

# VIPER GOLD LTD.

## MANAGEMENT'S DISCUSSION & ANALYSIS

### FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2014

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This management's discussion and analysis ("**MD&A**") discusses the activities and financial position of Viper Gold Ltd. ("**Viper**" or the "**Company**") for the nine month period ended September 30, 2014. The following information should be read in conjunction with the unaudited condensed interim financial statements of the Company as at and for the nine month period ended September 30, 2014 and the related notes contained therein, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Additional information can be accessed through the System for Electronic Document Analysis and Retrieval ("SEDAR") website at [www.sedar.com](http://www.sedar.com), and the Company's website at [www.vipergoldltd.com](http://www.vipergoldltd.com).

All dollar amounts are expressed in Canadian currency unless otherwise stated.

#### **Date of Report**

This MD&A is dated October 24, 2014 and presents material information up to this date.

#### **Forward-Looking Statements**

This MD&A may contain forward-looking statements relating to future events. In some cases, forward-looking statements can be identified by words such as "anticipate", "continue", "estimate", "expect", "forecast", "may", "will", "project", "should", "believe", or similar expressions. These forward-looking statements by their nature involve risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements, including the "Risks and Uncertainties" discussed in this MD&A. The Company considers the assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared, but cautions the reader that these assumptions regarding future events, many of which are beyond the control of the Company, may ultimately prove to be incorrect.

#### **Brief Description of Business**

The Company is a Canadian-based exploration company whose focus is the acquisition, exploration and development of mineral resource properties. Up until May 8, 2014, the Company held an interest in certain mineral claims in Peru. At present, the Company does not own any exploration property and is not carrying out any active exploration programs. However, the Company is actively assessing new properties and seeks to acquire an interest in properties of merit. There can be no assurance that the Company will acquire a new mineral property in the near term, or at all, and that if a mineral property is acquired, it will have adequate financial resources to explore and develop the property. The Company is also considering additional business opportunities outside of the mining and exploration field.

## Nature of Operations and Going Concern

The Company is in the exploration and evaluation stage and until May 8, 2014, held an interest in certain mineral claims in Peru from which no revenue had been generated. The exploration and development of mineral properties involves significant financial risk, with recoverability of costs incurred being subject to future profitable production from economically recoverable reserves and/or financing through issuance of shares or sale of property interests.

The unaudited interim financial statements for the nine month period ended September 30, 2014 have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business at amounts different from those in these financial statements. Such adjustments could be material. The continuing operations of the Company are dependent upon its ability to obtain the necessary financing to meet ongoing administration expenses and related liabilities as they fall due.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the entity's ability to continue as a going concern. The Company has incurred a loss in the current and prior periods, with a loss of \$66,800 for the nine months ended September 30, 2014, (2013 - \$56,600), and as at September 30, 2014 has an accumulated deficit of \$1,647,056 and a working capital of \$59,324.

## History of the Company and Overall Performance

Viper Gold Ltd. was incorporated pursuant to the *Business Corporations Act* (Alberta) on January 29, 2008 under the name LeBoldus Capital Inc. The Company completed its initial public offering ("IPO") of 1,000,000 common shares in the capital of the Company ("**Common Shares**") at a price of \$0.20 per share on July 10, 2008, and the Common Shares commenced trading on the TSX Venture Exchange ("**TSXV**") on July 25, 2008 under the trading symbol "LEB.P".

The Company realized gross proceeds from the IPO of \$200,000 (net proceeds of \$157,468). In connection with its IPO and pursuant to the terms of an agency agreement, the Company paid an agent a commission of 10% of the gross proceeds (\$20,000) and fees and costs of \$22,532. The Company also granted the agent an option to acquire up to 100,000 Common Shares at a price of \$0.20 per share until July 25, 2010, which option had been valued at \$3,912. The agent's option expired unexercised. The Company incurred additional fees and costs in relation to the IPO of \$75,232, which included legal (\$46,772), accounting and audit (\$10,383), filing (\$17,145), printing (\$581) and other expenses.

