KARIANA RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

December 31, 2013

GENERAL

The following information, prepared as of March 24, 2014, should be read in conjunction with the audited financial statements of Kariana Resources Inc. (the "Company" or "Kariana") for the year ended December 31, 2013 and December 31, 2012. The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

During the year ended December 31, 2013, the Company's critical accounting estimates and significant accounting policies have remained substantially unchanged and are still applicable to the Company unless otherwise indicated. All amounts are expressed in Canadian dollars unless noted otherwise.

The risk factors identified in previous management's discussion and analysis (the "MD&A") have also remained substantially unchanged but the risk factor of future financings has assumed a greater importance to the Company in view of the current economic climate and stock market volatility. Management has assessed and will continue to address the implications of recent events in order to ensure that Kariana can continue to achieve its long term objectives.

CAUTIONARY NOTE REGARDING FORWARDING LOOKING STATEMENTS

Certain statements contained in the foregoing management discussion & analysis (the "MD&A") constitutes forward-looking statements. Such forward-looking statements involve a number of 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.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below.

DESCRIPTION OF BUSINESS

The Company was incorporated on September 14, 2010 pursuant to the *Business Corporations Act*, British Columbia. The Company's principal business activity is the exploration of mineral properties. The Company's shares commenced trading on the Canadian Securities Exchange (formerly Canadian Stock Exchange) under the trading symbol "KAA" on August 17, 2011.

CHANGES IN MANAGEMENT

On May 21, 2013, Joel Dumaresq resigned his position as the CEO of the Company. On May 22, 2013, Nicholas Miller was appointed as the CEO and director of the Company. On May 28, 2013, Isaac Moss was appointed as a director of the Company. On June 21, 2013, Lawrence Dick resigned his position as a director of the Company. On December 3, 2013, Nicholas Miller resigned his position as the CEO and director of the Company. On December 9, 2013, Isaac Moss resigned his position as director of the Company. On December 13, 2013, David Velisek, the Company's director, was appointed as the CEO of the Company, and Savio Chiu was appointed a director of the Company. On December 16, 2013, Christian Klingebiel resigned his position as a director of the Company.

The Company's Board of Directors now consists of following: Savio Chiu, Herrick Lau, and David Velisek.

OVERALL PERFORMANCE

The following discussion of the Company's financial performance is based on the audited financial statements for the year ended December 31, 2013 and December 31, 2012.

The audited statements of financial position as of December 31, 2013 indicate a cash position of $1,140 (2012 - $347,959) and total current assets of $70,023 (2012 - $395,219). The decrease in total current assets was mainly due to management fees and consulting fees incurred during the year ended December 31, 2013. Non-current assets at December 31, 2013 totalled $Nil (2012 - $138,393).

Current liabilities at December 31, 2013 total $1,707 (2012 - $23,496). Shareholders' equity is comprised of share capital of $1,022,791 (2012 - $1,022,791), reserves of $102,314 (2012 - $214,485) and accumulated deficit of $1,056,789 (2012 - $727,160) for a net $23,316 (2012- $510,116).

Working capital, which is current assets less current liabilities, is $68,316 at December 31, 2013 compared to $371,723 at December 31, 2012. Management believes that there is sufficient working capital to cover potential option payments, mineral property exploration projects and maintain its day-to-day operations.

During the year ended December 31, 2013, the Company reported a net loss of $441,800 ($0.15 basic and diluted loss per share) compared to a net loss of $459,229 ($0.15 basic and diluted loss per share) during the year ended December 31, 2012. Losses in the year ended December 31, 2013 represent operating expenses of $492,072 (2012 – $459,338) and interest and other income of $50,272 (2012 – $109).

The weighted average number of common shares outstanding for the year ended December 31, 2013 was 3,006,250 (2012 – 2,986,100).

COMPARISON RESULTS OF OPERATIONS

During the year ended December 31, 2013, the Company reported a net loss of $441,800 (2012 - $459,229) and a basic and diluted loss per share of $0.15 (2012 - $0.15). The net loss of $441,800 was due to accounting fees of $12,720 (2012 - $15,780), consulting fees of $161,471 (2012 - $185,282), legal fees of $16,903 (2012 – 7,668), management fee of $92,500 (2012 – $75,000), meals and travel expenses of $15,673 (2012 – 4,598), office general expenses of $9,159 (2012 - $5,403), project investigation of $15,825 (2012 - $Nil), share-based payments of $Nil (2012 – 148,388), transfer agent and filing fees of $19,828 (2012 - $17,219) in connection with monthly transfer agent services and regular filing with Canadian Securities Exchange (CSE) and securities commission, and write-off of mineral properties of $147,993 (2012 - $Nil).During the year ended December 31, 2013 expenses were offset by interest income of $2,574 (2012 - $109) and cost recoveries of $47,698 (2012 - $Nil).

The increase in legal fees to $16,903 from $7,668 was due to legal services relating to general corporate matters and proposed share consolidation during the year ended December 31, 2013.

The increase in management fee to $92,500 from $75,000 was due two new consulting contracts the Company entered into with the Company's former officer and directors during the year ended December 31, 2013.

The increase in project investigation fee to $15,825 from $Nil was due to project feasibility study relating to the Company's mineral properties during the year ended December 31, 2013.

The increase in write-off of mineral properties to $147,993 from $Nil was due to the termination of option agreement related to the Company's South Baird Property on July 8, 2013, and the property was written off of during the reporting period ended June, 2013.

During the year, there were no revenues aside from the interest income of $2,574 and cost recoveries of $47,698 as the Company was still in the acquisition and exploration stage. Costs incurred during the year ended December 31, 2013 were primarily related to general and administrative activities.

As the Company is a junior mineral exploration company without any significant revenue, it will continue to require funds to meet its ongoing day-to-day operating requirements and will have to continue to rely on equity and debt financing during the year. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular year or if available, that it can be obtained on terms satisfactory to the Company.

KARIANA RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

December 31, 2013

SELECTED ANNUAL INFORMATION

The following table sets out selected financial information derived from the Company's audited financial statements for the two most recently completed financial years. These financial data are prepared in accordance with IFRS.

	Year Ended December 31, 2013	Year Ended December 31, 2012	Year Ended December 31, 2011
	$	$	$
OPERATIONS			
Revenue	Nil	Nil	Nil
Net Loss	(441,800)	(459,229)	(260,215)
Other income	50,272	109	51
Basic and diluted loss per share	(0.15)	(0.15)	(0.11)
BALANCE SHEET			
Working capital (deficiency)	68,316	371,723	717,811
Total assets	70,023	533,612	823,374
Total non-current liabilities	Nil	Nil	Nil
Cash dividends declared	Nil	Nil	Nil

During the year ended December 31, 2013 the Company incurred a net loss of $441,800 ($0.15 basic and diluted loss per share) compared to a net loss of $459,229 ($0.15 basic and diluted loss per share) for the year ended December 31, 2012 and a net loss of $260,215 ($0.11 basic and diluted loss per share) for the year ended December 31, 2011. The net loss was mainly due to four major categories of expenses. The categories are accounting and legal fees, consulting and management fees, transfer agent and filing fees and write-off of mineral properties incurred during the year. