BONAPARTE RESOURCES INC.

MANAGEMENT DISCUSSION AND ANALYSIS

SIX MONTHS ENDED FEBRUARY 28, 2014

April 17, 2014

THE COMPANY

Bonaparte Resources Inc.. ("the Company") was incorporated pursuant to the Business Corporations Act (British Columbia) on July 10, 2007. The Company was a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. On February 5, 2010 the Company announced the acceptance of its filing statement filed with the TSX – Venture Exchange on January 29, 2010.

During the year ended August 31, 2010, the Company entered into an Option agreement with Atac Resources Ltd., ("Atac") whereby the Company acquired an option to earn a 50% interest in 90 claims located in the Whitehorse Mining District, Yukon Territory. The Company made the necessary filing statement regarding this Qualifying Transaction. The filing statement was accepted for filing by the TSX – Venture exchange so the Company met its requirement to find a qualifying transaction. See "Continuing Operations."

The ability of the Company to fund its potential future operations and commitments will be dependent upon the ability of the Company to obtain additional financing.

FINANCIAL STATEMENTS

Readers are directed to the condensed interim financial statements of the Company for the six-months ended February 28, 2014 and the audited financial statements for the year ended August 31, 2013.

FORWARD-LOOKING STATEMENTS

This MD & A contains certain statements that may be deemed "forward-looking statements". All statements in this MD & A, other than statements of historical fact, that address exploration drilling, exploitation activities and events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could", or "should" occur. Information inferred from the interpretation of drilling results and information concerning mineral resource estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when and if a project is actually developed. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from these forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration success, and continued availability of capital and financing as well as general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments are based on the beliefs, estimates and opinions of the Company's management on the date the statements were made.

At this early stage of the Company's development, forward-looking statements would include any statements regarding the expected exploration programs for the Company's exploration and evaluation assets, and the expected sources of funding for their acquisition and exploration programme. Undue reliance should not be placed on this forward-looking information because the exploration programs involve a number of risk factors, which would include, but are not limited to discovery of reserves and their estimates, fluctuations in mineral prices and uncertainties as to the availability and cost of financing and changes in the capital markets.

FINANCING

The Company has prepared and the Directors have authorized a Stock Option Plan (the "Plan") whereby the Company has granted incentive stock options to Directors of the Company. The Plan has been structured to comply with the rules of the TSX-V and accordingly, the aggregate number of shares which may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date including any options which may have been granted earlier, but remain unexercised. These options vested immediately on December 3, 2007 when the Company's shares were called for trading. The options may not exceed a term of five years.

During the year ended August 31, 2011 the Company adopted an amended stock option plan to comply with certain regulatory and income tax changes. The aggregate number of shares which may be subject to option remain at 10% of the issued common shares and may not exceed a period of 5 years. Vesting periods will be determined at the discretion of the directors and if the optionee ceases to be qualified to receive options from the Company those options expiry immediately.

In February, 2011 the Company granted a further 315,000 options exercisable at a price of $0.45 per share until February 8, 2016. Of these options 78,750 vested immediately and the remaining balance vested quarterly so that all the options were fully vested at November 8, 2011. In July, 2011, the Company's CEO and CFO relinquished a total of 80,000 options that had been granted in February, 2011. The Company granted a further 150,000 options to consultants at a price of $0.30 exercisable until July 30, 2012. The options vest on a quarterly basis and will fully vest on July 20, 2012. Of the resultant 285,000 options a total of 200,000 expired unexercised when the two directors, to whom the options had been granted, resigned from the Board in June, 2012.

In December, 2012 a total of 536,760 options exercisable at a price of $0.15, originally granted in 2007 as part of the Company's original capital structure, expired unexercised.

As at February 28, 2013, the Company has 85,000 shares under option and these are exercisable at a weighted average price of $0.45 per share. If fully exercised, these options will raise $38,350 in additional funding. These options expire in February, 2016.

On August 30, 2012 the Company completed a private placement of 2,345,000 units at $0.10 per unit for gross proceeds of $234,500. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable into one common share of the Company at $0.15 per share for a period of 24 months. In connection with the private placement, the Company incurred share issuance costs of $17,673.

