INTRODUCTION

The following discussion and analysis of the operating results, financial position and future prospects of Copper Reef Mining Corporation ("Copper Reef" or the "Company"), dated July 28th, 2014 constitutes management's view of the factors that affected the Company's financial and operating performance for the three months ended May 31st, 2014 and subsequent period ended July 28th, 2014. This discussion should be read in conjunction with the audited financial statements and related notes of the Company for the year ended November 30, 2013. This MD&A is prepared in conformity with National Instrument 51-102 F1 and has been approved by the Board of Directors.

All financial information is presented in Canadian dollars unless otherwise stated. All references to a year refer to the year ended on November 30 of that year. Additional information related to the Company is available for review on SEDAR at www.sedar.com.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments.

STRUCTURE AND BUSINESS DESCRIPTION

NAME AND INCORPORATION

The Company was incorporated under the laws of the Province of Manitoba by Letters Patent of Incorporation dated March 27, 1973 as "Copper Reef Mines (1973) Limited", as amended by Articles of Amendment dated January 18, 2005, and Articles of Amendment dated September 8, 2006, changing the corporate name to "Copper Reef Mining Corporation". The head office of the Company is located at their offices at 12 Mitchell Road, Flin Flon, Manitoba R8A 1N1. Other than shares of non-related companies pursuant to certain property agreements, the Company does not have an interest in any corporations, bodies corporate, limited partnerships, partnerships, joint ventures, associations, trusts or unincorporated organizations.

THE COMPANY

The Company is a Canadian junior mineral exploration company engaged in the acquisition, exploration and development of mineral concessions with a specific focus on mineral properties in Northwest Manitoba and Northeast Saskatchewan, Canada. All of the Company's properties are currently at the exploration stage. The Company has no long-term debt and has assembled a portfolio of base metal and precious metal prospects, including strategic locations in the Provinces of Manitoba and Saskatchewan.

CORPORATE DEVELOPMENTS

During the three months ended May 31st, 2014 and subsequent period to July 28th, 2014, the Company issued the following news release with respect to corporate developments

On June 4, 2014 − the Company announced that it had revamped its website with the new site having the following web address:

www. copperreefmining.com

The restructuring of the website was directed towards a more modern, user friendly site, which will continue to be updated on an ongoing basis.

EVALUATION & EXPLORATION ASSETS

During the three months ended May 31st, 2014 and subsequent period to July 28th, 2014, the Company issued the following news releases with respect to its mineral properties:

As part of the June 4, 2014 news release, the Company updated its exploration plans:

Part of management's objectives, using its project-generator business model, are to option/joint venture (JV) at least 4 of its 40 projects and sell up to 3 of the 14 royalties it holds on separate properties within the Flin Flon Greenstone Belt. Currently the Company is in discussion with three groups.

Work Permits have been obtained for both the company's Pikoo Diamond Project in Saskatchewan and for the GoldRock Gold Project near Snow Lake Manitoba. We expect to commence work on our Pikoo Project in Saskatchewan shortly. A third permit application has been recently made for exploration on the Company's "Burn" Copper-Nickel Silver Project in the B.C. Lake area of Manitoba adjacent to Callinex's Gurney Mine Property.

In November 2011 a VTEM Electromagnetic Airborne Survey was completed over the Burn Property. The Survey outlined at least seven strong Electromagnetic targets. Two were previously drilled by Hudson Bay Exploration in 1982. One drill hole intersected a formation graphitic sulphide conductor of no economic interest. However, the second intersected copper nickel silver and gold mineralization along a short electromagnetic conductor with a corresponding coincident magnetic anomaly. The hole intersected 70.1 m of intrusive breccias within a syenite complex containing variable amounts of disseminated to semi-massive sulphides. Seventy-two samples collected from the hole contained assays ranging from trace up to 2.46 % copper, 1.2 % nickel, 10.8 g/t silver and 0.6 g/t gold. To the north and parallel to this copper-nickel bearing conductor is a longer 1.2 km electromagnetic anomaly also with a corresponding magnetic shoulder. This anomaly which also appears to occur within the same syenite complex was never drilled and appears to continue onto Callinex's Property to the east. On strike to the west, using aeromagnetics as a marker, the anomaly appears again over a strike length of 300 m beneath