On March 17, 2010, the Company entered into an option agreement (the "**Option Agreement**") dated effective March 10, 2010 with Duran Ventures Inc. (TSXV: DRV) ("**Duran**"), an arm's length resource company focused on the exploration and development of porphyry copper, precious metal and polymetallic deposits in Peru, and its subsidiary Minera Aguila de Oro S.A.C. ("**Minera**"). The Option Agreement provided the Company with the right to acquire a 50% interest in certain mineral claims comprising a prospective gold property known as the Corongo Property in Peru (the "**Corongo Property**"). The Company and Duran amended the Option Agreement effective June 22, 2010 to extend the outside date of closing to October 24, 2010 and to modify the payment schedule of exploration expenditures. In addition, the Option Agreement was amended such that the Company is the operator of

the project. The Option Agreement was amended effective August 5, 2010 to further modify the payment schedule of exploration expenditures.

Consideration for the 50% interest in the Corongo Property consisted of: (i) the payment of U.S.\$25,000 (\$25,247 paid) in cash upon execution of the Option Agreement (which amount has been paid); (ii) the Company incurring not less than U.S.\$1,000,000 in exploration expenditures on the Corongo Property (U.S. \$1,000,000 has been incurred) prior to March 10, 2012; and (iii) the issuance of 1,000,000 Common Shares, to be issued as follows: (a) 300,000 Common Shares on or prior to the closing of the Qualifying Transaction (which have been issued); (b) 300,000 Common Shares on or prior to March 10, 2011 (which have been issued); and (c) 400,000 Common Shares on or prior to March 10, 2012 (which have been issued).

This transaction constituted the Qualifying Transaction of the Company pursuant to the applicable policies of the TSXV. On August 17, 2010, the Company closed its Qualifying Transaction pursuant to which it acquired the option to acquire a 50% interest in the Corongo Property.

Concurrent with the closing of the Qualifying Transaction, the Company closed a private placement of 1,750,000 units of the Company ("**Units**") at a subscription price of \$0.20 per Unit for aggregate gross proceeds of \$350,000. Each Unit consisted of one Common Share and one warrant to acquire an additional Common Share at a price of \$0.40 per share until August 17, 2012, subject to acceleration in the event the Company issued a press release advising that the Common Shares have traded on the TSXV at a price per share greater than \$0.50 for 10 consecutive trading days, in which case the warrants would expire, without further notice, on the 31st day following the issuance of the press release. All of these warrants have expired without being exercised.

Trading of the Common Shares was halted on March 18, 2010 pending receipt and review by the TSXV of acceptable documentation regarding the proposed Qualifying Transaction.

In connection with the private placement, finder's fees were paid in the aggregate amounts of \$20,800 in cash and 104,000 in Finder's Warrants. Each Finder's Warrant entitled the holder thereof to purchase one Common Share at a price of \$0.20 per share until August 17, 2011. These warrants have expired without being exercised.

In connection with closing of the Qualifying Transaction, Mr. Paul Davis and Mr. Joseph Del Campo were appointed to the Company's board of directors following the resignation of Messrs. Merchant and Magnan. Mr. Davis also replaced Mr. Merchant as the Company's President and Chief Executive Officer. Messrs. Davis and Del Campo were each granted 100,000 options in connection with their appointments.

The TSXV released its final bulletin on August 19, 2010 and trading in the Common Shares resumed August 20, 2010 under the trading symbol "LEB".

On October 1, 2010 the Company engaged Advanture Capital Partners Inc. ("**Advanture**") to provide investor relations, corporate communications and marketing services to the Company. This agreement expired on September 30, 2011 and was not renewed.

On October 10, 2010, Surface Rights Agreements were entered into with two communities that cover the Santa Rosa East and Descubridora zones that were valid until October 9, 2011. These agreements were renewed in October 2011 and remain valid to October 25, 2014. These agreements are necessary for surface access and are a requirement to advance the project with more detailed trenching and drilling programs.

At the Company's annual and special meeting of shareholders held October 14, 2010, shareholders voted in favour of the name change from "LeBoldus Capital Inc." to "Viper Gold Ltd.", which was effected on the same day. At the commencement of trading on October 19, 2010, Viper began trading under the new symbol of "VPR" on the TSXV.