After consulting the Company's professional advisors it was decided that the results of the exploration programme's undertaken on the Hopper and Hooch properties did not warrant the expenditure of $330,000 in property payments due on or before December 31, 2012.The Company and Strategic continued discussions in January, 2013 but did not reach an agreement. Accordingly, the Company received a default notice in late January, 2013 and wrote-off the Hopper and Hooch properties, in part to preserve its cash resources. In this regard the Compay incurred a charge to operations in the amount of $1,613,197.

As at February 28, 2014, the Company has $71,815 in remaining cash reserves and a working capital deficit of $17,683. Readers are directed to proposed Transactions and Subsequent Events for further information.

FINANCIAL PERFORMANCE

During the six months ended February 28, 2014, the Company incurred net administrative expenses totalling $54,152 before interest income of $42. This resulted in a net and comprehensive loss for the period of $54,110 (2013 - $1,682,730). This amounted to a loss per share of $Nil per share (2013 - $0.12) for the six-month period. The largest expenses for the period were legal, audit and accounting fees of $6,889, management fees of $36,000 and listing fees of $3,213. The largest difference between this period and the comparative period on February 28, 2013 was the write-off of the Hopper and Hooch properties totalling $1,613,197 during this period . The Company has a working capital deficit of $17,683 as of the end of the quarter.

LIQUIDITY AND CAPITAL MANAGEMENT

Bonaparte has cash and equivalents at the period end of $71,815 along with recoverable GST in the amount of $1,856. The current cash is sufficient to meet the Company's current liabilities and its anticipated general and administrative expenses for 2014.

The Company intends to manage its cash resources with the view, wherever possible, to maintain sufficient cash resources to ensure it can meet its ongoing administrative obligations and its property obligations for at least one year. The Company plans to address future cash needs through the issue of shares when required and warranted. Surplus funds are invested in high quality Canadian banks in instruments that allow the Company flexibility in managing its cash resources. As the Company does not operate in any countries other than Canada it is not subject to any foreign exchange risk.

SUMMARY OF QUARTERLY RESULTS

The following is selected financial data from the condensed interim financial statements.

	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter
	IFRS	IFRS	IFRS	IFRS
Quarter Ended	'Feb 28/14	'Nov 30/13	'Aug 31/13	'May 31/13
Net income (loss) before discontinued or extraordinary items	$ (31,277)	$ (22,833)	$ (31,674)	$ (31,729)
Per common share	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.00)
Net income (loss) for the period	$ (31,277)	$ (22,833)	$ (31,674)	$ (31,729)
Per common share	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.00)
Total Assets	$ 78,597	$ 109,724	$ 140,448	$ 158,818
Long Term Liabilities	Nil	Nil	Nil	Nil
Cash Dividends	Nil	Nil	Nil	Nil

	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter
	IFRS	IFRS	IFRS	IFRS
Quarter Ended	'Feb 28/13	'Nov 30/12	'Aug 31/12	'May 31/12
Net income (loss) before discontinued or extraordinary items	$ (1,648,004)	$ (34,726)	$ (168,354)	$ (30,313)
Per common share	$ (0.12)	$ (0.00)	$ (0.02)	$ (0.00)
Net income (loss) for the period	$ (1,648,004)	$ (34,726)	$ (168,354)	$ (30,313)
Per common share	$ (0.12)	$ (0.00)	$ (0.00)	$ (0.00)
Total Assets	$ 213,287	$ 1,850,848	$ 1,929,814	$ 1,713,472
Long Term Liabilities	Nil	Nil	Nil	Nil
Cash Dividends	Nil	Nil	Nil	Nil

The results of operation for the most recently completed quarter resulted in a loss of $31,277 The only revenues were $17 of interest income. The largest expenses were the management fees of $18,000, accounting and legal expenses of $4,869 and rent of $3,200.

CONTINUING OPERATIONS

Upon the abandonment of the Hopper and Hooch claims the Company does not have any continuing operations to report.

EXECUTIVE COMPENSATION

Commencing January 2011, the Board of Directors has agreed to compensate the Company's Chief Executive Officer, Mr T. Randall Saunders in the amount of $4,000 per month and its Chief Financial Officer, Mr Robert Jamieson C. A. in the amount of $2,000 per month for their services to the Company. These payments are made to Mr. Jamieson's wholly owned company Robert Jamieson C. A. Inc., and to Mr. Saunders' wholly owned company Malesa Investments Inc.

