FINORE MINING INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the Three Months Ended October 31, 2013

BACKGROUND

The following information, prepared as of December 30, 2013, should be read in conjunction with the audited financial statements and accompanying notes of Finore Mining Inc. (the "Company") for the three months ended October 31, 2013 and the audited financial statements of the Company for the year ended July 31, 2013. The audited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

During the three months period ended October 31, 2013, the Company's critical accounting estimates and significant accounting policies have remained substantially unchanged and are still applicable to the Company unless otherwise indicated. All amounts are expressed in Canadian dollars unless noted otherwise.

The condensed interim financial statements for the three months period ended October 31, 2013, including comparative figures, have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and do not include all of the information required for full annual financial statements.

The risk factors identified in previous management's discussion and analysis (the "MD&A") have also remained substantially unchanged but the risk factor of future financings has assumed a greater importance to the Company in view of the current economic climate and stock market volatility. Management has assessed and will continue to address the implications of recent events in order to ensure that the Company can continue to achieve its long term objectives.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in the foregoing MD&A constitutes forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below.

DESCRIPTION OF BUSINESS

The Company was incorporated on November 29, 2006 pursuant to the *Business Corporations Act*, British Columbia. The Company's principal business activity is the exploration of mineral properties. The Company was listed for trading on the Canadian National Stock Exchange (the "CNSX") since February 4, 2008 under the trading symbol "OTB". On September 26, 2011, the Company changed its name to Finore Mining Inc. and the Company's common shares began trading under the new symbol of "FIN". On April 9, 2012, the Company's shares have commenced trading in the United States on the OTC market's prestigious tier, OTCQX International under the symbol of "FNREF".

The Company is a junior mineral exploration company engaged in the acquisition and exploration of strategic mineral properties. The Company is primarily engaged in the exploration for, and the development of, mineral properties with gold, copper, nickel, and other mineral. The Company may take advantage of other mineral projects as opportunities arise.

On August 24, 2011, the Company entered into an option agreement with Nortec Minerals Corp ("Nortec"). The option agreement gave the Company the option to earn up to an 80% interest in Nortec's Läntinen Koillismaa ("LK") project, a palladium-platinum–gold–copper-nickel property, located in north central Finland. However, on September 10, 2012, the Company entered into an amendment to the option agreement (the "Nortec Option Amendment"), whereby Nortec has granted the Company the right to acquire 70% interest in the Läntinen Koillismaa Project by: a) issuing additional 27,000,000 shares of the Company (issued); b) paying in full amount owed by the Company on account of the conduct of exploration work within 60 days from the date of the Nortec Option Amendment; and c) granting Nortec the right to nominate two persons for appointment or election to the Company's board of director.

On February 19, 2013, the Company entered into a second amendment agreement (the "Second Amendment Agreement") with Nortec, whereby Nortec and the Company agreed to such amendments that the Company has the sole and exclusive right and option to earn 100% interest in and to the Läntinen Koillismaa Project for, among other things, 41,000,000 shares of the Company. Furthermore, if the Company completes all of its obligations in the Second Amendment Agreement, and issues an additional 917,707 Shares to Nortec, the Company will be deemed to have exercised the option to acquire 100% interest in the Läntinen Koillismaa Project through acquiring Nortec's wholly owned Finnish subsidiary, Nortec Minerals Oy. Nortec Minerals Oy controls 100% interest in the Läntinen Koillismaa Project.

The LK Property is located in north central Finland, 660km north of the capital Helsinki, 65km south of the Arctic Circle, and covers approximately 3750 hectares. The project is well serviced by power, water and roads affording all season access and development. The LK Project consists of the Kaukua, Lipeävaara, Murtolampi, Haukiaho and Haukiaho East Zones. Nortec carried out over 10,000 metres of diamond core drilling on the Kaukua Zone since 2007 and over 7,000 metres of historical diamond drilling was performed on the Haukiaho Zone since the 1960's.

QUALIFIED PERSON

All disclosure of scientific or technical information, including disclosure of a mineral resource or mineral reserve, concerning a mineral project on a property material to the issuer must be based upon information prepared by or under the supervision of a qualified person.