BC Lake. The Company, with a specific focus on mineral properties in Northwest Manitoba and Northeast Saskatchewan, Canada has the second largest land position in the main Flin Flon Camp of Manitoba next to Hudson Bay Minerals. It also has significant holdings in the Snow Lake- Reed Lake Camp, and in the Sheridon Camp and the Hanson Lake Camp in Saskatchewan. The company has two large properties in the Lynn Lake Greenstone Belt of Manitoba. All of the Company's properties are currently at the exploration stage and all are 100% owned subject only to two small net smelter returns royalties on individual properties.

On June 6, 2014 – the Company announced that it had acquired the Johnson Lake Property that came open for staking. The claims which are part of the White Lake Cuprus Mine Horizon had been held by Hudbay Mining and formerly Hudson Bay Exploration since 1934.

The property lies in the main Flin Flon Camp of Manitoba, less than 402 metres from the Cuprus Mine Claim. Copper Reef now owns an additional 1.7 km of this mine stratigraphy resulting in a total new combined favourable mine stratigraphy strike length of 8 km when Copper Reef's existing East Big Island Property is considered. A road passes through the centre of the 8 km long property from old highway #10 to Bear Lake, although presently it is only passible by ATV.

The White Lake Mine produced 849,598 tonnes of ore grading 1.97% Cu and 4.63% Zn. The orebody commonly contained up to 6% Cu at its stratigraphic base and up to 16.0% Zn at the top. Average solid sulphide contained approximately 6% Zn, 3% Cu, 68.57g/t Ag and 0.69 g/t Au.

The Cuprus Mine produced 462,000 tonnes of ore grading 3.24% Cu, 6.42% Zn, 1.36 g/t Au and 28.0 g/t Ag.

The new property would likely hold any down plunge extension to the Cuprus orebody and any of its possible satellite orebodies. Copper Reef will first access what work has been done, before undertaking an exploration program or offering it out to option.

In addition Copper Reef will receive a grant of $175, 107 for expenditures on its Gold Rock-North Star Property as part of Manitoba's Mineral incentive program. This represents 40% of expenditures on exploration will be returned to the Company for this project.

GENERAL

The Company holds interests in 41 mineral properties, with 38 held by way of mineral claims and two by mineral leases, all located in Saskatchewan and Manitoba. Twenty-six of the properties have been assembled into eight groups and the remaining fourteen are presently considered individual properties. The properties are held by way of mineral claims and mining leases.

The Company also holds a $0.75 Net Tonnage Royalty ("NTR"), which it received from Foran Mining Corp. ("FOM") in September, 2012 from the termination of the Copper Reef/Foran joint venture agreement over the McIlvenna property. As part of this agreement, Foran issued 4 million shares to Copper Reef as disclosed in the Company's financial statements and Copper Reef issued 3 milion shares to Foran. During the three months ended May 31, 2014, the Company sold 507,800 of the Foran shares for a net cash gain of $107,039, which funds were used for exploration and operations

EXPLORATION ACTIVITIES FOR THE QUARTER

During the three and six months ended May 31, 2014, exploration activities consisted primarily of the acquisition of the Pikoo property as well as field work on Alberts and Pikoo and care and maintenance as required. Expenditures for the six months ended May 31, 2014 were as follows:

	Total	Gold Rock Group	Alberts Lake Group	Morgan Group	Otter/ Twin Lakes	Pikoo	Others
Claim acquisition & holding	**73,900**	–	754	7,328	52	65,050	651
Geological	**516**	93	–	–	423	–	–
Field labour costs	**21,613**	8,075	6,650	–	1,663	4,513	776
Other fields costs	**3,901**	–	302	2,550	265	785	–
Total YTD expenditures to May 31, 2014	**99,930**	**8,168**	**7,706**	**9,878**	**2,402**	**70,347**	**1,427**

In addition, $52,664 and $95,678 in generative exploration costs were expensed during the three and six months ended May 31, 2014 respectively

Stephen L. Masson, P.Geo, a director of the Company, is the Qualified Person, as defined by National Instrument 43-101 (“NI 43-101”), has reviewed and approved the technical information relating to the evaluation and exploration assets disclosed in the Company’s MD&A.

