SPEARMINT RESOURCES INC.

Management's Discussion and Analysis
For the year ended January 31, 2013

Date of Report: May 15, 2013

The following discussion and analysis of our financial condition and results of operations for the year ended January 31, 2013, should be read in conjunction with our audited financial statements and related notes. The requisite financial data presented for the relevant periods has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the International Accounting Standards Board ("IASB").

All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to our company's activities can be found on SEDAR at www.sedar.com.

Disclaimer for Forward-Looking Information

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, estimates and assumptions about our current mineral property interests, the global economic environment, the market price and demand for commodities and our ability to manage our property interests and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) a decreased demand or price of minerals, (3) delays in the start of projects with respect to our property interests, (4) inability to locate and acquire additional property interests, (5) the uncertainty of government regulation and politics in North America regarding mining and mineral exploration, (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (7) other factors beyond our control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. Except as required by law, we disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

Company Overview

Our company was incorporated under the Business Corporations Act of British Columbia, Canada on September 23, 2009.

Our company was classified as a Capital Pool Company, as defined by Policy 2.4 (the "CPC Policy") of the TSX Venture Exchange (the "Exchange"). As a CPC, our company's principal business activity was to identify and evaluate business opportunities with the objective of completing a Qualifying Transaction under the Exchange rules. Our company's common shares commenced trading on the TSX Venture Exchange on April 30, 2010 under the symbol "INI.P".

In October 2011, our company entered into an option agreement whereby our company was granted to acquire a 100% interest in and to twelve mineral claims comprising an epithermal precious metal project known as the Otter Property totaling approximately 5,296 hectares located in the Similkameen Mining Division in the Princeton Area of British Columbia. On February 3, 2012, our company closed this transaction, which served as our company's Qualifying Transaction ("QT") and as such our company graduated from being a CPC to a Tier 2 mining issuer on the Exchange. In connection with the QT, we changed our name to "Spearmint Resources Inc." and changed our trading symbol to "SRJ".

In conjunction with the closing of the QT, our company closed a non-brokered private placement of 4,000,000 units at a price of $0.10 per unit for gross proceeds of $400,000. Each unit is comprised of one common share and one share purchase warrant which entitles the holder to purchase one additional common share of our company at a price of $0.10 per common share until February 3, 2017. Our company incurred share issuance costs of $31,492 in connection with the private placement.

With the completion of the QT, our company's principal business activities going forward include acquiring, exploring and developing mineral properties. At January 31, 2013, all of our mineral property interests were located in Canada.

Mineral Properties

Otter Property (Princeton, British Columbia, Canada)

On October 11, 2011, our company entered into an option agreement (the "Agreement") with an arm's length party (the "Vendor") whereby our company was granted an option to acquire a 100% interest in and to twelve mineral claims known as the Otter Property located in the Similkameen Mining Division in the Princeton Area of British Columbia. The Vendor is the sole beneficial owner of a 100% undivided interest in the Otter Property.

The Otter Property is an epithermal precious metals project. The road access to the Otter Property is located approximately 17 kilometers north-northwest of Princeton, British Columbia and the property consists of 12 claims totaling 5,296 hectares.

As disclosed in a news release on December 21, 2012, we announced that we completed a program of line cutting and 3D induced polarization (IP) surveying.

The IP program concentrated on the heart of Grid E and consisted of nine 1,600 metre lines across Grid E spaced at 150 metre intervals. Grid E covered a 1,700 metre section of a regional lineament that transects the entire 5,296 hectare property. The entire 1,700 metre length of the lineament through Grid E is anomalous in gold and silver, as well as several indicator elements for low sulphidation epithermal precious metal deposits. The width of the main linear anomaly ranges from 100 to 200 metres. There is also a second 800 metre long linear that appears to be a north trending splay from the main linear anomaly approximately midway up the grid. The splay ranges from 25 to 200 metres in width. There are also indications of parallel linear anomalies on the eastern side of the grid, but they are not as pronounced as the main anomaly.

The IP survey focused on locating high resistivity zones at depth with the soil anomalies which may be indicative of quartz veining or silica alteration that is often associated with precious metals mineralization with low sulphidation epithermal systems.