Mohan Vulimiri, Director is the Qualified Person for the Company.

CHANGES IN MANAGEMENT

During the three months ended October 31, 2013, there were no changes to its management team.

The Company's Board of Directors consists of following: Peter Tegart, Mohan Vulimiri, David Eaton, David Velisek and Savio Chiu.

On December 3, 2013, Denise Lok resigned as CFO and Simon Ma was appointed as CFO of the Company.

During the year ended July 31, 2013, the Company increased its operational activities and strengthen its management team.

On October 3, 2011, Peter Hughes resigned as CEO and appointed Ian Laurent as the CEO and director of the Company.

On November 1, 2011, Alexander Polevoy was appointed as a director of the Company.

On September 10, 2012, Ian Laurent resigned as CEO and director and Peter Hughes resigned as director of the Company. Lawrence Dick was appointed as the interim CEO of the Company.

On January 14, 2013, Steven Green resigned as President of the Company.

On February 5, 2013, Alexander Polevoy resigned as director of the Company. David Velisek was appointed as a director of the Company.

On March 28, 2013, Peter Tegart and Mohan Vulimiri was appointed as directors of the Company. Lawrence Dick resigned as CEO and Peter Tegart was appointed as the CEO.

OVERALL PERFORMANCE

The following discussion of the Company's financial performance is based on the unaudited condensed interim financial statements for the three months period ended October 31, 2013 and the audited financial statements for the year ended July 31, 2013.

As at October 31, 2013, the Company had cash of $261,625 (July 31, 2013 - $261,625; October 31, 2012: $147,235) and short-term investment of $11,535 (July 31, 2013 - $11,503; October 31, 2012 - $11,500). Total current assets amount to $11,016,959 (July 31, 2013: $11,054,670; October 31, 2012 - $9,420,134).

Current liabilities at October 31, 2013 total $127,851 (July 31, 2013: $188,769; October 31, 2012: - $651,185). Shareholders' equity is comprised of share capital of $16,656,886 (July 31, 2013 - $16,606,986; October 31, 2012: $14,422,416), reserves of $1,834,032 (July 31, 2013: $1,834,032; October 31, 2012: - $1,952,899) and a deficit of $7,601,810 (July 31, 2013 - $7,575,117; October 31, 2012: - $7,606,166) for a net amount of $10,889,108 (July 31, 2013: - $10,865,901; October 31, 2012: $8,768,949). The Company has a working capital of $157,573 at October 31, 2013 compared to a working capital deficiency of $182,369 at July 31, 2013.

During the three months perid ended October 31, 2013, the Company reported a net loss of $26,693 ($0.00 basic and diluted loss per share) compared to a net loss of $105,283 ($0.01 basic and diluted loss per share) reported for the year ended July 31, 2012.

RESULTS OF OPERATIONS

For the Three Months ended October 31, 2013

During the three months period ended October 31, 2013, the Company incurred a net loss of $26,693 compared to $105,283 for the same period in 2012. The net loss of $105,283 for the three months ended October 31, 2012 was mainly due to consulting fees of $16,972 (2012 - $10,864) related to the corporate finance advisory, marketing and IT consulting services provided by consultants of the Company. Other categories of lowered spending include advertising and promotion (2013: $ nil; 2012: - $3,760); Insurance (2013: - $1,360; 2012: - $2,600), professional fees (2013: - $2,923; 2012: - $nil). During the three months ended October 31, 2013 expenses were offset by interest income of $32 (2012 - $27). The Company recorded a loss on foreign exchange $535 (2012 - $76,853).

Consulting fees of $16,972 (2012 - $10,864) relate to the corporate finance consulting services provided by consultants pursuant.

Professional fees of $nil (2012 - $2,923) relate to the legal services provided for corporate general matters.

Transfer agent and filing fees of $8,024 (2012 - $7,778) representing a 3% increase in spending.

Interest income remain relatively unchanged (2013 - $32; 2012 - $27).and relates to interest income receivable on the Company's GIC account.

Due to the Company being in the exploration stage, management foresees further increases in the Company's expenses during the coming year resulting from its exploration activities. These expenses are contingent upon the Company's ability to fund these projects through private placements and other forms of financing. In the event that the Company does not receive the required funding, management will review all on-going expenditures and take appropriate actions to remedy the funding shortage.