RESULTS OF OPERATIONS

Operational results reflect overhead costs incurred for mineral property acquisitions and associated exploration expenses as well as other regulatory expenses incurred by the Company.

General and administrative costs can be expected to fluctuate relationally with acquisitions, exploration and operations.

REVENUES

The Company is currently engaged in mineral property acquisition and exploration and does not have revenues from its operations. Net revenues shown in the Statement of Loss and Comprehensive Loss relate to un-realized Gains/(losses) with marketable securities, and option payments by third parties (cash and shares).

Summary of Quarterly Results

The following table sets out selected quarterly information for the preceding eight quarters ended May 31, 2014:

	Q2 May 31, 2014	**Q1 February 28, 2014**	**Q4 November 30, 2013**	**Q3 August 31, 2013**
Operating income/(loss)	(125,585)	(82,949)	(111,071)	(77,005)
Net income (loss) for the period	(515,953)	357,051	(205,071)	(459,005)
Net income/(loss) per share, basic non-diluted	0.004	0.003	(0.002)	(0.004)
Number of shares outstanding	115,281,300	110,471,300	110,471,300	110,471,030
	Q2 May 31, 2013	**Q1 February 28, 2013**	**Q4 November 30, 2012**	**Q3 August 31, 2012**
Operating income/(loss)	(140,199)	(261,009)	(162,395)	(129,799)
Net income (loss) for the period	(882,199)	(542,009)	(312,483)	(409,799)
Net income/(loss) per share, basic non-diluted	(0.008)	(0.005)	(0.003)	(0.004)
Number of shares outstanding	110,471,030	110,179,633	106,721,300	105,621,300

*This financial data has been prepared in accordance with International Financial Reporting Standards and all figures are stated in Canadian dollars.

Results of Operations for the three and six months ended May 31, 2014:

	Three months ended May 31				Six months ended May 31			
	2014	2013	Incr./ (Decr.)	Incr./ (Decr.)	**2014**	2013	Incr./ (Decr.)	Incr./ (Decr.)
Bank charges and interest	**109**	746	(637)	-85%	**361**	986	(625)	-63%
Filing fees	**14,360**	13,859	501	4%	**16,821**	25,236	(8,415)	-33%
Management fees and salaries	**8,000**	11,989	(3,989)	-33%	**16,000**	23,415	(7,415)	-32%
Office and general	**14,623**	8,010	6,613	83%	**27,706**	12,284	15,422	126%
Professional fees	**25,130**	34,504	(9,374)	-27%	**28,770**	50,554	21,784	-43%
Rent and utilities	**8,290**	12,199	(3,909)	-32%	**17,526**	27,123	(9,597)	-35%
Travel and promotion	**2,096**	2,976	(880)	-30%	**5,045**	5,769	(724)	-13%
Generative exploration	**52,664**	55,468	(2,804)	-5%	**95,678**	16,170	(20,492)	-18%
	125,272	139,751	(14,479)	**-10.4%**	**207,907**	261,537	(53,630)	**-20.5%**

Operating expenditures, both year-to-date and for the quarter ended May 31, 2014 were reduced by 20.5% and 10.4% respectively from fiscal 2013

With the exception of what appears to be a large increase in office and general, all expenses were reduced quarter over quarter. The increase in office and general resulted from a re-allocation of expenditures.

FINANCINGS

There were no financings for the three months ended May 31, 2014 or the subsequent period to July 28, 2014.

On December 31, 2013, the Company completed a non-brokered private placement of 3,310,000 flow through shares at $0.05 per share for gross proceeds of $165,500.

A director and officer of the Company subscribed for 1,250,000 flow-through shares. A director of the Company subscribed for 100,000 flow-through shares. An officer of the Company subscribed for 300,000 flow-through shares.

The Company is committed to incur prior to December 31, 2014, on a best efforts basis, $165,500 in qualifying CEE pursuant to this private placement.

