

# FINORE MINING INC.

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

March 31, 2014

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### BACKGROUND

This Management's Discussion and Analysis ("MD&A") provides relevant information on the operations and financial results of Finore Mining Inc. (the "Company") for the period ended March 31, 2014. It should be read in conjunction with the Company's unaudited condensed interim financial statements for period ended March 31, 2014 and the audited financial statements for the period ended December 31, 2013 and year ended July 31, 2013 and related notes thereto. These unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and can be found on SEDAR at [www.sedar.com](http://www.sedar.com)

During the period ended March 31, 2014, 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 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". Effective January 1, 2014, the Company's shares ceased trading on the OTC market.

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 Lantinen 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 Lantinen 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

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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.

Effective May 14, 2014, the Company acquired a 100% interest in the Läntinen Koillismaa Project from Nortec. Finore has made the final payment to Nortec, comprised of 917,707 shares in Finore, pursuant to second amendment agreement. These shares were issued on May 6, 2014.

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, Haukiahö and Haukiahö 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 Haukiahö 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

**There were no changes in management during the period ended March 31, 2014.**

During the period ended December 31, and year ended July 31, 2013, the Company continued to increase its operations and strengthen its management team.

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 were appointed as directors of the Company. Lawrence Dick resigned as CEO and Peter Tegart was appointed as the CEO.

On December 13, 2013, Denise Lok resigned as CFO and Simon Ma was appointed CFO.

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

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#### 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 March 31, 2014 and five months period ended December 31, 2013.

As at March 31, 2014, the Company had cash of \$26,496 (December 31, 2013 - \$220,511) and short-term investment of \$11,555 (December 31, 2013 - \$11,555). Total current assets amount to \$44,739 (December 31, 2013 - \$244,551). The Company did not engage in financing activities during the period ended March 31, 2014.

Current liabilities at March 31, 2014 total \$278,171 (December 31, 2013 - \$268,853). Shareholders' equity is comprised of share capital of \$16,656,886 (December 31, 2013 - \$16,656,886, reserves of \$1,834,032 (December 31, 2013 - \$1,834,032) and a deficit of \$7,797,414 (December 31, 2013 - \$7,769,631) for a net amount of \$10,693,504 (December 31, 2013 - \$10,721,287). The increase in shareholder's equity is due to loss for the period. There were no financing activities during the period ended March 31, 2014. The Company has a working capital deficiency of \$233,432 at March 31, 2014 compared to a working capital deficit of \$24,302 at December 31, 2013.

During the three months period ended March 31, 2014, the Company reported a net loss of \$27,783 (\$0.00 basic and diluted loss per share) compared to a net loss of \$35,834 (\$0.00 basic and diluted loss per share) reported for the three months period ended April 30, 2013.

#### 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:

	<b>Period Ended</b>	<b>Year Ended</b>	<b>Year Ended</b>	<b>Year Ended</b>
	<b>December 31, 2013</b>	<b>July 31, 2013</b>	<b>July 31, 2012</b>	<b>July 31, 2011</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>OPERATIONS</b>				
Revenue	N/A	N/A	N/A	N/A
Net Loss	(194,514)	(80,383)	(1,287,368)	(4,752,589)
Other income	N/A	N/A	5,307	14,374
Basic and diluted loss per share	0.00	0.00	0.03	0.24
<b>BALANCE SHEET</b>				
Working capital (deficiency)	(24,302)	182,369	(373,829)	4,510,639
Total assets	10,990,140	11,054,670	6,175,609	5,299,518

During the period ended December 31, 2013, the Company incurred a net loss of \$194,514 (\$0.00 basic and diluted loss per share) compared to a net loss of \$80,383 (\$0.00 basic and diluted loss per share) for the year ended July 31, 2013.

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**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			
	March 31, 2014	December 31, 2013 <sup>i)</sup>	October 31, 2013	July 31, 2013	April 30, 2013	January 31, 2013	October 31, 2012	July 31, 2012
	\$		\$	\$	\$	\$	\$	\$
Revenue	-	-	-	-	-	-	-	-
Net Loss	27,783	167,821	26,693	91,777	35,834	31,043	105,283	190,288
Basic and diluted loss per share	0.00	0.00	0.00	0.01	0.01	0.01	0.01	0.00

i) Represents two months period ended December 31, 2013

**Results of Operations**

**Three Months Periods ended March 31, 2014 and April 30, 2013**

**RESULTS OF OPERATIONS**

During the period ended March 31, 2014, the Company incurred a net loss of \$27,783 compared to \$35,834 for the period ended April 30, 2013. The net loss of \$27,783 was mainly due to consulting fees in the amount of \$13,148 related to the corporate finance advisory, and IT consulting services provided by consultants of the Company. (April 30, 2013 - \$10,438)

The decrease in the general and administrative expenses of \$21,574 (2014: \$24,509; 2013: \$46,083) was the result of reduced corporate activities and cost savings initiatives.