The Company also compensates its Officers and Directors through stock options. At present, there are 85,000 stock options outstanding for Directors. The weighted average exercise price is $0.45 exercisable until February, 2016.

CONTRACTUAL OBLIGATIONS

The Company's sole remaining contractual obligation is to issue up to 85,000 shares pursuant to the exercise of stock options at a price of $0.45 per share.

RISK

The Company is subject to a number of risk factors due to the nature of its business. The following factors should be considered:

Mineral Exploration and Development - The Company's properties are in the exploration stage and are without a known body of commercial ore. Development of any of the Company's properties will only follow upon obtaining satisfactory exploration results. Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development activities will result in the discovery of a body of commercial ore on any of its properties. Several months, if not years, may pass between the discovery and the development of commercial mineable mineralized deposits. Most exploration projects do not result in the discovery of commercially mineralized deposits.

Trends – The Company's financial success is dependent upon discovery of properties which could be economically viable to develop. Such development could take years to complete and the resulting income, if any, is difficult to determine. The sales value of any mineralization discovered by the Company is largely dependent upon factors beyond the Company's control, such as market value of the products produced. Other than disclosed herein, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on the Company's results or financial position.

Operating Hazards and Risks – Mineral exploration involves many risks. The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any one of which could result in work stoppages and damages to personal property or the environment and possible legal liability for any and all damage. Fires, power outages, labour disruptions, flooding, explosions, cave-ins, land slides and the inability to obtain suitable or adequate machinery, equipment or labour are some of the risks involved in the operation of mines and the conduct of exploration programs. Although the Company will, when appropriate, secure suitable insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liability and hazards might not be insurable, or the Company might elect not to insure itself against such liabilities due to high premium costs or other reasons, in which event, the Company could incur significant costs that could have a materially adverse effect upon its financial condition.

Economics and Development of Mineral Properties – Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract metal from ore and to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operation or that the funds required for development can be obtained on a timely basis.

The marketability of any minerals acquired or discovered may be effected by numerous factors which are beyond the Company's control and which cannot be predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

Environmental Factors – The Company proposes to conduct exploration activities in various parts of Canada. Such activities are subject to various laws, rules and regulations governing the protection of the environment, including, in some cases, posting of reclamation bonds. In Canada, extensive environmental legislation has been enacted by federal, provincial and territorial governments. All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed properties and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operation. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or to preclude entirely the economic development of a property. Environmental hazards may exist on the Company's properties, which hazards are unknown to the Company at present, which have been caused by previous or existing owners or operators of the properties. The Company is not aware of any environmental hazards on any of its properties.

The approval of new mines on federal lands in Canada is subject to detailed review through a clearly established public hearing process, pursuant to the Federal Canadian Environment Assessment Act. In addition, lands under federal jurisdiction are subject to the preparation of a costly environmental impact assessment report prior to commencement of any mining operations. These reports entail a detailed and scientific assessment as well as a prediction of the impact on the environment by the proposed development. Further, under such review process, there is no assurance that regulatory and environmental approval will be obtained on a timely basis or at all. Failure to comply with legislation may have serious consequences. Orders may be issued requiring operations to cease or be curtailed or requiring installation of additional facilities or equipment. Violators may be required to compensate those suffering loss or damage by reason of its mining activities and may be fined if convicted of an offence under such legislation.

Canadian provincial mining legislation establishes requirements for the decommissioning, reclamation and rehabilitation on mining properties in a state of temporary or permanent closure. Such closure requirements relate to the protection and restoration of the environment and the protection of public safety. Some former mining properties must be managed, for long periods of time following closure in order to fulfill closure requirements. The costs of closure of mining properties, and in particular, the cost of long term management of mining properties can be substantial. The Company intends to progressively rehabilitate its mining properties during their period of operation, should any properties become operational, so as to reduce the cost of fulfilling closure requirements and the termination or suspension of production.

The Company has adopted environmental practices designed to ensure that it continues to comply with or exceeds all environmental regulations currently applicable to it. All of the Company's activities are in compliance in all material expects with applicable environmental regulation. The Company is currently engaged in exploration with limited or minimal impact.