On January 9, 2013, our company amended the Agreement with the Vendor. The Vendor agreed to amend the Agreement regarding the work commitments due to be spent on the prospect. Our company was originally due to spend $200,000 by February 3, 2013, $300,000 by February 3, 2014, $500,000 by February 3, 2015, and a further $1,000,000 by February 3, 2016. Instead, our company is now required to incur exploration costs and issue common shares as follows:

	Cash	Exploration Costs	Common Shares
Upon execution of the Agreement (paid)	$ 25,000	$ -	-
Upon closing date (cash paid and shares issued at a value of $20,000)	15,000	-	200,000
On or before February 3, 2013 (issued subsequent to January 31, 2013)	-	-	200,000
On or before February 3, 2014	-	200,000	200,000
On or before February 3, 2015	-	300,000	200,000
On or before February 3, 2016	-	500,000	-
On or before February 3, 2017	-	1,000,000	-
	$ 40,000	$ 2,000,000	800,000

Upon satisfaction of the payments, share issuances and work commitments above, the option will be deemed to be exercised and a 100% undivided interest in the property will be transferred to our company, free and clear of all encumbrances, subject to a 2% net smelter return royalty (the “NSR”) in favour of the Optionor with respect to production of all precious metals from the Property. The NSR will be payable following commencement of commercial production on the property. Our company may buy-back 1% of the NSR in consideration for payment of $1,000,000 to the Optionor.

Our company paid a finders' fee of $6,000 in connection with this transaction.

As of January 31, 2013, we have spent a total of $116,165 in exploration expenditures on this property. We plan to work on this property if we are able to arrange suitable financings to pay for it. Although we have secured financings in the past, there is no assurance that we will be able to do so in the future on terms that are favourable to our company or at all.

Overall Performance

We are an exploration stage issuer engaged in the business of acquisition, exploration and, if warranted, development of mineral properties. Prior to February 3, 2012, we carried on business as a CPC, which consisted of the identification and evaluation of companies, assets or businesses with the objective of completing a QT. As such, we have not had any revenues in the past two fiscal years. We do not expect to generate any revenues in the foreseeable future. We expect our company to continue to incur expenses as we work to explore and develop our mineral property.

Our company is in the process of exploring our mineral properties and has not yet determined whether the mineral properties contain reserves that are economically recoverable. Our company's future performance is largely tied to the outcome of future exploration and the overall financial markets.

The recoverability of minerals from our company's mineral properties is dependent upon, among other things, the discovery of economically recoverable reserves, the ability of our company to obtain necessary financing to continue to explore and develop our properties, and upon future profitable production. Uncertainty in credit markets has led to increased difficulties in raising and borrowing funds. As a result, our company may have difficulties raising equity financing for the purposes of exploration and development of our company's mineral properties, without diluting the interests of current shareholders of our company.

We incurred operating expenses of $198,297 and $99,372 for the year ended January 31, 2013 and 2012, respectively. Higher operating expenses during the year ended January 31, 2013 was largely the result of increased corporate activity following the completion of our company's QT. We anticipate that expenses will continue to increase as we advance our property interests until our company achieves profitable operations. Our company had cash and cash equivalents of $97,904 at January 31, 2013. Management believes that our company's available funds will not be sufficient to meet our working capital requirements for the next twelve month period.

Management anticipates that additional funds will need to be raised, through equity financings, shareholder loans, or otherwise, to fund our company's planned work programs on our mineral property and ongoing operations. Although we have secured financings in the past, there is no assurance that we will be able to do so in the future on terms that are favourable to our company or at all. Our company may have difficulty raising additional funds as necessary due to a number of uncertainties and risk factors, including uncertainty in credit markets, fluctuation in commodity prices and general economic downturns. See "Liquidity and Capital Resources" and "Risk Factors" for a discussion of risk factors that may impact our company's ability to raise funds.

Information about our company's commitments relating to our mineral properties is discussed above under "Company Overview – Mineral Properties".

Additional information about the risks and uncertainties relating to our company's business and financial performance is discussed below under "Risks Factors".

Summary of Quarterly Results

The following table sets out selected quarterly financial data for the eight most recently completed interim quarters:

	2013 Fourth	2013 Third	2013 Second	2013 First	2012 Fourth	2012 Third	2012 Second	2012 First
Total revenues	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Loss before discontinued operations and extraordinary items:								
Total	$(64,741)	$(42,425)	$(51,456)	$(37,070)	$(68,808)	$(11,354)	(7,682)	$(9,489)
Loss per share	$(0.01)	$(0.01)	$(0.01)	$(0.00)	$(0.03)	$(0.01)	$(0.00)	$(0.01)
Loss per share fully diluted	$(0.01)	$(0.01)	$(0.01)	$(0.00)	$(0.03)	$(0.01)	$(0.00)	$(0.01)
Net Loss and comprehensive loss:								
Total	$(64,741)	$(42,425)	$(51,456)	$(37,070)	$(68,808)	$(11,354)	(7,682)	$(9,489)
Loss per share	$(0.01)	$(0.01)	$(0.01)	$(0.00)	$(0.03)	$(0.01)	$(0.00)	$(0.01)
Loss per share fully diluted	$(0.01)	$(0.01)	$(0.01)	$(0.00)	$(0.03)	$(0.01)	$(0.00)	$(0.01)

Summary of Results During Prior Eight Quarters

Prior to February 3, 2012, our company was a CPC under the Exchange Policy 2.4. As a CPC, our company's principal business activity was to identify and evaluate business opportunities with the objective of completing a Qualifying Transaction under the Exchange rules. From the date of incorporation on September 23, 2009 to February 3, 2012, our company had issued 2,000,000 common shares which were held in escrow to be released in accordance with the Exchange policies related to CPC. As all of these escrow shares were considered contingently cancellable until our company completed the QT on February 3, 2012, they were not considered to be outstanding shares for the purposes of loss per share calculations until February 3, 2012.