On January 24, 2014 the Company completed a non-brokered private placement of 1,000,000 units at $0.05 per unit for gross proceeds of $50,000. Each unit is comprised of common share and one share purchase warrant. The warrants are exercisable at $0.10 per share and expire January 24, 2016. The common shares have been issued and had a hold period to May 25, 2014. The hold has been released..

LIQUIDITY AND CAPITAL RESOURCES

As at May 31, 2014, the Company had working capital of $647,956 as compared to working capital of $675,659 as at November 30, 2013. The Company's ability to remain liquid over the long term depends on its ability to obtain additional financing. There can be no assurance that the Corporation will be able to obtain sufficient capital in the case of operating cash deficits.

OUTSTANDING SHARE DATA

AUTHORIZED SHARE CAPITAL

Unlimited share capital with no par value.

As at July 28th, 2014, the Company had the following common shares, stock options and warrants outstanding:

Common shares	115,281,300
Stock options (vested and unvested)	8,070,000
Warrants	1,000,000
Fully diluted shares outstanding	**124,351,300**

	Number of Shares	Share Capital $
Balance as at November 30, 2012	**106,721,300**	**12,821,625**
Shares issued for cash, private placement	3,750,000	280,000
Fair value of warrants issued	–	(26,250)
Flow through share premium	–	(55,000)
Balance – November 30, 2013	**110,471,300**	**13,020,375**
Shares issued for cash, private placement	4,310,000	215,501
Shares issued for property	500,000	15,000
Fair value of warrants issued	–	(16,000)
Balance – July 28, 2014	**115,281,300**	**13,234,876**

STOCK OPTIONS AS AT JULY 28TH, 2014

Grant date	Number of options	Expiry Date	Weighted average exercise price $'s	Estimated Grant Date Fair Value $'s
Balance, November 30, 2011 and 2012	**5,095,000**		0.10	**353,800**
Granted January 25, 2013	2,275,000	Jan. 24, 2018	0.10	109,200
Cancelled, August 31, 2013	(300,000)		0.10	(20,363)
Issued September 27, 2013	1,000,000	Sept. 26, 2018	0.10	30,000
Balance November 30, 2013 and July 28, 2014	**8,070,000**		0.10	**472,637**

WARRANTS AS AT JULY 28TH, 2014

The Company's warrant activity to March 24, 2014, is summarized as follows:

	Number of Warrants	Expiry Date	Weighted average exercise price $'s	Estimated Grant Date Fair Value $'s
Balance November 30, 2012	**291,667**		**0.20**	16,042
Issued - Non Flow Through	1,000,000	Dec. 30, 2013	0.15	7,000
Issued - Flow Through	2,750,000	Jan. 1, 2014	0.15	19,250
Expired – June 9, 2013	(291,667)		(0.20)	(16,042)
Balance November 30, 2013	**3,750,000**		**0.15**	**26,250**
Expired	(3,750,000)			(26,250)
Issued - Non Flow Through	1,000,000	Jan. 23, 2016	0.10	16,000
Balance – July 28, 2014	**1,000,000**		**0.10**	**16,000**

CHANGES TO ACCOUNTING POLICIES

The Company has changed certain accounting policies to be consistent with IFRS. However, these changes to its accounting policies have not resulted in any significant change to the recognition and measurement of assets, liabilities, equity, revenue and expenses within its financial statements.

Significant accounting policies adopted under IFRS, a summary of exemptions and elections along with reconciliations of Canadian GAAP to IFRS, and descriptions of the effect of transitioning from Canadian GAAP to IFRS are included in the annual audited financial statements for the year ended November 30, 2013 which are available at **www.sedar.com**.

