financial Liabilities*	January 1, 2014

IFRS 9 Financial Instruments: This standard replaces the current IAS 39 Financial Instruments: Recognition and Measurement. The standard introduces new requirements for classifying and measuring financial assets and liabilities. In February 2014, the IASB tentatively decided that the mandatory effective date of IFRS 9 would be annual periods beginning on or after January 1, 2018. The Company is currently assessing the impact of adopting IFRS 9 on its financial statements.

IAS 32 Financial Instruments: Offsetting Financial Assets and Financial Liabilities: The amendment provides further clarification on the application of the offsetting requirements.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

FINANCIAL RISK MANAGEMENT

The Company's activities may expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and commodity price risk). The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

1. *Credit risk* is the risk that a customer or a related party receivable will be unable to pay the Company in full when an amount becomes due. The Company does not have material exposure to customer credit risk as there has been minimal revenue generated. The Company's other exposure to risk is on its other receivables which is comprised of HST is minimal.

2. *Liquidity risk* is the risk that the Company will encounter difficulty in meeting its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities to ensure it has sufficient funds available to meet current and foreseeable financial requirements. As at June 30, 2014, the Company had a negative working capital of ($495,105) (September 30, 2013: surplus $844,833). The accounts payables and accrued liabilities are due within one year.

3. *Foreign exchange risk* is the risk to the Company's earnings that arises from fluctuations in foreign exchange rates and the degree of volatility of these rates. The Company does not have material exposure to these risks, as the extent of business transaction in foreign currencies is minimal.

4. *Interest rate risk* is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Company is not exposed to interest rate risk except on short term loan.

5. *Capital management:* The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, contributed surplus net of accumulated deficit. The Company's capital was $149,425 as at June 30, 2014 (September 30, 2013 - $1,891,567)

   The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets. Management reviews the capital structure on a regular basis to ensure that the Company's capital management objectives are achieved.

   There were no changes in the Company's approach to capital management during the period ended June 30, 2014. The Company is not subject to any externally imposed capital requirements. The Company's objectives when managing capital are:

   - To maintain and safeguard it's accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds to support its mine tailings, water remediation and NanoSan.
   - To invest cash on hand in highly liquid and highly rated financial instruments with high credit quality issuers, thereby minimizing the risk of loss of principal.
   - To obtain the necessary financing, if and when it is required.

In the management of capital, the Company includes shareholders' equity in the definition of capital. The Company is not exposed to externally imposed capital requirements.

In order to maximize ongoing development efforts, the Company does not pay dividends. Notwithstanding the risks described in notes to the financial statements, the Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

6. *Fair value:* The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:
   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.

RISK FACTORS

Share Price Volatility: During the past year, worldwide securities markets, particularly those in the United States and Canada, have experienced a high level of price and volume volatility, and the market price of securities of many companies have experienced unprecedented declines in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Therefore, there can be no assurance that significant fluctuations in the trading price of the Company's common shares will not occur, or that such fluctuations will not materially adversely impact on the Company's ability to raise funding.

Financing Risks and insufficient Financial resources: The Company has limited financial resources, has limited source of operating cash flow and has no assurance that additional funding will be available to it for its projects or to fulfill its obligations under any applicable agreements. Although the Company has been successful in the past in obtaining financing through private placements, there can be no assurance that it 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 result in delay or indefinite postponement of further development of its projects with the possible loss of such projects.

Dilution to the Company's existing shareholders: The Company will require additional financing to be raised in the near future. The Company may issue securities at less than favorable 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.

Dependence Upon Others and Key Personnel: The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability to design the water remediation and tailings projects; (ii) the ability to attract and retain additional key personnel responsible for technology, marketing, development and finance. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance of success with any or all of these factors on which the Company's operations will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities.

The industry is subject to rapid technological change and our solution may become obsolete: The market for water remediation technology is characterized by rapid technological change, including new product introductions by our competitors and new entrants to the market and changes in the industry standard components. There can be no assurance that our solution will remain highly competitive regardless of such future technological changes. If the Company fails to anticipate or respond quickly to such changes by bringing new developments to market in a timely and cost-effective manner, the solution may become obsolete, which could affect competitiveness and could have a material adverse effect on our business, results of operations, and financial condition.

Currency fluctuation risks and other risks relating to international operations: Since some of the projects of the Company are based out of Canada, therefore, the Company may be subject to additional foreign exchange and operations risks. These foreign operations face risks arising from local political, legal, and economic factors, such as varying regulatory requirements, compliance with international and local trade, labor and other laws, and differences in intellectual property protections in certain jurisdictions. The Company may also face difficulties in managing these international operations, collecting receivables in a timely fashion, and repatriating earnings. These factors could materially impact the Company's international operations and adversely affect the results of our operations as a whole.