From incorporation to the fourth quarter of 2012, we incurred expenses related to listing as a public company on the TSX Venture Exchange. Net loss decreased by $1,807 from the first quarter to the second quarter of 2012 primarily due to the increase in interest income of $1,637. Net loss increased by $3,672 from the second quarter to the third quarter of 2012 due to a drop in interest income of $1,477 and an increase in professional fees of $3,132. A mitigating factor was a $1,273 decrease in transfer agent and filing fees. Net loss increased by $57,454 from the third to fourth quarter of 2012 due to professional fees incurred in respect of the annual audit fee and professional fees relating to the Qualifying Transaction, which was closed in the first quarter of 2013. Net loss decreased by $31,738 from the fourth quarter of 2012 to the first quarter of 2013 due to lower professional fees after the closing of the Qualifying Transaction and Private Placement, which were closed on February 3, 2012. Net loss increased by $14,386 from the first to second quarter of 2013 mainly due to increased consulting fees. Net loss decreased by $9,031 from the second quarter to the third quarter of 2013 mainly due to lower consulting and professional fees during the quarter. Net loss increased by $22,316 from the third to the fourth quarter of 2013 mainly due to increased consulting fees and professional fees in respect of the annual audit fee and increased corporate activity.

Selected Annual Information

The following table sets out selected financial information for our company, which have been prepared in accordance with IFRS:

	Year ended January 31,		
	2013	**2012**	**2011**
Total revenues	$Nil	$Nil	$Nil
Loss before discontinued operations and extraordinary items:			
Total	$(195,692)	$(97,333)	$(56,960)
Basic and diluted loss per share	$(0.02)	$(0.05)	$(0.04)
Net loss and comprehensive loss:			
Total	$(195,692)	$(97,333)	$(56,960)
Basic and diluted loss per share	$(0.02)	$(0.05)	$(0.04)

	As at January 31,		
	2013	**2012**	**2011**
Total assets	$289,492	$283,342	$181,379
Total long term debt	$Nil	$Nil	$Nil

Cash dividends	$Nil	$Nil	$Nil

Year Ended January 31, 2013 Compared to the Year Ended January 31, 2012.

Net loss and comprehensive loss was $195,692 for the year ended January 31, 2013, compared to net loss and comprehensive loss of $97,333 for the year ended January 31, 2012. Operating expenses totaled $198,297 for the year ended January 31, 2013 compared to $99,372 for the year ended January 31, 2012.

Operating expenses for the year ended January 31, 2013 mainly consisted of professional fees of $73,223, consulting fees of $54,381, transfer agent and filing fees of $16,379, and office and miscellaneous expenses of $34,813. Operating expenses for the year ended January 31, 2012, consisted mainly of professional fees of 73,769 and transfer agent and filing fees of $23,988.

Total assets increased by $6,150 to $289,492 as at January 31, 2013 from $283,342 as at January 31, 2012 mainly due to an increase in exploration and evaluation assets, offset by a decrease in cash used in operations and deferred exploration expenditures.

Year ended January 31, 2012 Compared to Year ended January 31, 2011

Net loss and comprehensive loss was $97,333 for the year ended January 31, 2012, compared to net loss and comprehensive loss of $56,960 for the year ended January 31, 2011. Operating expenses totaled $99,372 for the year ended January 31, 2012 compared to $56,962 for the year ended January 31, 2011.

Operating expenses for the year ended January 31, 2012 mainly consisted of professional fees of $73,769, and transfer agent and filing fees of $23,988. Operating expenses for the year ended January 31, 2011 mainly consisted of share-based compensation - $30,229, professional fees - $18,151, and transfer agent and filing fees - $7,402. The share-based compensation is the fair value of the 400,000 share purchase options granted during the year using the Black-Scholes option pricing model using the assumptions more fully described in Note 8 to the financial statements.

Total assets increased by $101,963 to $283,342 as at January 31, 2012 from $181,379 as at January 31, 2011 mainly due to an increase of $40,000 in deferred acquisition costs and $30,095 in deferred financing costs in connection with the Qualifying Transaction and concurrent private placement.

See "Overall Performance" for a discussion of trends in financial position and financial performance of our company.