OFF-BALANCE SHEET ARRANGEMENTS

As at July 28, 2014, the Company had no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS AND BALANCES

RELATED PARTY BALANCES

		May 31, 2014		November 30, 2013	
Related party	**Purpose**	**Amounts charged during the year**	**A3ounts payable or accrued at year-end**	Amount Charged during the year	Amounts payable or accrued at year-end
Corporation controlled by a director	Management fees	**–**	**–**	33,000	–
	Expenses	**–**	**–**	1,626	–
Corporation controlled by an officer	Filing fees	**–**	**–**	25,800	–
	expenses	**–**	**–**	4,500	–
Corporation controlled by a director	Chief Financial Officer	**–**	**–**	–	–
Accounting firm of which an Officer of the Company is a partner	Professional fees	**–**	**–**	43,860	7,500
Corporation controlled by a Director and significant shareholder	Management fees, Director	**52,000**	**–**	116,000	–
	Management fees, other	**–**	–	–	–
	Exploration	**66,333**	**24,153**	151,278	5,447
	Office, rent and general expenses	**64,285**	**–**	106,209	–
Totals		**182,618**	**38,795**	482,273	12,947

During the three months ended May 31, 2014, the Company recorded director’s fees of $nil (2012 - $nil).

All of the above transactions are in the normal course of business and are measured at the exchange amounts established and agreed to by the related parties.

In accordance to IAS 24, key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key executives is determined by the compensation committee having regard to the performance of individuals and market trends.

COMMITMENTS AND CONTINGENCIES

COMMITMENTS

Consulting Agreement

The Company entered into an exploration management services agreement dated December 31, 2010 with M'Ore and the President and significant shareholder of M'Ore, who is an officer, director and shareholder of the Company. Pursuant to the agreement, M'Ore provides consulting and management services to the Company and incurs various administrative expenses, including administrative salaries and office and vehicle rentals on behalf of the Company. The term of the agreement is for a period of two years ended December 31, 2012 and can be renewed thereafter at the end of every 12 months.

Due to the difficulties in raising non-flow through capital, the Company and M'Ore mutually agreed to allow the agreement to lapse as at December 31, 2013, with re-instatement on similar terms deferred until current fund raising efforts have been completed.

Assuming the agreement is renewed it is anticipated that the basic terms would be unchanged. This would result in management fees and salaries incurred by M'Ore being capped at $200,000 per annum. Additional charges to the Company in prior years consisted of a lease with M'Ore whereby the Company would pay $30,000, plus operating expenses, per annum for rental of office and storage space. The lease also specifies rates to be charged for the use of various equipment if utilized by the Company.

Contingencies

The Company's exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

FLOW-THROUGH EXPENDITURES

During the year ended November 30, 2013, the Company renounced Canadian exploration expenditures in the aggregate amount of $220,000 (2012 -$3,457,300) related to proceeds from the issuance of flow-through shares pursuant to the financings described in Note 9(b) and has incurred these qualifying Canadian exploration expenditures as at November 30, 2013. If the Company does not incur the required qualifying expenditures, it will be required to indemnify the holders of the flow-through shares for any tax and other costs payable by them as a result of the Company not making the required expenditures.

CRITICAL ACCOUNTING ESTIMATES

Copper Reef does not make any critical accounting estimates other than the carrying value of deferred exploration expenditures, and the valuation of warrants, decommissioning and restoration costs , deferred future tax assets and liabilities, and stock-based compensation.

Evaluation and exploration assets

Evaluation and exploration assets include acquired mineral rights for mineral properties held by the Company. The amount of consideration paid (in cash or share value) for mineral rights is capitalized. The amounts shown for evaluation and exploration assets represent costs of acquisition, other than transaction costs, incurred to date (excluding transaction costs), less recoveries, and do not necessarily reflect present or future values. These costs will be amortized against revenue from future production or written off if the evaluation and exploration assets are abandoned or sold. Included in the cost of evaluation and exploration assets is the cost of the estimated decommissioning liability. The Company has classified evaluation and exploration assets as intangible in nature. Depletion of costs capitalized on projects put into commercial production will be recorded using the unit-of-production method based upon estimated proven and probable reserves.

Ownership in evaluation and exploration assets involves certain inherent risks, including geological, metal prices, operating costs, and permitting risks. Many of these risks are outside the Company’s control. The ultimate recoverability of the amounts capitalized for the evaluation and exploration assets is dependent upon the delineation of economically recoverable ore reserves, obtaining the necessary financing to complete their development, obtaining the necessary permits to operate a mine, and realizing profitable production or proceeds from the disposition thereof. Management’s estimates of recoverability of the Company’s investment in its evaluation and exploration assets have been based on current and expected conditions. However, it is possible that changes could occur which could adversely affect management’s estimates and may result in future write downs of evaluation and exploration assets carrying values.

