

**ACME RESOURCES CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE THREE MONTHS ENDED DECEMBER 31, 2012**

**DATE – February 28, 2013**

The following Management's Discussion and Analysis ("MD&A") should be read in conjunction with ACME Resources Corp.'s ("ACME" or the "Company" or the "Corporation") audited financial statements and the accompanying notes for the year ended September 30, 2012 and the unaudited condensed interim financial statements for the three months ended December 31, 2012, copies of which are filed on SEDAR website: [www.sedar.com](http://www.sedar.com).

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar figures included herein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise stated.

The condensed interim financial statements were prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies followed in the condensed interim financial statements are the same as those applied in the Company's most recent annual financial statements for the year ended September 30, 2012. The condensed interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2012.

The financial information in this MD&A is derived from the Company's financial statements prepared in accordance with IFRS. This MD&A may contain forward looking statements based on assumptions and judgements of management regarding events or results that may prove to be inaccurate as a result of risk factors beyond its control. Actual results may differ materially from the expected results.

**FORWARD LOOKING STATEMENTS**

*This MD&A may include certain "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Corporation expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's businesses, operations, plans and other such matters are forward-looking statements. When used in this MD&A, the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. These 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 such forward-looking statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such 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.*

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**DESCRIPTION OF THE BUSINESS**

ACME was incorporated under the *Business Corporations Act* (Ontario) on February 27, 2008 and is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange ("Exchange"). On December 14, 2011, the Company entered into a binding letter of intent with First Minerals Exploration Limited ("First Minerals") in connection with the proposed qualifying transaction with First Minerals. First Minerals was incorporated on October 6, 2009 and is a private Ontario corporation focused on the acquisition and exploration of mineral properties.

Subject to certain conditions and regulatory approval, the proposed qualifying transaction was to be structured by way of a three-cornered amalgamation, pursuant to which a wholly-owned Ontario subsidiary of the Company would have amalgamated with First Minerals, with the newly amalgamated company being a wholly-owned subsidiary of the Company. All of the outstanding First Minerals common shares would have been exchanged for the Company's common shares at the ratio of one ACME share for one First Minerals share; and, all of the outstanding warrants of First Minerals would have been similarly exchanged or converted in accordance with the aforementioned exchange ratio such that the holders will be entitled to acquire for the same aggregate consideration the number of ACME common shares that the holder would have been entitled to receive had the holder exercised its warrants to become a shareholder of the newly amalgamated company.

Under the terms of the qualifying transaction, prior to the closing, First Minerals intends to complete two non-brokered private placements. The first of these private placements will be to issue up to 666,667 common shares at \$0.15 per share for gross proceeds of up to \$100,000. An additional private placement was intended to be completed to raise at least the minimum amount of funds specified by the Exchange.

First Minerals has an interest in three mineral projects in Ontario. These projects are described in more detail in the news release dated December 15, 2011 posted on SEDAR at [www.sedar.com](http://www.sedar.com).

After giving effect of the above mentioned transactions, the shareholders of First Minerals would have controlled the Company.

Certain directors of the Company are shareholders in First Minerals.

The above mentioned transactions are subject to the satisfaction of a number of conditions, including the completion of the above private placements, regulatory approval, First Mineral shareholder approval and other conditions customary for a Qualifying Transaction.

On January 28, 2010, the Company received final receipts for a prospectus and thereafter began trading on the TSX Venture Exchange ("TSXV") (Tier 2) as a CPC under the symbol ACY.P. However, as the Company did not complete a Qualifying Transaction within the necessary timeframe, the Company's listing has been transferred to the NEX board of Exchange ("NEX"). The Company's application for listing is pending regulatory approval. The Company actively pursued reinstatement of the Company's trading status from suspended to trading and accordingly the Company's trading status has been changed from suspended to trading effective February 11, 2013. As a CPC listed on NEX, the Company continues to be required to comply with all of the requirements and restrictions in Exchange Policy 2.4.

Although significant efforts were made by the Company to complete a Qualifying Transaction to acquire and finance First Minerals Exploration Limited within the permitted timeline, the Company was not able to meet the necessary requirements. On May 1, 2012, the Company announced that the forgoing proposed

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qualifying transaction had expired and that First Minerals Exploration Limited and the Company would remain in discussions about a possible new arrangement. However, in the later part of fiscal 2012, the Company decided that it will no longer be proceeding with the forgoing transaction. Company management will continue to identify and evaluate businesses and assets with a view of completing a Qualifying Transaction.