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 March 31, 2014, the Company has cash of \$26,496 (December 31, 2013 - \$220,511) and short-term investment of \$11,555 (December 31, 2013 - \$11,503), other receivables of \$2,898 (December 31, 2013 - \$7,335), prepaid expenses of \$3,790 (December 31, 2013 - \$5,150) for prepaid market communication services and insurance services, and accounts payable and accrued liabilities of \$278,171 (December 31, 2013 - \$268,853) mainly relating to consulting and exploration service fees. The working capital deficiency at March 31, 2014 is \$233,432 (December 31, 2013 - working capital deficiency - \$24,302).

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**MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES**

**Läntinen Koillismaa Mineral Claims, North-eastern Finland**

<b>Beginning Balance as at July 31, 2012</b>	<b>\$</b>	<b>5,895,343</b>
Acquisition Costs		4,265,000
Exploration Costs		
Assay Sampling		43,761
Consulting – geological		5,401
Consulting - administrative and general		53,279
Office and general		130,388
Project administration		22,706
Reports		56,560
Surveying		174,567
Travel		36,527
<b>Ending Balance July 31, 2013</b>	<b>\$</b>	<b>10,683,532</b>
Exploration Costs		
Assay Sampling		4,350
Consulting - geological		8,349
Consulting - administrative and general		48,480
Office and general		(21,112)
Project administration		8,540
Reports		12,066
Surveying		253
Travel		1,131
<b>Ending Balance December 31, 2013</b>	<b>\$</b>	<b>10,745,589</b>
Exploration Costs		
Camp expenses		2,159
Consulting - geological		4,350
Consulting - administrative and general		6,350
Landowner costs		108,773
Professional fees		6,432
Professional fees – legal		53,283
<b>Ending Balance March 31, 2014</b>	<b>\$</b>	<b>10,926,936</b>

On July 21, 2011, the Company entered into a binding letter of intent with Nortec Minerals Corp. (“Nortec”), whereby Nortec will grant the Company the right to acquire up to an undivided 80% interest in the Läntinen Koillismaa Project (the “Project”). The binding letter of intent was replaced and superseded by the option agreement with Nortec (the “Nortec Option Agreement”) dated August 24, 2011. The effective date of the Nortec Option Agreement is September 6, 2011 (the “Effective Date”), which is the date the CSE accepted the filing of the option agreement. On September 7, 2011, the Company issued 1,850,000 common shares at \$0.45 per share for a total of \$832,500 as finder fees in connection with the option.

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On September 10, 2012, the Company entered into an amendment to the Nortec Option Agreement (the "Nortec Option Amendment"), whereby Nortec has granted the Company the right to acquire 70% interest in the Project by: a) issuing an additional 27,000,000 shares of the Company (issued at a value of \$3,240,000); 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 (full amount not paid on time); 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 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 Project for, among other things, 41,000,000 shares of the Company. On February 19, 2013, the Company issued 41,000,000 shares valued at \$1,025,000 to Nortec. As at December 31, 2013, Nortec holds a total of 83,227,208 shares of the Company which equates to a 54% interest.

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.

Effective May 14, 2014, the Company acquired a 100% interest in the Läntinen Koillismaa Project from Nortec Minerals Corp. ("Nortec"). Finore has made the final payment to Nortec, comprised of 917,707 shares in Finore, pursuant to the Second Amendment Agreement.. These shares were issued on May 6, 2014.

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, Haukiahho and Haukiahho 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 Haukiahho 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.

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In September 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 L ntinen 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 0.1 g/t Palladium

##### Kaukua Deposit (Main Zone)

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

##### Haukiahho Deposit (Melarame, Torkoaho and West Torkoaho zones)

Category	Tonnage Mt	Pd g/t	Pt g/t	Au g/t	Cu %	Ni **%
<b>Inferred</b>	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 Haukiahho 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 Haukiahho 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

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#### 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 period ended March 31, 2014 resulted in a net decrease in cash of \$194,015. As at March 31, 2014, the Company's current assets include cash of \$26,496, short-term investment of \$11,555, prepaid expenses of \$3,790 and receivables of \$2,898. The Company's current liabilities include accounts payable and accrued liabilities of \$278,171. During the period ended March 31, 2014, the Company did not carry out any financing activities.