<u>Title</u> – Although the Company has exercised all due diligence with respect to title to properties in which it has a material interest, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral properties or interests may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. In addition, certain of the mining claims in which the Company has an interest are not recorded in the name of the Company and cannot be recorded until certain steps are taken by other parties. Before a number of claims under option can be recorded in the Company's name, the underlying title holder has to assign title to the Company once the Company satisfies its option agreement obligations. There is no assurance that the underlying titleholder will assign title.

<u>Canadian Aboriginal Land Claims</u> – Canadian Aboriginal rights may be claimed on Crown properties or other types of tenure with respect to which mining rights have been conferred. The Company is aware of the mutual benefits afforded by cooperative relationships with indigenous people in conducting exploration activity and is supportive of measures established to achieve such cooperation. While there is, to the Company's knowledge, no existing claim in respect of any of its properties, the advent of any future aboriginal land claims and the outcome of any aboriginal land claims negotiations cannot be predicted.

<u>Competition and Agreements with Other Parties</u> – The Company competes with other mining companies for the acquisition of mineral claims and other mining interests as well as for the recruitment and retention of qualified employees and contractors. There is significant and increasing competition for a limited number of resource acquisition opportunities and as a result, the Company may be unable to acquire attractive mining properties it considers acceptable. The Company competes with many other companies that have substantially greater financial resources than the Company.

The Company, may in the future, be unable to meet its obligations under agreements to which it is a party and the Company may have its interest in the property subject to such agreements reduced as a result. Furthermore, if other parties to such agreements, do not meet their share of such costs the Company may be unable to finance the cost required to complete the recommended programs.

<u>Governmental Regulation</u> – Operations, development and exploration of the Company's properties are affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labour; (ii) mining law reform; (iii) restrictions on production, price controls, and cost increases; (iv) maintenance of claims; (v) tenure; and (vi) expropriation of property. There is no assurance that future changes in such regulation, if any, will not adversely affect the Company's operations. Changes in such regulation could result in additional

expenses and capital expenditures, availability of capital, competition, reserve uncertainty, potential conflicts of interest, title risks, dilution, and restrictions and delays in operations, the extent of which cannot be predicted.

The Company is in the exploration stage on all of its properties. Exploration of the Company's properties requires responsible best exploration practices that comply with Company policy, government regulations, and maintenance of claims and tenure. The Company is required to be registered to do business and have a valid prospecting licence required to prospect or explore for minerals on Crown Mineral land or to stake a claim. In any Canadian province in which it is carrying on work, mineral exploration primarily falls under provincial jurisdiction. However, the Company is also required to follow the regulations pertaining to the mineral exploration industry that fall under federal jurisdiction, such as the Fish and Wildlife Act.

If any of the Company's projects are advanced to the development stage, those operations will also be subject to various laws and regulations concerning development, production, taxes, labour standards, environmental protection, mine safety and other matters. In addition, new laws or regulations governing operations and activities of mining companies could have a material adverse impact on any project in the mine development stage that the Company may posses.

Mineral Prices – The Company's revenues, if any, are expected to be in large part derived from the discovery of mineral properties and the sale of minerals contained or interests related thereto. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control including international economic and political considerations, expectations of inflation, international currency exchange rates, interest rates, global or regional consumptive patterns, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods, availability and costs of metal substitutes, metal stock levels maintained by producers, and therefore the economic viability of the Company's operations, cannot be accurately predicted.

Price Fluctuations/Share Price Volatility – In recent times, the securities markets in North America and the rest of the world have experienced a high level of price and volume volatility, and the market price of securities of many mineral exploration companies have experienced wide fluctuations in price which have not necessarily been related to their operational performance, underlying asset values or prospects of such companies. There can be no assurance that continued fluctuations in price or volume will not occur.

CONFLICTS OF INTEREST

Certain officers and directors of the Company are officers and/or directors of, or are associated with other natural resource companies that acquire interests in mineral properties. Such associations may give rise to conflicts of interest. The directors are required by law, however, to act honestly and in good faith with a view to the best interests of the Company and the shareholders and to disclose any personal interest which they may have in any material transaction which is proposed to be entered into with the Company and to abstain from voting as a director for the approval of any such transaction.