Intellectual property risks: The Company relies on various intellectual property protections, including contractual provisions, patents, copyright, trademark, and legislation governing trade secrets, to protect the intellectual property rights. Despite these measures, third parties may misappropriate our intellectual property, which could result in lost revenue opportunities and impair our ability to compete. Alternatively, the Company could be subject to claims by third parties that its products or services infringe their intellectual property rights. In either case, this would result in costly litigation that would divert the attention of the management away from our ongoing business. Third party claims also could result in damages or other costs, which could materially disrupt our business, and could adversely affect our financial condition and the results of our operations and could have a material adverse effect on our business, results of operations, and financial condition.

Competition risk: The Company's competitors may continue to improve the existing technologies. Many of the competitors have substantially greater financial and other resources with which to pursue research and development, marketing, and distribution of their products. New technology announcements or introductions by our competitors could impact our ability to compete effectively. The intensely competitive market in which we conduct our business also could require us to reduce our prices. If the competitors offer deep discounts on certain products or services in an effort to recapture or to gain market share, the Company may be required to lower prices or to offer other favorable terms to compete successfully. Any such changes would be likely to reduce the margins and could adversely affect the operating results.

Limited Experience with Water remediation and Tailings Operations: The Company has limited experience in placing water remediation and tailings projects into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when and if it places its placing water remediation and tailings projects into production.

No Assurance of Profitability: The Company has no history of earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable in the short term. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The major source of funds available to the Company is from the sale of its common shares or, possibly private placements. While the Company may generate additional working capital through further equity offerings there can be no assurance that any such funds will be available on favourable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

OTHER INFORMATION

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Going concern

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future. The ability of the Company to continue as a going concern is dependent upon its ability to obtain financing on reasonable terms and to attain profitable operations and further fund operations. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate additional financing in the future, in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its asses and discharge its liabilities in the normal course of operations, the net realizable value of its assets may be substantially less than the amounts recorded on the statements of financial position.

There is significant doubt about the Company's use of the going concern assumption as the Company does not currently have revenue-generating assets and has a negative working capital of ($495,105) as at June 30, 2014 (September 30, 2013: surplus $844,833) and has incurred losses to date of $12,343,036. Furthermore, unlike the water treatment business, there is some uncertainty as to whether the Company's use of nanotechnology solutions can economically recover precious metals from mine tailings and therefore there is doubt as to future income and cash flows from operations.

The Company is currently seeking alternative financing for project development and to cover other expenses. In the event the Company is unable to arrange appropriate financing, the carrying value of the Company's assets could be subject to material adjustment. Furthermore, certain market conditions may cast significant doubt upon the validity of the going concern assumption.

The Company is actively pursuing funds for project development and to cover other expenses. In the event the Company is unable to arrange appropriate financing, the carrying value of the Company's assets could be subject to material adjustment. Furthermore, certain market conditions may cast significant doubt upon the validity of the going concern assumption.

These financial statements do not reflect any additional adjustments to the recoverability and classification of certain recorded asset amounts, classification of certain liabilities and changes to the statements of loss and comprehensive loss that might be necessary if the Company was unable to continue as a going concern.

INVESTOR RELATIONS

The Company is currently managing most of the investor relations internally.

As disclosed by the Company on June 23, 2014 the Company has signed an agreement with First Canadian Capital Corporation for providing investor relations services. Under the agreement, First Canadian will provide consulting services to the Company to raise investor awareness, attract investment and find strategic, financial partners, for a term of 12 months from the date of execution of the consulting agreement, for a fee of (i) $5,000 per month, plus HST, and (ii) the grant a total of 400,000 incentive stock options to First Canadian, exercisable at $0.15 per share for a period of three years. The grant of the options was announced in a press release on June 18, 2014.

OUTSTANDING SHARE DATA

As at the date of MD&A, the following securities were outstanding:

Outstanding Securities:	**Number**
Common Shares	94,658,046
Warrants	25,405,427
Stock options	8,120,000

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SUBSEQUENT EVENTS

The Company has signed a binding agreement to acquire a technology business in order to strengthen the Company's technology and operations. Upon completion of accretive acquisition, the Company will be able to consolidate financial results of the two companies. The parties have signed a binding agreement subject to the signing of a definitive purchase and sale agreement upon completion of final due diligence and receiving regulatory approval.

The Company completed interim second and third tranches of a non-brokered private placement in the amount of $210,000. Pursuant to the private placement, the Company issued 2,625,000 units at a price of $0.08 per unit. Each unit sold in the private placement consists of one common share and one common share purchase warrant. The shares, warrants and warrant shares underlying the units are subject to a four-month and a day hold period. Each warrant is exercisable at $0.13 per share on or before 36 months from the closing date.