On December 17, 2010 the Company closed a private placement of 5,155,000 Units of the Company at a subscription price of \$0.25 per Unit for aggregate gross proceeds of \$1,288,750. Each Unit consisted of one Common Share and one warrant to acquire an additional Common Share at a price of \$0.30 per share until December 17, 2012, subject to acceleration in the event the Company issued a press release advising that the Common Shares had traded on the TSXV at a price per share greater than \$0.50 for 10 consecutive trading days, in which case the warrants would expire, without further notice, on the 31st day following the issuance of the press release. All of these warrants have expired without being exercised.

In connection with the private placement, finder's fees were paid in the aggregate amounts of \$102,300 in cash and 409,200 in Finder's Warrants. Each Finder's Warrant entitled the holder thereof to purchase one Common Share at a price of \$0.25 per share until December 17, 2011. These warrants expired without being exercised.

On July 29, 2011, the Company filed an Application to Record Ground Staked Mining Claims totalling 369 units in the Porcupine Mining Division in Currie, Egan, Bowman and McCann Townships. Details regarding the Currie-Bowman Property were reported in a press release dated August 8, 2011 and are available on SEDAR.

On August 15, 2011, the Company entered into a property option agreement with a local prospector (the "**Vendor**") whereby the Company could acquire an undivided 100% interest in certain unpatented mining claims known as the Campbell Lake Property, consisting of 96 claim units representing approximately 1,500 hectares in Northeastern Ontario. On February 15, 2012, the Option Agreement on the Campbell Lake Property was terminated by the Company.

On July 31, 2012, the Company entered into an option agreement (the "**Agreement**") with Kinross Gold Corporation ("**Kinross**") and Selkirk Metals Corp. ("**Selkirk**"), a wholly owned subsidiary of Imperial Metals Corporation on the Currie-Bowman Property, located 54 kilometres east of Timmins Ontario (the "Grindstone Creek Property"). Pursuant to the Agreement the Company had the right to acquire a 100% interest in the Grindstone Creek Property by earning 100% of the 60% participating interest held by Kinross and 100% of the 40% interest held by Selkirk. The option requires expenditures totalling \$375,000 over 2 years, with the first \$125,000 committed to be expended during the first year of the Agreement in addition to staged share payments totalling 667,000 common shares of the Company, of which 167,000 (issued and valued at \$10,020) were due within 10 days of completing a 30 day due diligence period. Kinross retains a 1% NSR and Selkirk retains a 0.67% NSR, 50% (or 0.835%) of which can be purchased by the Company for a total of \$835,000. Details regarding this property were reported in a press release dated August 1, 2012. In November 2012, the Company contacted Kinross to indicate it was concerned it would not be able to complete the required exploration work on the property in time to maintain the claims in active status and a mutual decision between the parties to cancel the agreement was taken on February 26, 2013 and announced in a press release dated March 14, 2013.

On July 10, 2013, the Company closed a non-brokered private placement of 5,500,000 Units at \$0.01 per Unit for total gross proceeds of \$55,000 (the "**Offering**"). Each Unit consists of one common share and one common share purchase warrant, each exercisable at \$0.05 until July 10, 2014 and thereafter at \$0.10 until July 10, 2015. In conjunction with the Offering, the Company paid finder's fees in the aggregate amount of \$4,500 in cash and 450,000 finder's warrants, issued on the same terms as the warrants forming part of the Units. All securities issued pursuant to the Offering and to the finder were subject to a

hold period until November 11, 2013. See the Company's press release dated July 10, 2013 for additional information on the Offering. An officer of the Company subscribed for 400,000 units for gross proceeds of \$4,000.

In July 2013, the Company allowed the Currie-Bowman mining claims to lapse and therefore no longer holds an interest in this property.