Discussion of Operations

We did not generate any revenues during the year ended January 31, 2013 and 2012. Net loss and comprehensive loss for the year ended January 31, 2013 increased to $195,692 from $97,333 for the year ended January 31, 2012 mainly due to an increase in consulting fees and office and miscellaneous expenses, offset by a decrease in transfer agent and filing fees.

Operating expenses totaled $198,297 for the year ended January 31, 2013 compared to $99,372 for the year ended January 31, 2012. Operating expenses for the year ended January 31, 2013 consisted mainly of professional fees of $73,223, consulting fees of $54,381, transfer agent and filing fees of $16,379, and office and miscellaneous expenses of $34,813. Operating expenses for the year ended January 31, 2012, consisted mainly of professional fees of $73,769 and transfer agent and filing fees of $23,988. The increase in operating expenses was mainly due to increased corporate development consulting services and an increase in office and miscellaneous expenses incurred during the year ended January 31, 2013 as a result of our company's increased corporate activity following the closing of our company's QT on February 3, 2012.

Total assets increased by $6,150 from $283,342 at January 31, 2012 to $289,492 at January 31, 2013. This increase was mainly a result of an increase in exploration and evaluation assets due to expenditures incurred on our Otter Property, offset by a decrease in cash and equivalents used to make these expenditures.

See "Selected Annual Information" for a discussion of our financial condition and financial performance and factors that have caused period to period variations.

See "Company Overview – Mineral Properties" for a discussion of our mineral property, including our plans for our mineral properties, the status of our plans, expenditures made and the anticipated timing and costs to take our mineral properties to the next stage of the project plan.

See "Overall Performance" for a discussion of events, risks and uncertainties that we believe will materially affect our company's future performance and "Risk Factors" for a discussion of risk factors affecting our company.

During the year ended January 31, 2013, our company closed a non-brokered private placement of 4,000,000 units for gross proceeds of $400,000.

Use of Proceeds

Financing	**Previously Disclosed Use of Proceeds**	**Status of Use of**
$400,000 *February 2012 Non-Brokered Private Placement*	Fund the exercise of our option on the Otter Property (B.C.) and meet our obligations under the option agreement	In progress(1)

Notes:

(1) See "Company Overview – Mineral Properties – Otter Property" for a discussion of the Otter Property.

Liquidity and Capital Resources

Liquidity

At January 31, 2013, we had $97,904 in cash and cash equivalents and working capital of $83,585 compared to cash and cash equivalents of $201,964 and working capital of $141,585 at January 31, 2012. Total current assets decreased by $106,151 while current liabilities decreased by $48,151 from January 31, 2012 to January 31, 2013. Current liabilities as at January 31, 2013 consisted of accounts payable and accrued liabilities of $23,511 (January 31, 2012: $71,662).

Management believes that our company's cash and cash equivalents will not be sufficient to meet our working capital requirements for the next twelve month period. As a mineral exploration company, our expenses are expected to increase as we explore our mineral property further; however, management does not expect our company to generate revenues in the foreseeable future.

Our company's ability to conduct the planned work programs on our mineral property, meet our ongoing levels of corporate overhead and discharge our liabilities as they become due is dependent, in large part, on the ability of our management to raise additional funds as necessary. Management anticipates that additional equity financings will need to be conducted to raise additional funds which, if successful, will result in dilution in the equity interests of our company's current shareholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments. Although we have secured financings in the past, there is no assurance that we will be able to do so in the future on terms that are favourable to our company or at all. Our company's ability to raise additional funds in the future and its liquidity may be negatively impacted by a number of factors, including changes in commodity prices, market volatility and general economic downturns.

There is substantial doubt about our ability to continue as a going concern as the continuation of our business is dependent upon obtaining further long-term financing, successful exploration of our mineral property interest, the identification of reserves sufficient to warrant development, successful development of our property interests and achieving a profitable level of operations. Due to the uncertainty of our ability to meet our current operating and capital expenses, in their report on our audited financial statements for the year ended January 31, 2013, our independent auditors included an explanatory paragraph regarding their substantial doubt about our ability to continue as a going concern.

Our company has no long-term debt.

Capital Resources

We have the following commitments for capital expenditures with respect to our mineral properties as at January 31, 2013. The expenditures are optional and we may decide not to incur such payments in the event we do not decide to pursue further exploration with respect to such properties.

- *Otter Property*:
  - October 2011 option agreement and January 9, 2013 amendment: As at January 31, 2013, our company was required to incur an aggregate of \$2,000,000 in exploration expenditures over a four-year period: incur \$200,000 on or before February 3, 2014, of which we have currently spent \$116,165; incur \$300,000 on or before February 3, 2015; incur \$500,000 on or before February 3, 2016 and incur \$1,000,000 on or before February 3, 2017.