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures (“E&E”) are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Mineral exploration and evaluation expenditures are classified as intangible assets.

RISKS AND UNCERTAINTIES

The Company is in the business of acquiring, exploring and developing gold and base metal properties. It is exposed to a number of risks and uncertainties that are common to other mineral exploration companies in the same business. The industry is capital intensive at all stages and is subjected to variations in commodity prices, market sentiment, exchange rates for currency, inflations and other risks. The Company currently has no source of revenue other than interest income. The Company will rely mainly on equity financing to fund exploration activities on its mineral properties.

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may apply.

1. **Financial risks**

   The Company's financial instruments consist of cash and cash equivalents, amounts receivable, deposits and accounts payable and accrued liabilities. The carrying values of cash and cash equivalents, amounts receivable, deposits, and accounts payable and accrued liabilities approximate their fair values due to the relatively short period to maturity of those financial instruments.

   The Company is exposed to credit risk with respect to its cash and cash equivalents. Cash and cash equivalents have been placed on deposit with a major Canadian, financial institutions. Credit risk arises from the non-performance of counterparties of contractual financial obligations. The Company manages credit risk, in respect of cash and cash equivalents, by purchasing term deposits held at a major Canadian financial institution.

   The Company's cash and cash equivalents include term deposits. The Company is not exposed to significant interest rate risk due to the short-term maturity of these monetary assets given fluctuations in market rates do not have a significant impact on estimated fair values at February 28, 2014. Future cash flows from interest on cash and cash equivalents will be affected by interest rate fluctuations. The Company manages interest rate risk by investing in highly liquid investments with maturities of three months or less.

Foreign exchange risk is the risk arising from changes in foreign currency fluctuations. The Company does not use any derivative instruments to reduce its exposure to fluctuations in foreign currency rates.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk. The Company is not exposed to significant other price risk.

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due. The Company's expected source of cash flow in the upcoming year will be through equity financings. The Company maintained sufficient working capital at May 31, 2014 in the amount of $647,956, in order to meet short-term business requirements. At May 31, 2014, the Company had accounts payable and accrued liabilities of $123.924, which will be repaid within three months.

2. Going Concern

The Company's capability to continue as a going concern is dependent upon its ability to obtain additional debt or equity financing to meet its obligations as they come due. If the Company were unable to continue as a going concern, then significant adjustments would be required to the carrying value of assets and liabilities, and to the balance sheet classifications currently used.

Copper Reef has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to other companies in the same business, including under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources and the lack of revenues.

The Company plans to obtain financing in the future primarily through further equity financing, as well as through joint venturing and/or optioning out the Company's properties to qualified mineral exploration companies. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operation and eventually to forfeit or sell its interest in its mineral properties.

Management has initiated a strict cost control program to effectively control expenditures. As a result of these cost control measures, it is expected that the current cash position will be sufficient to fund the Company's needs for the 2014 fiscal year. Management will review several funding options including equity financing and seeking joint venture partners to further its mineral property interests at the appropriate time. While the Company has been successful in raising funds in the past, there are no assurances that additional funding and/or suitable joint venture agreements will be obtained.

3. Exploration and Mining Risks

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At present, the Company's properties have no known body of commercial ore. Unusual or unexpected formations, formation pressures, fires, power outages, labor disruptions, flooding, explorations, cave-ins, landslides and the inability to obtain suitable adequate machinery, equipment or labor are other risks involved in the operation of mines and the conduct of exploration programs. The Company has relied on and may continue to rely upon consultants and others for exploration and development expertise. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineral deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing gold, copper and other mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The Company has no producing mines at this time. All of the properties in which the Company may earn an interest are at the exploration stage only. Most exploration projects do not result in the discovery of commercially mineable deposits of ore.

4. Development Risks

The marketability of any minerals which may be acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately 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.