On March 3, 2014, the Company entered into a Conditional Termination Agreement (the "**Termination Agreement**") with Duran which would effectively terminate the Joint Operating Agreement between the Company and Duran resulting in the disposition of the Company's 50% interest in certain mineral concessions in Peru known as the Corongo Project held by Corongo Exploraciones S.A.C., a subsidiary of Duran, which were the subject of a property option agreement among Duran, its wholly owned subsidiary Minera Aguila de Oro S.A.C. and the Company (the "**Proposed Disposition**"), for net proceeds to the Company of approximately US\$200,000.

The Proposed Disposition constituted a Reviewable Disposition as defined in Policy 5.3 – *Acquisitions and Dispositions of Non-Cash Assets* ("**Policy 5.3**") of the TSXV and, as such, the Proposed Disposition was subject to: (a) shareholder approval, which the Company proposed to obtain by way of a shareholders' meeting; and (b) regulatory approval by the TSXV.

At the annual and special meeting of shareholders held on April 25, 2014, the Company's shareholders approved the disposition ("**Disposition**") of the Company's 50% interest in the Corongo Project.

On May 8, 2014, the Company completed the Disposition of its 50% interest in the Corongo Project. The proceeds to the Company from the Disposition were US\$200,000.

The Company has been using the proceeds from the Disposition to address its working capital deficiency, improve the Company's balance sheet, pursue other resource and mining opportunities and consider additional business opportunities outside of the mining and exploration field in the ordinary course of business.

To avoid being transferred to the TSXV's NEX board ("**NEX**"), the Company was required to file an application with the TSXV in respect of a transaction that would have enabled it to meet continued listing requirements by July 30, 2014. As the Company has not identified a transaction that will enable it to meet continued listing required under the policies of the TSXV, on the opening of trading on August 15, 2014, the Company's stock exchange listing was transferred to the NEX. The Company's common shares are now trading under the symbol VPR.H. NEX is a separate board of the TSXV designed to provide the support and visibility in a listing and trading environment tailored to companies that have ceased to carry on an active business.

## Selected Quarterly Financial Information

A summary of selected financial information for the periods indicated follows:

	For the three months ended							
	Sep 30, 2014	June 30, 2014	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	June 30, 2013	Mar 31, 2013	Dec 31, 2012
Net Loss	\$ 8,650	\$ 41,691	\$ 16,459	\$ 973,826	\$ 16,614	\$ 12,267	\$ 27,719	\$ 23,559
Net Loss Per Share:								
Basic and Diluted	\$ -	\$ -	\$ -	\$ 0.06	\$ -	\$ -	\$ -	\$ -
Total Assets	\$ 59,584	\$ 81,113	\$ 221,619	\$ 224,524	\$ 1,177,019	\$ 1,165,117	\$ 1,178,855	\$ 1,187,303
Total Liabilities	\$ 260	\$ 13,139	\$ 111,954	\$ 98,400	\$ 77,069	\$ 91,000	\$ 92,471	\$ 73,200

No dividends have been declared or paid by the Company in any of the periods presented above. The Company does not anticipate declaring or paying any dividends on its Common Shares in the foreseeable future.

## Results of Operations

### Viper Gold Ltd.

#### Condensed Interim Statements of Loss and Comprehensive Loss

*(Unaudited - Expressed in Canadian Dollars)*

	For the three months September 30,		For the nine months ended September 30,	
	2014	2013	2014	2013
<b>Expenses</b>				
Management and consulting	\$ 3,000	\$ 3,000	\$ 12,900	\$ 16,475
Filing fees and communications	2,118	5,394	18,404	16,922
Insurance	1,162	2,801	4,649	8,648
Legal	2,048	5,119	39,785	11,108
Audit	-	-	(5,910)	(5,810)
Office rent	-	-	-	5,319
General and administrative expenses	322	301	472	3,112
Foreign exchange gain	-	(1)	(3,500)	(3)
Loss on disposal of equipment	-	-	-	574
Depreciation	-	-	-	255
<b>Total expenses</b>	<b>8,650</b>	<b>16,614</b>	<b>66,800</b>	<b>56,600</b>
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (8,650)</b>	<b>\$ (16,614)</b>	<b>\$ (66,800)</b>	<b>\$ (56,600)</b>
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares	18,272,000	18,272,000	18,272,000	13,505,333

The Company incurred a net loss of \$66,800 during the nine month period ended September 30, 2014, compared with a net loss of \$56,600 for the year earlier period. The higher loss in 2014 is mostly due to legal fees incurred in Peru and Canada due to the disposition of the Corongo Property.