	As at March 31, 2014	As at December 31, 2013	As at April 30, 2013
Working capital (deficiency)	\$(233,432)	\$(24,302)	\$321,719
Deficit	\$7,797,414	\$7,769,631	\$7,673,043

The Company entered into debt settlement agreements on May 07, 2014 with Nortec, Peter Tegart ("Tegart"), President and CEO of the Finore and Mohan Vulimiri ("Vulimiri"), Director of Finore.

The Company settled \$40,000 of debt owed to Nortec by the issuance of 2,000,000 common shares, settled \$30,000 of debt owed to Tegart, by the issuance of 1,500,000 common shares, and settled \$5,000 of debt owed to Vulimiri by the issuance of 250,000 common shares. All of the shares were issued at a deemed price of \$0.02 per share on May 07, 2014.

The Company determined to satisfy its outstanding indebtedness with shares to preserve its cash for operations. The Company is relying on the exemptions from the prospectus requirements found in section 2.14 of National Instrument 45-106 and applicable securities laws in the respective jurisdictions of residence to issue the shares to the respective parties. The common shares issued are subject to a hold period in British Columbia expiring on September 08, 2014.

The shares for debt transaction shall be subject to regulatory approval.

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.

#### 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.



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#### 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:

	Period ended December 31 2013	Period Ended April 30, 2013
Consulting fees	\$ -	\$ 3,285
Total	\$ -	\$ 3,285

- During the year ended July 31, 2013, management and consulting fees of \$104,109 were forgiven by an officer and former directors of the Company.
- During the period ended December 31, 2013, the Company settled \$50,000 of debt by issuing 2,500,000 common shares at \$0.02 per share.

Related Party Accounts Payables and Accrued Liabilities to Key Management Personnel:

	March 31, 2014	April 30, 2013
Consulting	\$ -	\$ 19,658

#### 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 period ended March 31, 2014.

#### SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

All significant accounting policies are fully disclosed in Note 2 of the audited financial statements for the period ended December 31, 2013.

#### FINANCIAL INSTRUMENTS

Classification of Financial Instruments:

- 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 March 31, 2014 as follows:

	Fair Value Measurements Using			Balance, March 31, 2014	Balance, April 30, 2013
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)		
	\$	\$	\$	\$	\$
Cash	26,496	-	-	26,496	500,696
Short-term investment	11,555	-	-	11,555	11,584

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

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(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, Swedish Krona, Swiss Franc 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, Pounds Sterling, Swedish Krona and Swiss Franc. 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 March 31, 2014 and December 31, 2013, the Company's US dollars, Pounds Sterling, and European Euros denominated monetary liabilities are as follows:

	March 31, 2014		April 30, 2013	
<b>Monetary Liabilities</b>				
Account payables and accrued liabilities	USD \$	4,000	USD \$	4,139
	GBP £	-	GBP £	6,995
	EURO €	43,433	EURO €	35,269

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(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.

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#### Accounting standards, amendments and interpretation adopted and issued but not yet applied

(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.

The Company does not expect the above stated standard to have any significant effect on these financial statements.

(iii) Effective tentatively for annual periods beginning on or before January 1, 2018

- 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.

The Company has not early adopted the above standard and is currently assessing the impact that this standard could have on future financial statements.

The Company determined the above stated standards had no significant effect on these financial statements.

(ii) Effective tentatively for annual periods beginning on or before January 1, 2018

- 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.

The Company has not early adopted the above standard and is currently assessing the impact that this standard could have on future financial statements.

#### 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 159,559,023 common shares, and 525,000 options issued and outstanding.

On May 23, 2014, the Company's board of directors approved a consolidation of the issued and outstanding common shares of the Company (the "Common Shares") on the basis of a one (1) post-consolidated Common Share for each ten (10) pre-consolidation Common Shares (the "Consolidation") pursuant to the shareholders' approval of the proposed consolidation at the annual general and special meeting held earlier.

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The Company currently has 154,891,316 issued and outstanding common shares and the Company will have approximately 15,489,132 common shares issued and outstanding post-consolidation. The exact number of post-consolidated common shares will vary depending on the treatment of fractional shares which will occur when each shareholder's holdings in the Company are consolidated. Outstanding stock options and warrants would similarly be adjusted by the consolidation ratio.

The Company will not be changing its name and trading symbol in connection with the Consolidation.

The share consolidation requires the approval of all applicable regulatory authorities, including the CSE.

#### **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](http://www.sedar.com).