DIRECTORS AND OFFICERS

T. Randall Saunders	Chief Executive Officer
Robert A. Jamieson	Chief Financial Officer
Mike England	
Tom McCandless	

RELATED PARTIES

The Company is also indebted to a private company owned by Mr.Saunders, Malesa Investments Inc., for $51,030 (2013 - $46,680) in unpaid management fees and out of pocket expenses plus applicable HST. The Company is also indebted to its CFO, Mr. Robert Jamieson, through his wholly owned company Robert Jamieson C. A. Inc., in the amount of $35,820 (2013 - $25,000) for unpaid management fees. (See Executive Compensation).

The Company incurred the following amounts to related parties during the six-month period in the two most recent years:

	2014 $	2013 $
Office, rent and fees – paid to Malesa Investments Inc, the private Company of the Company's CEO, Mr. T. Randall Saunders	31,429	31,429
Management services paid to the Robert Jamieson C. A. Inc. the Private company for the Company's CFO Robert Jamieson	12,000	12,000
	43,429	40,771

SHARE CAPITAL

Authorized: An unlimited number of common shares without par value:

Issued:

	Shares	Amount $
Balance at September 1, 2010	7,582,413	1,080,534
Stock options exercised at $0.15 per share	86,574	12,986
From contributed surplus	-	9,902
Flow-through private placement at $0.40 per share	3,000,000	1,200,000
Share issue costs	-	(97,968)

Balance at August 31, 2011	10,668,987	1,080,534
Private placement at $0.20 per share	1,100,000	220,000
Share issue costs	-	(3,850)
Private placement at $0.10 per share	2,345,000	234,500
Share issue costs	-	(17,673)
Balance at August 31, 2013 and February 28, 2014	14,113,987	2,638,431

Escrowed Shares

Pursuant to an escrow agreement dated August 27, 2007, the 3,733,339 common shares issued on the Company's incorporation are held in escrow and are to be released on a staged basis, with 10% to be released on the issuance of the final exchange bulletin by the TSX-V, and 15% to be released every six months thereafter for a period of thirty-six months. Upon the issuance of the final exchange bulletin 10% or 373,331 shares were released from escrow in February, 2010. In addition, 560,000 shares each were released in August 2010, 2011 and 2012 as well as February 2011, 2012 and 2013. As of February 28, 2014 and April 18, 2014 there are no more shares remaining in escrow.

Private Placement

On August 30, 2012, the Company issued 2,345,000 shares by way of private placement, raising $234,500 at a price of $0.10 per Unit. Each unit comprised one common share and one share purchase warrant. Each warrant is exercisable into one common share of the capital of the Company at a price of $0.15 per share for a period of 24 months. The Company incurred $17,763 in share issue costs related to this private placement.

Warrants

On December 30, 2011, all the remaining 1,500,000 warrants that were issued pursuant to the flow-through private placement on December 30, 2011 expired unexercised.

The only warrants outstanding at August 31, 2012 and February 28, 2013 are the 2,345,000 warrants issued pursuant to the private placement closed on August 30, 2012.

Stock Options

During 2011, the company's directors approved a new stock option plan (the "Plan") on February 18, 2011. The Plan has bee structured to comply with the rules of the TSX-V. The aggregate number of common shares, which may be subject to option at any time, may not exceed 10% of the issued common shares of the Company as of that date including options granted prior to the Plan. Options granted may not exceed a term of five years. All Options vest granted unless otherwise specified by the Board of Directors. If the optionee ceases to be qualified to receive options from the Company those options expire immediately.

On February 18, 2011, the Company granted 315,000 options at a price of $0.45 per share to Directors and consultants at an exercise price of $0.40 per share until February 18, 2016. On July 20 2011, Mr Saunders, the CEO and Mr Jamieson, the CFO, each relinquished 40,000 of their options for a total of 80,000 options that had been granted in February. 2011. The Company recognized $32,987 in stock based compensation for the relinquished options. A further 150,000 options were granted to

consultants at a price of $0.30 in July, 2011. These options vest quarterly and the Company recognized a further $96,969 in stock based compensation, using the Black Scholes option pricing model.
As of February 28, 2013 the weighted average remaining contractual life of the only outstanding and exercisable options was 2.96 years.