5. Loss of Interest in and Value of Properties

The Company's ability to maintain its interests in its mineral properties and to fund ongoing exploration costs will be entirely dependent on its ability to raise additional funds by equity financings. If the Company is unable to raise such funds it may suffer dilution or loss of its interest in its mineral properties. The amounts attributed to the Company's interests in mineral properties in its financial statements represent acquisition and exploration costs, and should not be taken to reflect realizable value.

6. Financing Risks

The Company has no history of earnings and no source of operating cash flow and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its equity shares. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its property, there is no assurance that any such funds will be available. If available, future equity financings may result in substantial dilution to purchasers under the Offering. At present it is impossible to determine what amounts of additional funds, if any, may be required.

7. Metal Prices

The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of ore are discovered, a profitable market may exist for the sale of minerals produced by the Company. Factors beyond the control of the Company may affect the marketability of any substances discovered. Mineral prices, in particular gold prices, have fluctuated widely in recent years. The marketability of minerals is also affected by numerous other factors beyond the control of the Company. These other factors include government regulations relating to price, royalties, allowable production and importing and exporting of minerals.

8. Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

9. Environmental and Other Regulatory Requirements

Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted and which may well be beyond the capacity of the Company to fund. The Company's right to exploit the mining properties is subject to various reporting requirements and to obtaining certain government approvals and there is no assurance that such approvals, including environmental approvals, will be obtained without inordinate delay or at all.

10. No Assurance of Titles, Boundaries or Surface Rights

The Company has investigated rights of ownership of all of the mineral properties in which it has an interest and, to the best of its knowledge, all agreements relating to such ownership rights are in good standing. However, all properties may be subject to prior claims or agreement transfers, and rights of ownership may be affected by undetected defects. While to the best of the Company's knowledge, title to all properties in which it has the right to acquire an interest is in good standing, this should not be construed as a guarantee of title. Other parties may dispute title to the mining properties in which the Company has the right to acquire an interest. The properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects or the statutes referred to above.

11. Permits and Licenses

The operations of the Company may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

12. Inability to Meet Cost Contribution Requirements

The Company may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party and the Company may as a result, be subject to loss of its rights to acquire interests in the properties subject to such agreements.

13. Reliance on Key Personnel

The nature of the business of the Company, the ability of the Company to continue its exploration and development activities and to thereby develop a competitive edge in the marketplace depends, in a large part, on the ability of the Company to attract and maintain qualified key management personnel. Competition for such personnel is intense, and there can be no assurance that the Company will be able to attract and retain such personnel. The development of the Company now and in the future, will depend on the efforts of key management figures, the loss of whom could have a material adverse effect on the Company. The Company does not currently maintain key-man life insurance on any of the key management employees.

CONFLICTS OF INTEREST

Copper Reef's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which Copper Reef may participate, the directors and officers of Copper Reef may have a conflict of interest in negotiating and concluding on terms with respect to the transaction. If a conflict of interest arises, Copper Reef will follow the provisions of the *Business Corporations Act (BC)* ("Corporations Act") dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of Copper Reef's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of Manitoba, the directors and officers of Copper Reef are required to act honestly, in good faith, and in the best interest of Copper Reef.

Future Accounting Pronouncements

A new number of IFRS standards, and amendments to standards and interpretations, are not yet effective for the period ended February 28, 2014, and have not been applied in preparing these condensed consolidated interim financial statements. None of these standards are expected to have a significant effect on the condensed consolidated interim financial statements of the Company.

The Board of Directors of Copper Reef has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

Forward Looking Statements

Statements contained in this MD&A that are not historical facts are forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of metals; the estimation of mineral reserves and resources, the realization of mineral reserve estimates; the timing and amount of estimated future production, costs of production, and capital expenditures; costs and timing of the development of new deposits; success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve 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 the forward-looking statements. Such risks and other factors include, among others, risks related to the integration of acquisitions; risks related to operations; risks related to joint venture operations; actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labor disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the sections entitled "Risks and Uncertainties" in this MD&A. Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this MD&A speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events.

Forward-looking statements and other information contained herein concerning the mining industry and general expectations concerning the mining industry are based on estimates prepared by the Company using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.