**RESULTS OF OPERATIONS AND OVERALL PERFORMANCE**

For the three months ended December 31, 2012, the Company reported a net loss of \$3,059 compared to a loss of \$5,105 during the three months ended December 31, 2011. The operating expenses comprised of corporate development of \$4,104 (2011 - \$3,029), consulting fees of \$3,000 (2011- \$nil), and regulatory and filing fees of (\$4,099) (2011 - \$2,034). These costs were primarily related to fees incurred for accounting services, administrative and fees related to the identification of a qualifying transaction.

Since incorporation, the Company has been actively engaged in the identification of target companies for the purposes of completing a qualifying transaction.

During the period ended September 30, 2008, the Company issued 1,500,000 common shares at a price of \$0.10 per share for total proceeds of \$150,000 received in cash. In accordance with the requirements of the Exchange these common shares are held in escrow. Under the escrow agreement, 10% of the escrowed common shares will be released from escrow following issuance of the Final Exchange Bulletin by the Exchange as to completion of the Qualifying Transaction as defined by Exchange policies, and 15% will be released every six months following the initial release over a period of thirty six months, unless otherwise permitted by the Exchange.

On October 30, 2009, the Company filed its final prospectus for which a receipt was issued dated October 30, 2009.

On January 28, 2010, the Company completed its initial public offering ("IPO") through its agent Integral Wealth Securities Limited of 1,351,950 common shares for gross proceeds of \$270,390. The Company paid the agent a cash commission of \$27,039 and an corporate finance fee of \$10,000, reimbursed the agent for legal fees and other direct expenses of \$10,150, and issued Agent's options to acquire up to 135,195 common shares at \$0.20 per share exercisable until the close of business on the second anniversary of the Company's listing on the Exchange (January 28, 2010). The Company also incurred, in connection with the IPO, professional fees and filing fees of \$93,200.

The Company granted stock options to directors and officers of the Company to purchase up to 285,194 common shares at a price of \$0.20 per share, exercisable for ten years from the date of grant.

As at the date of this report, the Company has outstanding common shares of 2,101,950 and stock options of 247,168. There are 750,000 common shares held in escrow. During 2012 and the three months ended December 31, 2012, 750,000 common shares were cancelled from failure to complete a Qualifying Transaction, 38,026 stock options were cancelled, upon resignation of a member of the Board, and 135,195 Agent's options expired on January 28, 2012.

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**SELECT ANNUAL INFORMATION**

The following financial data, which has been prepared in accordance with IFRS, is derived from the Company's audited financial information for the year ended September 30, 2012 and 2011:

Financial Results	2012	2011
Total revenues	Nil	Nil
Net loss for the year	(\$ 178,548)	(\$ 67,720)
Basic and diluted net loss per share	(\$ 0.13)	(\$ 0.05)
Total assets	\$ 33,475	\$ 222,034
Total long term liabilities	Nil	Nil

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

**SUMMARY OF QUARTERLY REPORTS**

The Company's operating results for each quarter of the years ended September 30, 2012 and 2011 and the three months ended December 31, 2012 are summarized as follows:

	December 31, 2012 Q1
Revenue	-
Net loss	(\$ 3,059)
Basic and diluted loss per share	(\$ 0.00)

	December 31, 2011 Q1	March 31, 2012 Q2	June 30, 2012 Q3	September 30, 2012 Q4
Revenue	-	-	-	-
Net loss	(\$ 5,105)	(\$ 16,929)	(\$ 32,982)	(\$ 178,548)
Basic and diluted loss per share	(\$ 0.00)	(\$ 0.01)	(\$ 0.024)	(\$ 0.13)

	December 31, 2010 Q1	March 31, 2011 Q2	June 30, 2011 Q3	September 30, 2011 Q4
Revenue	-	-	-	-
Net loss	(\$ 10,891)	(\$ 12,349)	(\$ 7,582)	(\$ 67,720)
Basic and diluted loss per share	(\$ 0.00)	(\$ 0.01)	(\$ 0.01)	(\$ 0.05)

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**LIQUIDITY**

The Company does not currently have any interest in property and does not generate revenues from operations. The Company has been financed to date through equity financing and it expects that it will be able to do so in the future until it generates cash flows from operations.

As of December 31, 2012, the Company had a net working capital deficiency of \$12,876 (September 30, 2012 – working capital deficiency of \$9,817) and cash of \$7,585 (September 30, 2012 - \$25,943) which the Company anticipates may not be sufficient to meet short term obligations, and therefore the Company may require additional funds.