As at October 31, 2013, the Company has cash of $261,625 (July 31, 2013: $341,928; October 31, 2012 - $147,235) and short-term investment of $11,535 (July 31, 2013: $11,503; October 31,2012 - $11,500), other receivables of $5,703 (July 31, 2013: $6,694; October 31, 2012 - $30), prepaid expenses of $6,561 (July 31, 2013: $ 11,643; October 31, 2012 - $15,065) for prepaid market communication services and insurance services, and accounts payable and accrued liabilities of $127,851 (July 31, 2013 - $188,769; October 31, 2012: $651,185) mainly relating to consulting and exploration service fees. The working capital at October 31, 2013 is $157,573 (July 31, 2013 - $182,369; October 31, 2012: - $477,355).

SELECTED ANNUAL INFORMATION

The following table sets out selected financial information derived from the Company's audited financial statements for the most recently completed financial years:

	Year Ended July 31, 2013 $	Year Ended July 31, 2012 $	Year Ended July 31, 2011 $
STATEMENTS OF NET AND COMPREHENSIVE LOSS			
Revenue	N/A	N/A	N/A
Net Loss	(80,383)	(1,287,368)	(4,752,589)
Other income	N/A	5,307	14,374
Basic and diluted loss per share	0.01	0.03	0.24
STATEMENTS OF FINANCIAL POSITION			
Working capital (deficiency)	188,769	(373,829)	4,510,639
Total assets	11,054,670	6,175,609	5,299,518

During fiscal 2013, the Company incurred a net loss of $80,383 ($0.01 basic and diluted loss per share) compared to a net loss of $1,287,368 ($0.03 basic and diluted loss per share) for the year ended 2012.

SUMMARY OF QUARTERLY RESULTS

The following table presents unaudited selected financial information for each of the last eight quarters:

	In accordance with IFRS							
	2013				2012			
	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1	Qtr 4	Qtr 3	Qtr 2
	$	$	$	$	$	$	$	$
Revenue	-	-	-	-	-	-	-	-
Net Loss	26,693	91,777	35,834	31,043	105,283	190,288	456,850	226,701
Basic and diluted loss per share	0.00	0.01	0.01	0.01	0.01	0.00	0.01	0.01

Net Loss

For the three months ended October 31, 2013, the Company incurred a net loss of $26,693 compared to $105,283 for the same period in 2012. The decrease in net loss in the current quarter compared to the same of 2012 is primarily due to foreign exchange loss of $76,853 charged in the prior year. Major expenses and their respective changes were as follows:

- Advertising and promotion were $nil (2012-$3,760). The decrease was due the Company's effort in controlling and minimizing general and administrative costs;
- Consulting fees were $16,972 (2012-$10,864) pursuant to a contract with Baron Group for financial consulting at $5,000 per month;

- Insurance was $1,360 (2012: - $2,600);
- Legal fees were $nil (2012- $2,923) due to decrease in activities;
- Transfer agent and filling fees were $7,778 (2012: - $8,024).

The decrease in quarterly losses for the recent four quarters was primarily the result of recognizing significant amounts of consulting fees and the reversal of share-based payments recognized in quarter three in fiscal 2012. The quarterly losses for quarter one and three in fiscal 2012 is greater than quarter two in fiscal 2012 mainly due to the share-based payments recorded for the stock options granted during quarter one and quarter three.

MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

Läntinen Koillismaa Mineral Claims, North-eastern Finland

Ending Balance July 31, 2012	**$**	**5,895,343**
Acquisition Costs		3,240,000
Exploration Costs		
Consulting - administrative and general		1,545
Office and general		9,801
Project administration		4,854
Surveying		77,369
Travel		17,392
Ending Balance October 31, 2012	**$**	**9,246,304**
Acquisition Costs		1,025,000
Exploration Costs		
Assay sampling		43,761
Consulting - geological		5,401
Consulting - administrative and general		51,734
Office and general		120,587
Project administration		17,852
Reports		56,560
Surveying		97,198
Travel		19,135
Ending Balance July 31, 2013	**$**	**10,683,532**
Exploration Costs		
Assay sampling		4,350
Consulting - geological		2,795
Consulting - administrative and general		43,187
Office and general		(16,629)
Project administration		1,981
Reports		12,066
Surveying		253
Ending Balance October 31, 2013	**$**	**10,731,535**

On July 21, 2011, the Company entered into a binding letter of intent with Nortec, whereby Nortec will grant the Company the right to acquire up to an undivided 80% interest in the rights to 37 exploration claims owned by Nortec known as the Läntinen Koillismaa Project.