	Number of Options	Weighted Average Exercise Price
Balance at September 1, 2010	673,334	0.17
Exercised at $0.15	(86,574)	0.15
Granted at $0.45	315,000	0.45
Cancelled at $0.45	(80,000)	0.45
Granted at $0.30	150,000	0.30
Balance at August 21, 2011	971,760	0.26
Expired at $0.45	(200,000)	0.45
Expired at $0.30	(150,000)	0.30
Balance at August 31, 2012	621,760	0.19
Expired at $0.15	(536,760)	0.15
Balance at February 28 and April 17, 2014	85,000	0.45

The following table summarizes the outstanding and exercisable options at February 28, 2013:

Outstanding Options				Exercisable Options	
Exercise Price ($)	Weighted Ave. Remaining Life Years	Number of Shares	Weighted Ave. Exercise Price ($)	Number of Shares	Weighted Ave Exercise Price ($)
0.45	1.95	85,000	0.45	85,000	0.45

<u>Contributed Surplus</u>	<u>$</u>
Balance at September 1, 2010	91,171
Stock based compensation	127,956
Transferred on exercise of agents warrants	(9,902)
Balance at August 31, 2011	209,225
Stock based compensation	6,046
Balance at August 31, 2012 and February 28, 2013	215,271

OFF-BALANCE SHEET ITEMS

The Company does not have any off-balance sheet items.

PROPOSED TRANSACTIONS

On February 13, 2014, the Company announced that it had entered into a binding Letter of Intent with Mr. Mac Kalyan (the “Vendor”) whereby the Company has agreed to acquire all of the Vendors’ interest in source code and risk analysis software called Enterprise Risk Aggregation (“ERA) and Governance Compliance Database (“GCD”). Both ERA and GCD are targeted at financial institutions and the increased reporting that is required for financial institutions following the 2008 – 2009 recession and the adoption of the Basel Accords by most countries.ERA provides financial institutions with the capability to provide accurate and complete management and regulatory reporting from a single source. GCD will allow financial institutions to assess their adherence to regulatory requirements and for Regulators to assess adherence across financial institutions. The completion of the transactions will occur under the following:

1. The Company will issue 43,000,000 common shares to the Vendor;
2. The Company will settle a maximum of $95,000 of indebtedness owing to its related parties for common shares at a price of $0.15 per share;
3. The Company will raise $600,000 in a Unit financing by way of private placement at a price of ` $0.15 per Unit;
4. The Company will arrange to borrow $100,000 and re-lend this amount to the Vendor in two $50,000 tranches for working capital purposes. The loans will be due to be repaid on May 1, 2014.

It is the intention of the Company that following completion of the transaction the Company will de-list from the TSX – Venture Exchange and re-list on the Canadian Securities Exchange.

(SEE SUBSEQUENT EVENTS)

FINANCIAL INSTRUMENTS

Fair value estimates of financial instruments are made at a specific point in time, based upon relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair value. The Company may be exposed to the following risks related to financial instruments:

Credit Risk – financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents. To minimize the credit risk the Company places these instruments with high credit financial institutions.

Liquidity Risk - The Company ensures its holding of cash and cash equivalents is sufficient to meet its short-term obligations and general and administrative expenditures. The

Company does not have investments in any asset backed deposits nor does it hold other marketable securities.

Foreign Exchange Risk – The Company does not have any foreign exchange currency denominated financial instruments and is not exposed to foreign exchange risk.

Interest Rate Risk – The Company manages its interest rate risk by obtaining the best available commercial deposit interest rates by major Canadian financial institutions.

Market Risk – market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices.

Financial assets measured at fair value on a recurring basis were presented on the Company's statement of financial position as of February 28, 2014 are cash and cash equivalents, measured using quoted prices in active markets for observable instruments (level1), with a balance of $71,815 as of February 28, 2014.

At February 28, 2014 there are no financial liabilities measured at fair value on a recurring basis presented on the Company's statement of financial position.

At February 28, 2014, the fair value of the Company's financial instruments approximate their carrying values because of the short-term nature of those instruments.

SUBSEQUENT EVENT

Subsequent to the period end, the Company has raised $600,000 in a private placement Unit financing at $0.15 per share for the purposes of the proposed acquisition and has borrowed and re-lent the $100,000 to the Vendor for working capital purposes. The Company expects the proposed transaction the close on or before April 30, 2014.