If we elect to meet these capital expenditure requirements, it is expected that in addition to using funds currently available to our company, additional funds will need to be raised through equity financings, shareholder loans or otherwise. Our company's ability to raise additional funds is subject to a number of uncertainties and risk factors. See "Liquidity and Capital Resources – Liquidity".

See "Company Overview – Mineral Properties" for a discussion of our company's capital expenditure commitments with respect to our mineral properties.

Operating Activities

During the year ended January 31, 2013, operating activities used $219,374 in cash. The two principal sources of this amount were the net loss of $195,692, and a decrease in accounts payable of $25,806.

For the comparative year ended January 31, 2012, operating activities used $69,882 in cash. The two principal sources of this amount were the net loss of $97,333 offset by an increase in accounts payable of $38,436.

Investing Activities

During the year ended January 31, 2013 investing activities used cash of $122,429 due to the payment of claim maintenance costs, geophysics and geological expenditures and a finder's fee incurred pursuant to our company's acquisition of mineral property interests as part of the QT.

For the comparative year ended January 31, 2012, investing activities used $40,000 in cash as a result of deferred acquisition costs relating to our company's acquisition of mineral property interests subsequent to that period.

Financing Activities

For the year ended January 31, 2013, financing activities provided cash of $237,743, which was attributable to the a non-brokered private placement for gross proceeds of $400,000 which was closed during the year less share issuance costs of $31,492. Of this total, $138,515 in share subscriptions were received and deferred financing costs of $7,750 were paid during the year ended January 31, 2012. Deferred financing costs were comprised of professional fees and filing fees.

During the year ended January 31, 2012 financing activities provided cash of $130,765, comprised of the $138,515 in share subscriptions less $7,750 in deferred financing costs for the private placement which closed during the year ended January 31, 2013, as described above.

Changes in Accounting Policies including Initial Adoption

We have reviewed new and revised accounting pronouncements that have been issued but are not yet effective. We have not early adopted any of these standards and are currently evaluating the impact, if any, that these standards might have on our financial statements.

Accounting Standards Issued and Effective for January 1, 2014

Amendments to IAS 32, *Financial Instruments: Presentation* clarifies the application of the offsetting rules and requires additional disclosure on financial instruments subject to netting arrangements.

Accounting Standards Issued and Effective for January 1, 2015

IFRS 9 *Financial Instruments* replaces the current standard IAS 39 Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value.

Off-Balance Sheet Arrangements

As of the date of this report, our company does not utilize off-balance sheet arrangements.

Related Parties Transactions

As at January 31, 2013, there was $315 due from Habanero Resources Inc., a public company with one common director, for recoverable office expenses.

As at January 31, 2013, amounts due to related parties were $2,657, which included $358 due to Habanero Resources Inc., for unpaid office expenses, and $2,299 due to Makena Resources Inc. (formerly Canasia Industries Corporation), a public company with directors in common for unpaid accounting and administrative expenses.

During the year ended January 31, 2013, $5,000 in management fees were paid to one director.

The transactions that gave rise to the amounts due to and due from related parties were in the normal course of operations and were measured at the exchange amount, which is a reasonable amount agreed upon by our company and the particular related party or parties.

Fourth Quarter - Unaudited

We did not have any revenue during the three months ended January 31, 2013 and 2012. Total operating expenses were $65,041 for the three months ended January 31, 2013, as compared to $68,561 for the comparative period ended January 31, 2012. The decrease resulted primarily from a decrease in professional fees for the three months ended January 31, 2012 as a result of professional fees incurred leading up to our company's QT, which was closed on February 3, 2012. The decreased professional fees were offset by increased consulting fees of $21,251 for the three months ended January 31, 2013, as compared to January 31, 2012 as a result of increased corporate activity.

Financial Instruments and Other Instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly and indirectly; and
Level 3 – Inputs that are not based on observable market data.

The fair value of our company's receivables, accounts payable and accrued liabilities approximates their carrying values. Our company's cash and cash equivalents are measured at fair value using Level 1 inputs.

Our company is exposed to varying degrees to a variety of financial instrument related risks:

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. As at January 31, 2013, our company does not have assets or liabilities in a foreign currency and therefore is not exposed to foreign currency risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Our company's cash and receivables are exposed to credit risk. Our company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. As at January 31, 2013, our company is not exposed to any significant credit risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Included in the loss for the year in the financial statements is interest income on Canadian dollar cash. As at January 31, 2013, our company is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that our company will encounter difficulty in meeting obligations associated with financial liabilities. Our company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. Our company addresses its liquidity through equity financing obtained through the sale of common shares. While our company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

Price Risk

Our company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Our company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by our company.