On August 24, 2011, the Company entered into the option agreement with Nortec (the "Nortec Option Agreement") and obtained to right to acquire up to an undivided 80% interest in the LK Project. The effective date of the Nortec Option Agreement is September 6, 2011.

The payment, share issuance and exploration expenditure requirements are as follows:

The Company can earn an initial 49% interest in the LK Project by: a) making payments totalling $4.5 million in cash to Nortec; b) issuing the equivalent of $2 million in shares of the Company; and c) spending $5 million on exploration within 24 months, including a minimum of $2 million in the first 12 months.

The remaining 31% interest can be earned by the Company by: a) making a payment of $3 million in cash to Nortec on or before the 3 year anniversary from the Effective Date; b) issuing the equivalent of $1 million in shares of the Company to Nortec; and c) spending a further $5 million on exploration on the LK Project.
The payment, share issuance and exploration expenditure requirements are as follows:

	Date	Cash	Shares	Exploration Expenditures
Year 1	On July 21, 2011	$100,000 (paid)	-	-
	On September 7, 2011	$900,000 (paid)	1,660,408 shares (issued)	-
	On March 6, 2012	$1,000,000 (paid)	1,566,800 shares (issued)	-
	On September 6, 2012	$1,250,000	$500,000*	$2,000,000
Year 2	On March 6, 2013	$1,250,000	$500,000*	-
	On September 6, 2013	-	-	$3,000,000
Year 3	On September 6, 2014	$3,000,000	$1,000,000*	$5,000,000

In connection with the Nortec Option Agreement, the Company issued 1,850,000 common shares at $0.45 per share, for a total of $832,500 on September 7, 2011 as finder's fees in connection with the property.

On September 10, 2012, the Company entered into an amendment to the Nortec Option Agreement (the "Nortec Option Amendment"), whereby Nortec and the Company agreed to amend the right granted to the Company such that the Company can acquire 70% interest in and to the Läntinen Koillismaa Project by: a) issuing additional 27,000,000 shares of the Company; b) paying in full amount owed by the Company on account of the conduct of exploration work within 60 days from the date of the Nortec Option Amendment; and c) granting Nortec the right to nominate two persons for appointment or election to the Company's board of director. As the result, the remaining outstanding option obligations under the Nortec Option Agreement were not fulfilled. On September 11, 2012, the Company issued 27,000,000 common shares at a price of $0.12 to Nortec.

On February 19, 2013, the Company issued 41,000,000 shares at $0.025 per share to Nortec pursuant to the Second Amendment Agreement.

The property is located in north central Finland, 660km north of the capital Helsinki, 65km south of the Arctic Circle, and covers approximately 3750 hectares. The project is well serviced by power, water and roads affording all season access and development. The LK Project consists of the Kaukua, Lipeävaara, Murtolampi, Haukiaho and Haukiaho East Zones. Nortec carried out over 10,000 metres of diamond core drilling on the Kaukua Zone since 2007 and over 7,000 metres of historical diamond drilling was performed on the Haukiaho Zone since the 1960's. The Company has completed 10,775 metres of diamond core drilling. A total of 20,775 metres of drilling was completed on the property to-date.

Information to date shows that that the Properties have the potential to host several large - tonnage PGE+Au-Cu-Ni deposits amenable to low cost open pit mining methods.