The Company continues to reduce the overall levels of general administrative, professional, management and consulting expenditures in order to conserve cash. Management has reduced their fees by 22%, from \$16,475 in 2013 to \$12,900 in 2014. The office lease was not renewed in April of 2013, as management works out of their homes.

### **Liquidity and Capital Resources**

The Company does not currently own or have an interest in any producing mineral properties and does not derive any revenues from operations. The Company's activities have been funded through equity financing and the Company expects that it will continue to be able to utilize this source of financing until it develops cash flow from operations. There can be no assurance, however, that the Company will be successful in its efforts. If such funds are not available or other sources of financing cannot be obtained, then the Company will be forced to curtail its activities to a level for which funding is available or can be obtained.

At September 30, 2014, the Company had a cash balance of \$54,205, and a working capital of \$59,324. The Company continues to reduce the overall levels of spending in order to conserve cash.

As detailed earlier in the "History of the Company and Overall Performance" section of this MD&A, on May 8, 2014, the Company completed its Disposition of the Corongo Property and received net proceeds of US\$200,000.

The Company has been using the proceeds from the Disposition to address its working capital deficiency, improve the Company's balance sheet, pursue other resource and mining opportunities and consider additional business opportunities outside of the mining and exploration field in the ordinary course of business.

### **Commitments and Contingencies**

#### *Consulting agreements*

The Company has entered into a consulting agreement with Paul C. Davis, the Company's President and Chief Executive Officer, to provide management services to the Company. The Company will pay Mr. Davis a per diem rate of \$650 to a maximum of \$4,000 monthly, along with a vehicle allowance of \$55 per day to a maximum of \$330 per month. The agreement is for a one year term, expiring December 31, 2014.

The Company has entered into a consulting agreement with Joseph Del Campo, the Company's Interim Chief Financial Officer, to provide management services to the Company. The Company will pay Mr. Del Campo a monthly fee of \$1,000. The agreement is for a one year term, expiring December 31, 2014.

### **Significant accounting judgments and use of estimates**

The preparation of the condensed interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- i. Capitalization of exploration and evaluation costs*

Management has determined that exploration and evaluation costs incurred during the year have future economic benefits and are economically recoverable. In making this judgment, management has assessed various sources of information including but not limited to the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable mineral reserves, scoping and feasibility studies, proximity of operating facilities, operating management expertise and existing permits. See note 5 to the financial statements for details of capitalized exploration and evaluation costs.
- ii. Share-based payments*

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.
- iii. Estimation of decommissioning and restoration costs and the timing of expenditure*

The cost estimates are updated annually and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.
- iv. Impairment of exploration and evaluation assets*

While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company's mining properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.



v. *Income taxes and recoverability of potential deferred tax assets*

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws. Future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

**Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

**Compensation of Key Management and Related Party Transactions**

The remuneration of directors and members of key management personnel during the nine month period ended September 30, 2014 and 2013 was as follows:

	<u>2014</u>	<u>2013</u>
Aggregate compensation	\$ 12,900	\$16,475
Share-based payments	-	-
	<u>\$ 12,900</u>	<u>\$16,475</u>

No options were granted during the nine month period ended September 30, 2014 and for the year ended December 31, 2013.

During the nine month period ended September 30, 2014, the Chief Executive Officer of the Company charged the Company a total of \$3,900 (2013 - \$7,475) for services rendered as disclosed in the compensation table above. As at September 30, 2014, the Company owes the Chief Executive Officer of the Company \$ Nil (December 31, 2013 - \$38,169). These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

During the nine month period ended September 30, 2014, the Interim Chief Financial Officer of the Company charged the Company a total of \$9,000 (2013 - \$9,000) for services rendered as disclosed in the compensation table above. As at September 30, 2014, the Company owes the Interim Chief Financial Officer of the Company \$ Nil (December 31, 2013 - \$19,150). These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

During the nine month period ended September 30, 2014, the Company incurred legal fees in the amount of \$27,442 (2013 - \$19,161) from a law firm of which a director of the Company is a partner. As at September 30, 2014, the Company owes the law firm \$ Nil (December 31, 2013 - \$13,172). These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

All related party transactions are in the normal course of business. They have been measured at the agreed upon exchange amounts, which is the amount of consideration established and agreed to by the related parties.