As of the date hereof, the Company did not have any commitments for capital expenditures, and the Company does not anticipate any such commitments until it consummates a qualifying transaction.

**CAPITAL MANAGEMENT**

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at December 31, 2012, the Company's shareholders' deficiency was \$12,876 (September 30, 2012 - deficiency of \$9,817) and it had no outstanding long-term debt. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term.

The Company's sole source of capital has been from the issuance of common shares. The net proceeds raised may only be used (with the exception of certain permitted uses of funds by a capital pool company to cover prescribed costs of issuing shares and administrative and general expense – see below) to identify and evaluate a limited number of assets and businesses for the purpose of identifying and completing a Qualifying Transaction. Additional funds may be required to finance the Company's Qualifying Transaction.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets of businesses for future investment, with the exception that the lesser of 30% of the gross proceeds and \$210,000 may be used to cover prescribed costs of issuing the common shares, other than Agent Commissions and fees, and general and administrative expense of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange.

As at December 31, 2012, the Company has exceeded the limit. There are potential ramifications associated with exceeding this limit without relief which will be assessed at the discretion of the Exchange.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company does not have any off-balance sheet arrangements as at December 31, 2012 or as of the date of this report.

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**TRANSACTIONS WITH RELATED PARTY**

Included in regulatory, filing and transfer agent fees expense for the three months ended December 31, 2012 is \$866 (2011- \$2,034) paid to a company with a common director for transfer agent services. As of December 31, 2012, accounts payable and accrued liabilities include \$979 (September 30, 2012- \$979) owing to this related party.

During the three months ended December 31, 2012, an officer of the Company was reimbursed at cost for corporate development costs amounting to \$4,104 (2011 - \$3,029). As of December 31, 2012, accounts payable and accrued liabilities includes \$nil (September 30, 2012- \$2,204) owing to the forgoing related party. In addition, during the three months ended December 31, 2012, consulting fees in the amount of \$3,000 (2011- \$nil) were charged by an officer of the Company.

As of December 31, 2012, accounts receivable includes \$5,876 (September 30, 2012- \$5,876) due from a company with a common director.

The Company's key management personnel has the authority and responsibility for planning, directing and controlling the activities of the Company and consists of its Directors, Chief Executive Officer and Chief Financial Officer. Total compensation paid to the Company's key management personnel during the three months ended December 31, 2012 was \$3,000 (2011- \$nil). No share based-payments, post-employment or other long-term benefits were incurred with respect to key management personnel in respect of the forgoing periods.

**FINANCIAL INSTRUMENTS**

Financial instruments include cash, accounts receivable and accounts payable and accrued liabilities. The estimated fair value of these financial instruments approximates their carrying values because of the short term to maturity of these instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from financial instruments. In regards to liquidity risk, the Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company currently has current liabilities of \$35,588 (September 30, 2012 - \$43,292) and current assets of \$22,712 (September 30, 2012 - \$33,475). The ability of the Company to remedy its working capital deficiency in the amount of \$12,876(September 30, 2012 – working capital deficiency of \$9,817) is dependant on its ability to secure additional equity or other financings.

**CRITICAL ACCOUNTING ESTIMATES**

The financial statements have been prepared in accordance with accounting principles generally accepted in Canada and form the basis for the following discussion and analysis of critical accounting policies and estimates. The Company makes estimates and assumptions that affect the reported amounts of assets, liabilities and expenses and related disclosure of contingent assets and liabilities during the course of preparing these financial statements.

Management has made a number of significant estimates and valuation assumptions, including the stock option valuations, going concern assumption, deferred income tax recognition, the recoverability of accounts receivable and disclosures of contingent assets and liabilities at the date of the financial statements. These estimates and assumptions are based on present conditions and management's planned course of action as well as assumptions about future business and economic conditions. Should the underlying estimates change, the recorded amounts could change by a material amount.

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For a detailed summary of the Company's significant accounting policies, the reader is directed to Note 2 of the Notes to the audited Financial Statements for the three months December 31, 2012 available on SEDAR at [www.sedar.com](http://www.sedar.com).

**FUTURE ACCOUNTING POLICY CHANGES**

Certain pronouncements were issued by the International Accounting Standards Board ("IASB") or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods after September 30, 2012 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded from the table below. The following have not yet been adopted and are being evaluated to determine their impact on the Company; however, the Company does not expect them to have a significant effect on the financial statements.

IAS 1 *Presentation of Financial Statements* was amended to require entities to group items within other comprehensive income that may be reclassified to profit or loss. This standard is effective for annual periods beginning on or after July 1, 2012.