Based on management's knowledge and experience of the financial markets, management does not believe that our company's current financial instruments will be affected by foreign exchange risk, credit risk, interest rate risk, liquidity risk and price risk.

Proposed Transactions

Our company does not have any proposed transactions as of the date of this report.

Additional Disclosure for Venture Issuers without Significant Revenue

During the year ended January 31, 2013 and 2012, our company incurred the following expenses:

	2013	**2012**
Capitalized acquisition costs	$26,000	$Nil
Deferred acquisition costs	$Nil	$40,000
Capitalized exploration costs	$116,165	$Nil
Operating expenses	$198,297	$99,372
Deferred financing costs	$Nil	$30,095

Please refer to Note 7 in the financial statements for the year ended January 31, 2013 for a description of the capitalized acquisition and exploration costs during the year ended January 31, 2013.

Deferred acquisition costs for the year ended January 31, 2012 included professional fees and advances relating to our company's acquisition of mineral property interests subsequent to that period. Deferred financing costs for the year ended January 31, 2012 were share issuance costs relating to the private placement closed subsequent to that period.

Additional Disclosure of Outstanding Share Data

Common Shares

Our common shares are listed on the TSX Venture Exchange under the symbol "SRJ". Our authorized share capital consists of an unlimited number of common shares without par value.

As at January 31, 2013, we had 8,200,000 common shares issued and outstanding.

Subsequent to January 31, 2013, we issued 200,000 common shares pursuant to the Otter Property option agreement. As at May 15, 2013, we had 8,400,000 common shares issued and outstanding.

As at January 31, 2013 1,500,000 common shares were held in escrow. Subsequent to January 31, 2013, 300,000 common shares were released from escrow. As at May 15, 2013, 1,200,000 common shares were held in escrow. The remaining shares will be released in amounts of 300,000 shares on August 7, 2013 and every six months thereafter.

Stock options

As at January 31, 2013 and May 15, 2013, our company had 400,000 stock options outstanding. Each stock option entitles the holder the right to purchase one common share at an exercise price of $0.10 per share until April 30, 2015.

Share Purchase Warrants

As at January 31, 2013 and May 15, 2013, our company had 4,000,000 share purchase warrants outstanding. Each share purchase warrant entitled the holder the right to purchase one common share at an exercise price of $0.10 per share until February 3, 2017.

Risk Factors

An investment in our company involves a number of risks. You should carefully consider the following risks and uncertainties in addition to other information in this report in evaluating our company and our business before making any investment decision in regards to the shares of our company's common stock. Our business, operating and financial condition could be harmed due to any of the following risks. The risks described below are not the only ones facing our company. Additional risks not presently known to us may also impair our business operations.

Risks Relating to our Financial Condition

We have had a history of losses and minimal revenue to date, which trend may continue and may negatively impact our ability to achieve our business objectives.

We have experienced net losses since inception, and expect to continue to incur substantial losses for the foreseeable future. As of January 31, 2013, our accumulated losses were $370,100 since inception. Our management expects the business to continue to experience negative cash flow for the foreseeable future and cannot predict when, if ever, our business might become profitable. Our company will require additional financing in order to conduct its future work programs on exploration and evaluation assets, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. If we are unable to raise funds on acceptable terms, we may not be able to execute our business plan, take advantage of future opportunities, or respond to competitive pressures or unanticipated requirements. This may seriously harm our business, financial condition and results of operations.

Our proposed operations require significant capital expenditures for which we may not have sufficient funding and if we do obtain additional financing, our existing shareholders may suffer substantial dilution.

We intend to make capital expenditures far in excess of our existing capital resources to acquire and explore our mineral properties. We intend to rely on external sources of financing to meet our capital requirements to continue acquiring, exploring and developing mineral properties and to otherwise implement our business plan. We plan to obtain such funding through the debt and equity markets, but we can offer no assurance that we will be able to obtain additional funding when it is required or that it will be available to us on commercially acceptable terms, if at all. In addition, any additional equity financing may involve substantial dilution to our then existing shareholders.

We have been the subject of a going concern opinion by our independent auditor who has expressed substantial doubt as to our ability to continue as a going concern.

Our independent auditor has added an explanatory paragraph to their audit report issued in connection with our annual audited financial statements for the year ended January 31, 2013 which states that our recurring losses from operations and the need to raise additional financing in order to execute our business plan raise substantial doubt about our ability to continue as a going concern. Our financial statements do not include any adjustment that might result from the outcome of this uncertainty. Assurances cannot be given that adequate financing can be obtained to meet our capital requirements. If we are unable to generate profits and unable to continue to obtain financing to meet our working capital requirements, we may have to curtail our business sharply or cease operations altogether. Our continuation as a going concern is dependent upon our ability to generate sufficient cash flow to meet our obligations on a timely basis to retain our current financing, to obtain additional financing, and, ultimately, to attain profitability. Should any of these events not occur, we will be adversely affected and we may have to cease operations.