Preliminary metallurgical test work on a blended representative composite of ore types concludes that conventional rougher flotation yielded substantial recoveries of over 80% PGE + Au, associated with recoveries of over 93% for Cu and 51% for Ni. The recoveries appear to be somewhat dependent on the host rock composition. Cleaning this concentrate, again using conventional flotation means, produced a product assaying 16% Cu + Ni and 60 grams/tonne PGE + Au. Although this is not yet confirmed, a concentrate of this grade should be attractive to nickel and PGM smelters, especially given the low value of 4% Magnesium Oxide (MgO). This also means that the initially planned PLATSOL™ process for higher recoveries of PGE metals may now not be required. This will help lower the processing costs, simplify the project and reduce the technical risk of the project as a whole.

Further metallurgical work being planned:

1. Optimization work for cleaner concentrate, with the addition of various amounts of the relevant reagents.
2. Tests and analysis to identify any other PGE associated metals like Rhodium and Iridium.
3. Marketing studies for the sale ability of concentrate.

In comparison to other PGE + Au and Ni-Cu deposits, the concentrate from the LK Project has a much higher ratio of precious and base metals, producing a very high unit value per tonne of concentrate. This also favourably impacts infrastructure and transportation costs.

In 2013, the Company completed the updated NI 43-101-compliant technical report containing the mineral resource estimate for the LK Project. The NI 43-101 report is available on SEDAR under the Company's profile. The Technical Report, entitled "A Technical Report on the Läntinen Koillismaa Project, Finland For Finore Mining Inc.", was prepared by Mining Plus Canada Consulting Ltd. ("MP Consulting"), an accredited international mining consulting corporation. The report complies with the NI 43-101 guidelines.

Highlights from the Mining Plus's NI 43-101 Technical Report:

Summary of Mineral Resource Estimates for LK Project at a cut-off grade of O.1 g/t Palladium

Kaukua Deposit (Main Zone)

Category	Tonnage Mt	Pd g/t	Pt g/t	Au g/t	Cu %	Ni** %
Indicated	10.4	0.73	0.26	0.08	0.15	0.1
Inferred	13.2	0.63	0.22	0.06	0.13	0.1

Haukiaho Deposit (Melarame, Torkoaho and West Torkoaho zones)

Category	Tonnage Mt	Pd g/t	Pt g/t	Au g/t	Cu %	Ni **%
Inferred	23.2	0.31	0.12	0.10	0.21	0.14

***Ni is the total Nickel content*

A sharp boundary at a cut-off of 0.1 g/t Palladium was interpreted as the waste contact. The high correlation for Platinum and Palladium means that both metals can be used for defining the geometry of mineralization for the Kaukua and Haukiaho deposits.

It is interesting to note that the grade is continuous along the strike of both deposits. At higher cut-off grades of 0.2 g/t Palladium for Haukiaho and 0.3 g/t Palladium for Kaukua the total resource estimates do not change significantly.

The intended use of the technical report for Finore, includes filing with securities regulators to support public disclosure, pursuant to Canadian provincial securities legislation, and, where required to comply with Finore`s Finnish reporting obligations as an SEC filer including disclosure on SEDAR and, if Finore chooses to do so, to support the requirements of the multiple listing applications of Finore to other stock exchanges, in addition to its current listing on Canadian National Stock Exchange ("CNSX").

Both ALS Chemex, based in Outokumpu, Finland and Labtium Oy, based in Rovaniemi, Finland conducted the preparation and analytical work, as well as check sampling of drill core samples from the Phase V drill program. The samples are analysed for Pt, Pd and Au by lead fire assay (30g nominal charge) with an Inductively Coupled Plasma Atomic Emission Spectroscopy ("ICP- AES") finish. A multi-element suite of 35 elements including Cu and Ni are analysed by aqua regia digestion with also an ICP-AES finish. Ore Grade analyses are carried out on any results for Cu and Ni that are over the upper detection limit. The Company used alternately Labtium and ALS Chemex for check sampling and QAQC purposes along with select analyses of Nickel rich zones to determine the sulphide nickel values with respect to the total Nickel values.