IFRS 7, *Financial Instruments: Disclosures* and IAS 32, *Financial Instruments: Presentation*: The IASB has issued amendments to IFRS 7, *Financial Instruments: Disclosures* ("IFRS 7") and IAS 32, *Financial Instruments: Presentation*, requiring incremental disclosures and clarify an entity's ability to offset financial assets and financial liabilities. These amendments to IFRS 7 are effective for annual periods beginning on or after January 1, 2013 and the amendments to IAS 32 are applicable for annual periods beginning on or after January 1, 2014. The Company does not expect the implementation to have a material impact on the Company's disclosures.

IFRS 9 *Financial Instruments -- Classification and Measurement* ("IFRS 9") was issued November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. This standard is required to be applied for accounting periods beginning on or after January 1, 2015, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments. Management anticipates that this standard will be adopted in the Company's financial statements for the period beginning October 1, 2015, with early adoption permitted. The Company has not yet determined the potential impact of the amendments to IFRS 9 on its financial statements.

IFRS 13 *Fair value measurement* is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. This standard is effective for all annual periods beginning on or after January 1, 2013.

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**OUTSTANDING SHARES**

As of the date of this report, the Company had the following outstanding:

- 2,101,950 common shares including 750,000 common shares in escrow
- 247,168 stock options exercisable at \$0.20 per option, expiring January 28, 2020

As of the date this report, the Company had 2,349,118 fully diluted shares outstanding.

During the year ended September 30, 2012, 135,195 agent's options exercisable at \$0.20 expired without exercise.

During the three months ended December 31, 2012, 38,026 stock options expired without exercise.

**RISKS AND UNCERTAINTIES**

The Corporation has no active business or assets other than cash, accounts receivable and deferred transaction costs. The Corporation does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. The Corporation has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Corporation will be able to identify or complete a suitable Qualifying Transaction.

The Company competes with many Capital Pool Companies that are seeking suitable Qualifying Transactions. In addition, other Capital Pool Companies may have substantially greater financial and technical resources than the Company.

Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the company and other factors.

**OTHER MATTERS**

**Legal proceedings:**

There are no ongoing legal proceedings of any kind initiated by the Company or by third parties against the Company.

**Contingent liabilities:**

At the date of MD&A, management was unaware of any outstanding contingent liability relating to the Company's activities.

**Disclosure Controls and Procedures**



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The Chief Executive Officer and Chief Financial Officer (“CFO”) are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company’s financial statements for external purposes in accordance with IFRS. The design of the Company’s internal control over financial reporting was assessed as of the date of this Management Discussion and Analysis.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company’s financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and work load will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial reports, the integrity and reputation of accounting personnel, and candid discussion of those risks with the audit committee.

**Business Risks**

The Company has a limited history of operations and has not yet entered into an agreement in principle to acquire or complete a qualifying transaction. The Company is currently in the process of identifying and evaluating opportunities and until such a time as it enters into an agreement to complete a qualifying transaction, there is no guarantee such a transaction will be completed. External financing, primarily through the issuance of common shares will be required to fund the Company’s activities. There can be no assurance that the Company will be able to obtain adequate financing. The Securities of the Company should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's Securities:

Dilution: There are a number of outstanding securities and agreements pursuant to which common shares of the Company may be issued in the future. This will result in further dilution to the Company's shareholders.

Revenues and Dividends: The Company has no revenues and does not expect to have any revenues in the foreseeable future. In the event that the Company generates any meaningful revenues in the future, then the Company intends to retain its earnings in order to finance further growth. Furthermore, the Company has not paid any dividends in the past and does not expect to pay any dividends in the future.

**OUTLOOK**

The Company’s primary focus for the foreseeable future will be completing its identified qualifying transaction.

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**DIRECTORS AND OFFICERS**

Paul Ankcorn, *President, Chief Executive Officer and Director*  
Brian Cloney, *Chief Financial Officer, Corporate Secretary and Director*  
James M. Patterson, *Director*  
Harry Burgess, *Director*  
Kees C. Van Winters, *Director*

**MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

In connection with Exemption Orders issued in November 2007 by each of the securities commissions across Canada, the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificate under Multilateral Instrument ("MI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification includes a 'Note to Reader' stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in MI 52-109.

**OTHER REQUIREMENTS**

Additional disclosure of the Company's material change reports, new release and other information can be obtained on SEDAR at [www.sedar.com](http://www.sedar.com).