## Disclosure of Outstanding Share Data

The Company is authorized to issue an unlimited number of Common Shares, of which 18,272,000 Common Shares were issued and outstanding as at September 30, 2014. As at September 30, 2014, there were 656,000 Common Shares issuable upon exercise of incentive stock options granted to the Company's directors, officers and consultants.

As at September 30, 2014 and as at the date hereof, the following is a description of the outstanding equity securities and convertible securities previously issued by the Company:

	Authorized	Outstanding as at September 30, 2014	Outstanding as at October 24, 2014
Voting or equity securities issued and outstanding	Unlimited Common Shares	18,272,000	18,272,000
Securities convertible or exercisable into voting or equity securities - stock options	Stock Options to acquire up to 10% of outstanding Common Shares	656,000	656,000
Securities convertible or exercisable into voting or equity securities – Warrants (1)	-	5,950,000	5,950,000

(1) On July 10, 2013, the Company closed a non-brokered private placement of 5,500,000 Units at \$0.01 per Unit for total gross proceeds of \$55,000. Each Unit consists of one common share and one common share purchase warrant, each exercisable at \$0.05 until July 10, 2014 and thereafter at \$0.10 until July 10, 2015. In conjunction with the offering 450,000 finder's warrants were issued on the same terms as the warrants forming part of the Units.

## Stock Options

The Company has adopted an incentive stock option plan (the "**Plan**"), whereby it may grant options to directors, officers, employees, and consultants of the Company. The maximum number of Common Shares that may be reserved for issuance under the Plan is limited to 10% of the issued Common Shares of the Company at any time with no one individual being granted more than 5% of the issued and outstanding Common Shares. The exercise price of options granted under the Plan shall not be less than the closing price of the Common Shares on the day proceeding the day the options are granted, less any discounted price permitted by the TSXV.

On July 10, 2008, the Company granted options to the officers, directors and a consultant of the Company providing the right to purchase an aggregate of up to 250,000 Common Shares of the Company at an exercise price of \$0.20 per share until July 10, 2013. These options expired unexercised.

On August 17, 2010, the Company granted options to two directors of the Company to acquire an aggregate of 200,000 options, exercisable at a price of \$0.20 per common share for a period of five years from the date of grant. The options vested immediately upon grant.

On October 1, 2010, the Company granted options to a consultant to acquire an aggregate of 50,000 options, exercisable at a price of \$0.20 per share for a period of five years from the date of grant. The options vest in four equal tranches every quarter with the first tranche having vested on December 31, 2010. These options expired unexercised.

On January 26, 2011, the Company granted a total of 481,000 stock options to directors, officers and a consultant of the Company, exercisable at a price of \$0.40 per common share for a period of five years

from the date of grant. The 456,000 options granted to directors and officers vested immediately. The 25,000 options granted to the consultant vest as to ¼ on each of the 3rd, 6th, 9th, and 12th month anniversaries of the date of grant. The 25,000 options have expired unexercised.

On March 29, 2011, the Company granted 100,000 stock options to a director of the Company to acquire an aggregate of 100,000 common shares, exercisable at a price of \$0.26 per common share for a period of five years from the date of grant, all of which vested immediately. These options have expired unexercised during the year ended December 31, 2012.

The grant date fair value of the options granted was determined using the Black-Scholes option pricing model, using the following range of assumptions:

	<u>2011</u>	<u>2010</u>
Risk-free interest rate	2.56% - 2.71%	2.03% – 2.18%
Expected life	5 years	5 years
Expected volatility	100%	100%
Expected dividend yield	nil	nil
Exercise price	\$0.26 - \$0.40	\$0.20
Grant date fair value per option	\$0.20 - \$0.25	\$0.13

If and when the stock options are ultimately exercised, the applicable amounts in the share-based payments reserve account will be transferred to share capital.