CRITICAL ACCOUNTING ESTIMATES

The preparation of these financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions which affect the reported amounts of assets and liabilities at the date of the financial statements and expenses for the years reported. Significant areas requiring the use of management estimates include the determination of impairment or exploration and evaluation assets and financial instruments, decommissioning liabilities, deferred income tax assets and liabilities and assumptions used in valuing options in share-based payment calculations. Actual results could differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and further periods if the revision affects both the current and future periods.

RECENT ACCOUNTING PRONOUNCEMENTS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, on a going concern basis, which assumes that the Company will be able to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business. The financial statements do not reflect any adjustments that might be necessary if the Company is unable to continue as a going concern.

The policies applied in these condensed interim financial statements are based on IFRS issued and outstanding as of April 18, 2014, the date the Board of Directors approved the statements.

Accounting Standards Issued and Effective

The Company has adopted these standards effective beginning September 1, 2012 and there were no significant impacts on the financial statements.

	Effective
Amendment to IAS 12, Income taxes	January 1, 2012
IAS 1, Presentation of Financial Statements	July 1, 2012

Standards Issued Bur Not Yet Adopted

For the purposes of preparing and presenting the Company's annual financial statements, the Company has adopted all standards and interpretations issued other than those listed below. These standards have not been adopted because they are not effective until subsequent to January 1, 2013. Standards and interpretations issued, but not effective are:

	Effective
IFRS 9 – Financial Instruments	January 1, 2015
IFRS 10 – Consolidated Financial Statements	January 1, 2013
IFRS 11 – Joint Arrangements	January 1, 2013
IFRS 12 – Disclosure of Interests in Other Entities	January 1, 2013
IFRS 13 – Fair Value Measurement	January 1, 2013
IAS 27 – Separate Financial Statements	January 1, 2013
IAS 28 – Investments in Associates and Joint Ventures	January 1, 2013
Amendment to IAS 32, Offsetting Financial Assets and Liabilities	January 1, 2014

The Company believes that, with the exception of IFRS 9, Financial Instruments, the adoption of these revised standards will have no material impact on the condensed interim and annual financial statements.

IFRS 9, Financial Instruments, proposes to replace IAS 39 Financial Instruments: Recognition and Measurement. The replacement standard has three main phases, the first of which provides new guidance to the classification and measurement of financial assets and liabilities. The second part, which is currently an exposure draft, provides guidance for amortized cost and impairment methodology for financial assets. The third part, which is also currently an exposure draft, proposes a revised general hedge accounting model. The Company will evaluate the impact of the change to its annual financial statements based upon the characteristics of the financial instruments anticipated to be outstanding at the time of adoption.

<u>VENTURE ISSUER</u>

The Company is a Venture Issuer as defined by Multi-Lateral Instrument 51-102. It has recently acquired an option agreement in a mineral property. It has begun to capitalize the cost of its mineral property and to defer exploration and development expenses. Readers are directed to the Condensed Interim Statement of Operations, Comprehensive Loss and Deficit and the Schedule of Mineral Properties within the Condensed interim Financial Statements for a complete breakdown of the Company's administrative and exploration expenses.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgement and have been properly reflected in the accompanying financial statements.

Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

<u>Disclosure Controls and Internal Controls Over Financial Reporting</u>

The Company's Chief Executive Officer and its Chief Financial Officer are responsible for establishing and maintaining the Company's disclosure controls and procedures and our internal controls over financial reporting. The primary weaknesses in the Company's internal controls is that there is an insufficient number of accounting and approve all payments by the Company and all strategic administration staff to properly segregate certain duties that require segregation in order to have good internal control. Management and the Board of Directors have implemented processes to mitigate the risks arising from this weakness. The Chief Executive Officer and the Chief Financial Officer review and non-routine matters prior to submission to the Board of Directors for its approval. They require to be fully apprised of any material information affecting the Company so that information may be evaluated and discussed and the appropriateness and timing of public releases determined. The Board of Directors reviews and approves the Company's financial reports on a quarterly basis and approves all public disclosures.

The Chief Executive Officer and the Chief Financial Officer, after evaluating the effectiveness of the Company's disclosure controls and procedures as at August 31, 2009, have concluded that the Company's disclosure controls and procedures are adequate and effective to ensure that material information relating to the Company would have been known to them.