Risks Related to our Business

Because of the unique difficulties and uncertainties inherent in mineral exploration ventures, we face a high risk of business failure.

Potential investors should be aware of the difficulties normally encountered by mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration program that we intend to undertake on our property and any additional properties that we may acquire. These potential problems include unanticipated problems relating to exploration, and additional costs and expenses that may exceed current estimates. The expenditures to be made by us in the exploration of our property may not result in the discovery of mineral deposits. Any expenditures that we may make in the exploration of any other mineral property that we may acquire may not result in the discovery of any commercially exploitable mineral deposits. Problems such as unusual or unexpected geological formations and other conditions are involved in all mineral exploration and often result in unsuccessful exploration efforts. If the results of our exploration do not reveal viable commercial mineralization, we may decide to abandon our property interests.

Because of the speculative nature of the exploration of mineral properties, there is no assurance that our exploration activities will result in the discovery of any quantities of mineral deposits on our current properties or any other additional properties we may acquire.

We intend to continue exploration on our current property and we may or may not acquire additional interests in other mineral properties. The search for mineral deposits as a business is extremely risky. We can provide investors with no assurance that exploration on our current property, or any other property that we may acquire, will establish that any commercially exploitable quantities of mineral deposits exist. Additional potential problems may prevent us from discovering any mineral deposits. These potential problems include unanticipated problems relating to exploration and additional costs and expenses that may exceed current estimates. If we are unable to establish the presence of mineral deposits on our property, our ability to fund future exploration activities will be impeded, we will not be able to operate profitably and investors may lose all of their investment in our company.

The potential profitability of mineral ventures depends in part upon factors beyond our control and even if we discover and exploit mineral deposits, we may never become commercially viable and we may be forced to cease operations.

The commercial feasibility of an exploration program on a mineral property is dependent upon many factors beyond our control, including the existence and size of mineral deposits in the properties we explore, the proximity and capacity of processing equipment, market fluctuations of prices, taxes, royalties, land tenure, allowable production and environmental regulation. These factors cannot be accurately predicted and any one or a combination of these factors may result in us not receiving an adequate return on invested capital. These factors may have material and negative effects on our financial performance and our ability to continue operations.

Exploration and exploitation activities are subject to comprehensive regulation which may cause substantial delays or require capital outlays in excess of those anticipated causing an adverse effect on us.

Exploration and exploitation activities are subject to federal, provincial, state and local laws, regulations and policies, including laws regulating the removal of natural resources from the ground and the discharge of materials into the environment. Exploration and exploitation activities are also subject to federal, provincial, state and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of drilling methods and equipment.

Environmental and other legal standards imposed by federal, provincial, state or local authorities may be changed and any such changes may prevent us from conducting planned activities or may increase our costs of doing so, which would have material adverse effects on our business. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on us. Additionally, we may be subject to liability for pollution or other environmental damages that we may not be able to or elect not to insure against due to prohibitive premium costs and other reasons. Any laws, regulations or policies of any government body or regulatory agency may be changed, applied or interpreted in a manner which will alter and negatively affect our ability to carry on our business.

Title to mineral properties is a complex process and we may suffer a material adverse effect in the event one or more of our property interests are determined to have title deficiencies.

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. We cannot give an assurance that title to our property will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that we do not have title to one or more of our properties could cause us to lose any rights to explore, develop and mine any minerals on that property, without compensation for our prior expenditures relating to such property.

We have a very small management team and the loss of any member of our team may prevent us from implementing our business plan in a timely manner.

We have two executive officers and a limited number of additional consultants upon whom our success largely depends. We do not maintain key person life insurance policies on our executive officers or consultants, the loss of which could seriously harm our business, financial condition and results of operations. In such an event, we may not be able to recruit personnel to replace our executive officers or consultants in a timely manner, or at all, on acceptable terms.

Because our property interests may not contain mineral deposits and because we have never made a profit from our operations, our securities are highly speculative and investors may lose all of their investment in our company.

Our securities must be considered highly speculative, generally because of the nature of our business and our stage of operations. We currently have exploration stage property interests which may not contain mineral deposits. We may or may not acquire additional interests in other mineral properties but we do not have plans to acquire rights in any specific mineral properties as of the date of this report. Accordingly, we have not generated significant revenues nor have we realized a profit from our operations to date and there is little likelihood that we will generate any revenues or realize any profits in the short term. Any profitability in the future from our business will be dependent upon locating and exploiting mineral deposits on our current properties or mineral deposits on any additional properties that we may acquire. The likelihood that any mineral properties that we may acquire or have an interest in will contain commercially exploitable mineral deposits is extremely remote. We may never discover mineral deposits in respect to our current properties or any other area, or we may do so and still not be commercially successful if we are unable to exploit those mineral deposits profitably.