### **Financial Instruments and Other Instruments**

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from the previous year.

#### Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Cash is held with a reputable Canadian financial institution, from which management believes the risk of loss is remote. Financial instruments included in amounts receivable consist of harmonized sales tax due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is minimal.

#### Liquidity Risk

As at September 30, 2014, the Company had a working capital of \$59,324 (December 31, 2013 – \$85,876). The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2014, the Company has sufficient cash to settle current liabilities.

#### Market Risk

At the present time, the Company does not hold any interest in a mining property that is in production. The Company's viability and potential success depends on its ability to develop, exploit, and generate revenue from the development of mineral deposits. Revenue, cash flow, and profits from any future

mining operations in which the Company is involved will be influenced by precious and/or base metal prices and by the relationship of such prices to productions costs. Such prices can fluctuate widely and are affected by numerous factors beyond the Company's control.

#### Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has cash balances and currently does not carry interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its financial institutions. As at September 30, 2014, the Company's exposure to interest rate risk is minimal.

#### Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. As at September 30, 2014, the Company had cash balances of \$ Nil in US dollars. Sensitivity to a plus or minus 5% change in the foreign exchange rate would not have had a material effect to the net loss for the nine month period ended September 30, 2014.

#### Commodity Price Risk

The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals.

#### Fair Value of Financial Assets and Liabilities

The book values of the cash, amounts receivable, and accounts payable and accrued liabilities approximate their respective fair values due to the short-term nature of these instruments.

The fair values together with the carrying amounts shown in the statements of financial position are as follows:

	<b>As at September 30, 2014</b>		<b>As at December 31, 2013</b>	
	<b>Carrying amount</b>	<b>Fair value</b>	<b>Carrying amount</b>	<b>Fair value</b>
Cash	\$ 54,205	\$ 54,205	\$ 5,664	\$ 5,664
Amounts receivable	5,379	5,379	6,860	6,860
Accounts payable and accrued liabilities	260	260	98,400	98,400

#### **Changes in Internal Controls over Financial Reporting**

There have been no changes in the Company's internal control over financial reporting during the nine months ended September 30, 2014 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

## **Qualified Person**

The foregoing scientific and technical information has been prepared or reviewed by Paul C. Davis, P.Geo., the President and Chief Executive Officer of the Company. Mr. Davis is a “qualified person” within the meaning of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”).

## **Risks and Uncertainties**

### *No History of Operations or Earnings*

The Company does not have a history of operations, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future. Furthermore, the Company has limited financial resources, has no source of operating cash flow and there is no assurance that additional funding will be available to it for exploration and development.

### *Exploration, Development and Production Risks*

An investment in the Common Shares is speculative due to the nature of the Company's business. Mineral exploration involves a high degree of risk and there is no assurance that expenditures made on future exploration by the Company will result in new discoveries in commercial quantities.

The Company will evaluate prospects on an ongoing basis in a manner consistent with industry standards. The long-term commercial success of the Company depends on its ability to find, acquire, develop and commercially produce economic reserves. No assurance can be given that the Company will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions have made such acquisitions or participations uneconomic. The continued operation of the Company will be dependent upon its ability to procure additional financing or generate operating revenue and there is no assurance it will be able to do either.

### *Approvals and Permits*

Government approvals and permits are currently, or may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from proceeding with planned exploration, development or operation of mineral properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations and parties that were engaged in operations in the past may be required to compensate those suffering loss or damage by reason of such mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or the more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

### *Substantial Capital Requirements and Liquidity*

The Company anticipates that it will have to make substantial capital expenditures for the acquisition, exploration, development and production of natural resources in the future. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. Moreover, future activities may require the Company to alter its capitalization significantly. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition, results of operations or prospects.

### *Additional Funding Requirements*

From time to time, the Company may require additional financing in order to carry out its acquisition, exploration and development activities. Additional financings will be required to complete additional exploration programs. Failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. Lower commodity prices and general market conditions can affect the Company's ability to raise the necessary capital.