The Company's QAQC program includes the regular insertion of blanks, multiple certified assay standards and duplicate samples into the sample shipments. These QC samples are inserted every 10 samples within every assay batch. Regular monitoring of these QC samples is a critical part of the Finore's QAQC protocols.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date through the issuance of common shares. The Company will continue to seek capital through the issuance of common shares and/or debt. The Company's operating, investing and financing activities for the three months ended October 31, 2013 resulted in a net decrease in cash of $79,672 which was primarily driven by pay down of accounts payable and accrued liabilities from $188,769 as at July 31, 2013 to $127,851 (October 31, 2013). As at October 31, 2013, the Company's current assets include cash of $261,625, short-term investment of $11,535, prepaid expenses of $6,561 and other receivables of $5,703. The Company's current liabilities include accounts payable and accrued liabilities of $127,851. The accounts payable primarily include $62,089 related to legal advisory services and $11,260 related to advertising and promotion services.

	As at October 31, 2013	As at October 31, 2012
Working capital (deficiency)	$157,573	($477,355)
Deficit	$7,601,810	$7,606,166

The Company will continue to require funds for future property acquisitions and exploration work as well as to meet its ongoing day-to-day operating requirements and will have to continue to rely on equity and debt financing. The Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular period or if available, that it can be obtained on terms satisfactory to the Company.

CONTRACTUAL OBLIGATIONS

A summary of our contractual obligations at October 31, 2013 is detailed in the table below.

Contractual Obligations	Payments Due by Period				
	Total	**Less than 1 Year**	**1 – 3 Years**	**4 – 5 Years**	**After 5 Years**
Accounts Payable, Accrued and other Liabilities	$127,851	$127,851	N/A	N/A	N/A
Total	**$127,851**	**$127,851**	**N/A**	**N/A**	**N/A**

Management believes that the Company has sufficient cash to meet its current obligation for the next twelve months.

OFF BALANCE SHEET ARRANGEMENTS

To the best of management's knowledge, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

		Three Months Ended October 31,	
		2013	**2012**
Baron Global Financial Canada Ltd.	a	$ 15,000	$ 19,658
Geolaurian Consultants Limited	b	-	$721
Debt settlement	c	50,000	-

a) Baron Global Financial Canada Ltd. ("Baron") is related by way of a director, who is also the Chairman of Baron.

b) Geolaurian Consultants Limited is owned by the former CEO and former director of the Company.

c) On September 27, 2013, the Company issued 2,500,000 common shares at $0.02 per share to Baron pursuant to a debt settlement agreement entered on September 18, 2013. The value equals to the aggregate value of debt of $50,000.

Related Party Payables:

	October 31, 2013	**October 31, 2012**
Baron	-	$ 19,658
Geolaurian Consultants Limited	-	$ 721

Any transactions with other related parties in the normal course of operations are measured at the fair value amount of consideration established and agreed to by the related parties.

PROPOSED TRANSACTIONS

The Company does not currently have any proposed transactions approved by the Board of Directors. All current transactions are fully disclosed in the unaudited condensed interim financial statements for the three months ended October 31, 2013.

SIGNIFICANT ACCOUNTING POLICIES AND CRITIAL ACCOUNTING ESTIMATES

All significant accounting policies are fully disclosed in Note 2 of the unaudited condensed interim financial statements for the three months ended October 31, 2013.

FINANCIAL INSTRUMENTS

Classification of Financial Instruments:

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at October 31, 2013 as follows:

	Fair Value Measurements Using				
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, October 31, 2013 $	Balance, July 31, 2013 $
Cash and cash equivalents	261,625	–	–	261,625	341,298
Short-term investment	11,535	–	–	11,535	11,503

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest risk, liquidity risk, and foreign exchange rate risk.

(b) Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents balances. The Company manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada. The Company does not have any asset-backed commercial paper included in cash. Management believes that the credit risk with respect to receivables is remote.

(c) 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. The risk that the Company will realize a loss as a result of a decline in the fair value of the cash is limited because of its short-term investment nature.

(d) Foreign Exchange Rate Risk

The Company has certain consulting fees and exploration and evaluation assets that are denominated in US dollars, European Euro, Pounds Sterling and other operating expenses that are mainly in Canadian dollars. The Company's exposure to foreign currency risk arises primarily on fluctuations between the Canadian dollars, the US dollar, European Euro and Pounds Sterling. The exposure to foreign exchange rate risk is considered low. The Company has not entered into any derivative instruments to manage foreign exchange fluctuations.