As we face intense competition in the mineral exploration and exploitation industry, we will have to compete with our competitors for financing and for qualified managerial and technical employees.

Our competition includes large established mining companies with substantial capabilities and with greater financial and technical resources than us. As a result of this competition, we may have to compete for financing and be unable to acquire financing on terms we consider acceptable. We may also have to compete with the other mining companies for the recruitment and retention of qualified managerial and technical employees. If we are unable to successfully compete for financing or for qualified employees, our exploration programs may be slowed down or suspended, which may cause us to cease operations.

Our future is dependent upon our ability to obtain financing and if we do not obtain such financing, we may have to cease our exploration activities and investors could lose their entire investment.

There is no assurance that we will operate profitably or will generate positive cash flow in the future. We require additional financing in order to proceed with the exploration and development of our property. We will also require additional financing for the fees we must pay to maintain our status in relation to the rights to our properties and to pay the fees and expenses necessary to operate as a public company. We will also need more funds if the costs of the exploration of our mineral claims are greater than we anticipated. We will require additional financing to sustain our business operations if we are not successful in earning revenues. We will also need further financing if we decide to obtain additional mineral properties. We currently do not have any arrangements for further financing and we may not be able to obtain financing when required. Our future is dependent upon our ability to obtain financing. If we do not obtain such financing, our business could fail and investors could lose their entire investment.

Complying with environmental and other government regulations could be costly and could negatively impact our production.

Our business is governed by numerous laws and regulations at various levels of government. These laws and regulations govern the operation and maintenance of our facilities, the discharge of materials into the environment and other environmental protection issues. Such laws and regulations may, among other potential consequences, require that we acquire permits before commencing mining operations and restrict the substances that can be released into the environment.

Under these laws and regulations, we could be liable for personal injury, clean-up costs and other environmental and property damages, as well as administrative, civil and criminal penalties. Prior to commencement of mining operations, we may secure limited insurance coverage for sudden and accidental environmental damages as well as environmental damage that occurs over time. However, we do not believe that insurance coverage for the full potential liability of environmental damages is available at a reasonable cost. Accordingly, we could be liable, or could be required to cease production on properties, if environmental damage occurs.

The costs of complying with environmental laws and regulations in the future may harm our business. Furthermore, future changes in environmental laws and regulations could result in stricter standards and enforcement, larger fines and liability, and increased capital expenditures and operating costs, any of which could have a material adverse effect on our financial condition or results of operations.

Risks Related to our Common Stock

Because we do not intend to pay any cash dividends on our shares of common stock in the near future, our shareholders will not be able to receive a return on their shares unless they sell them.

We intend to retain any future earnings to finance the development and expansion of our business. We do not anticipate paying any cash dividends on our common stock in the near future. The declaration, payment and amount of any future dividends will be made at the discretion of the board of directors, and will depend upon, among other things, the results of operations, cash flows and financial condition, operating and capital requirements, and other factors as the board of directors considers relevant. There is no assurance that future dividends will be paid, and if dividends are paid, there is no assurance with respect to the amount of any such dividend. Unless we pay dividends, our shareholders will not be able to receive a return on their shares unless they sell them.

A decline in the price of our common stock could affect our ability to raise further working capital and adversely impact our ability to continue operations.

A prolonged decline in the price of our common stock could result in a reduction in the liquidity of our common stock and a reduction in our ability to raise capital. Because a significant portion of our operations have been and will be financed through the sale of equity securities, a decline in the price of our common stock could be especially detrimental to our liquidity and our operations. Such reductions may force us to reallocate funds from other planned uses and may have a significant negative effect on our business plan and operations, including our ability to develop new products and continue our current operations. If our stock price declines, we can offer no assurance that we will be able to raise additional capital or generate funds from operations sufficient to meet our obligations. If we are unable to raise sufficient capital in the future, we may not be able to have the resources to continue our normal operations.

The market price for our common stock may also be affected by our ability to meet or exceed expectations of analysts or investors. Any failure to meet these expectations, even if minor, may have a material adverse effect on the market price of our common stock.

Management's Responsibility for Financial Statements

Information provided in this MD&A, and in the accompanying financial statements, is the responsibility of management. In the preparation of this MD&A and the financial statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. Management has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Lack of optimal segregation of duties has been observed due to the relatively small size of our company, but management believes that these weaknesses have been adequately mitigated through management and director oversight.

Additional Information

We file annual and interim reports, information circulars and other information with certain Canadian securities regulatory authorities. The documents filed with the Canadian securities regulatory authorities are available at http://www.sedar.com.