### *Environmental Risks*

All phases of the natural resources business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with operations. The legislation also requires that facility sites and mines be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of tailings or other pollutants into the air, soil or water may give rise to liabilities to foreign governments and third parties and may require the Company to incur costs to remedy such discharge. No assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects.

Companies engaged in the exploration and development of mineral properties generally experience increased costs, and delays as a result of the need to comply with applicable laws, regulations and permits.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in natural resource exploration and development activities may be required to compensate those suffering loss or damage by reason of its activities and may have civil or criminal fines or penalties imposed for violations of applicable laws of regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of natural resources companies, or more stringent implementation therefore, could have a material adverse impact

on the Company and cause increases in capital expenditure or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new properties.

#### *Regulatory Requirements*

Natural resource activities may be affected in varying degrees by political and financial instability, inflation and haphazard changes in government regulations related to this industry. Any changes in regulations or shifts in political or financial conditions are beyond the Company's control and may adversely affect the Company's business. Operations may be effected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of Corongo property, environmental legislation and safety.

#### *Reliance on Operators and Key Employees*

The success of the Company will be largely independent upon the performance of its management and key employees. The Company will not have any key man insurance policies and therefore there is a risk that the death or departure of any member of management or any key employee could have a material adverse effect on the Company. In assessing the risk of an investment in the Common Shares, potential investors should realize that they are relying on the experience, judgment, discretion, integrity and good faith of the management of the Company.

#### *Insurance*

The Company's involvement in the exploration for and development of natural resource properties may result in the Company becoming subject to liability for certain risks, and in particular unexpected or unusual geological operating conditions, including rock bursts, cave-ins, fire, floods, earthquakes, pollution, blow-outs, Corongo property damage, personal injury or other hazards.

Although the Company will obtain insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable, or, in certain circumstances, the Company may elect not to obtain insurance to cover specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Company. The occurrence of a significant event that the Company is not fully insured against, or the insolvency of the insurer, could have a material adverse effect on the Company's financial position, results of operations or prospects.

No assurance can be given that insurance to cover the risk to which the Company's activities will be subject will be available at all or at economically feasible premiums. Insurance against environmental risks (including potential for pollution or other hazards as a result of the disposal of waste products occurring from production) is not generally available to the Company or to other companies within the industry. The payment of such liabilities would reduce the funds available to the Company. Should the Company be unable to fund fully the costs of remedying an environmental problem, the Company might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy.

#### *Limited Trading Volume*

Since the IPO, there has been limited trading of the Common Shares on the TSXV. The Company cannot predict at what price the Common Shares will trade and there can be no assurance that an active trading market will be maintained.

### *Availability of Equipment and Access Restrictions*

Natural resource exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Company and may delay exploration and development activities.

### *Conflict of Interest of Management*

Certain of the directors and officers of the Company are also directors and officers of other natural resources companies. Consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by such directors and officers relating to the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies.

### *Share Price Fluctuations*

The market price of the Common Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company, lack of liquidity, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Company, general economic conditions, changes in commodity prices, changes in mineral reserves or resource estimates, results of exploration, changes in results of mining operations, legislative changes and other events and factors outside of the Company's control.

In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Common Shares.

The Company is unable to predict whether substantial quantities of Common Shares will be sold in the open market. Any sales of substantial quantities of Common Shares in the public market, or the perception that such sales might occur, could materially and adversely affect the market price of the Common Shares.

To avoid being transferred to the TSXV's NEX board ("NEX"), the Company was required to file an application with the TSXV in respect of a transaction that would have enabled it to meet continued listing requirements by July 30, 2014. As the Company has not identified a transaction that will enable it to meet continued listing required under the policies of the TSXV, on the opening of trading on August 15, 2014, the Company's stock exchange listing was transferred to the NEX. The Company's common shares are now trading under the symbol VPR.H. NEX is a separate board of the TSXV designed to provide the support and visibility in a listing and trading environment tailored to companies that have ceased to carry on an active business.

### **Approval**

The board of directors of the Company has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.