At October 31, 2013 and October 31, 2012, the Company's US dollars, Pounds Sterling, and European Euro, denominated monetary assets and monetary liabilities are as follows:

	October 31, 2013		October 31, 2012	
Monetary Liabilities				
Account payables and accrued liabilities	USD $	4,000	USD $	10,000
	GBP £	6,995	GBP £	452
	Euro €	46,920	Euro €	432,183

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient capital to meet liabilities when due after taking into account the Company's holdings of cash and cash equivalents that might be raised from equity financings.

Accounting Standards Issued But Not Yet Effective

The following new accounting standards have been issued, but are not yet effective and have not yet been adopted by the Company. Each of the new standards is effective for annual periods beginning on or after January 1, 2014, with early adoption permitted. The Company is currently evaluating the effects of adopting these standards:

(i) Effective for annual periods beginning on or after January 1, 2014

- Amendments to IAS 32, Financial Instruments: Presentation

IAS 32 clarifies the application of the offsetting rules and requires additional disclosure on financial instruments subject to netting arrangements.

(ii) Effective for annual periods beginning on or after January 1, 2015

- IFRS 9 Financial Instruments

IFRS 9 *Financial Instruments* replaces the current standard IAS 39 Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value.

Amendments to Other Standards

In addition, there have been amendments to existing standards, including IAS 27, Separate Financial Statements (IAS 27), and IAS 28, Investments in Associates and Joint Ventures (IAS 28). IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

OTHER MD&A DISCLOSURE REQUIREMENTS

Summary of Outstanding Share Data

The Company's issued and outstanding share capital as at the date of this report is as follows:
(1) Authorized: Unlimited common shares without par value.
(2) As at the date of this MD&A, the Company has 154,891,316 common shares, and 1,750,000 options issued and outstanding.

Additional Disclosure for Junior Issuers

The Company has expensed the following material cost components:

	Three months ended October 31, 2013	Three months ended October 31, 2012
Consulting Fees	$ 16,972	$ 10,864
Transfer Agent and Filing Fees	$ 7,778	$ 8,024

Consulting fees incurred during the three months ended October 31, 2013 totalling $16,972 (2012 - $10,864) were mainly paid to the consultants of the Company for providing financial consulting services. The transactions were conducted in the normal course of operations, on commercial terms established and agreed to by the related parties, and were recorded at the exchange amount.

For the three months ended October 31, 2013, $7,778 in transfer agent and filing fees was recorded compared to $8,024 for the respective period in 2012.

The Company has capitalized the following exploration and development costs:

Ending Balance July 31, 2012	**$**	**5,895,343**
Acquisition Costs		3,240,000
Exploration Costs		
Consulting - administrative and general		1,545
Office and general		9,801
Project administration		4,854
Surveying		77,369
Travel		17,392
Ending Balance October 31, 2012	**$**	**9,246,304**
Acquisition Costs		1,025,000
Exploration Costs		
Assay sampling		43,761
Consulting - geological		5,401
Consulting - administrative and general		51,734
Office and general		120,587
Project administration		17,852
Reports		56,560
Surveying		97,198
Travel		19,135
Ending Balance July 31, 2013	**$**	**10,683,532**
Exploration Costs		
Assay sampling		4,350
Consulting - geological		2,795
Consulting - administrative and general		43,187
Office and general		(16,629)
Project administration		1,981
Reports		12,066
Surveying		253
Ending Balance October 31, 2013	**$**	**10,731,535**

RISKS AND UNCERTAINTIES

The Company is engaged in the exploration and development of mineral properties. These activities involve a high degree of risk which, even with a combination of experience, knowledge and careful evaluation, may not be overcome. Consequently, no assurance can be given that commercial quantities of minerals will be successfully found or produced.

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many common risks to new and developing enterprises, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a positive return on shareholders' investment.

The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

The Company's property interests are located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development and production facilities on mineral properties. Power may need to be generated on site.

The mineral industry is intensely competitive in all its phases. The Company competes with many other mineral exploration companies who have greater financial resources and technical capacity.

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

ADDITIONAL INFORMATION

Additional information about the Company is available for viewing on SEDAR at www.sedar.com.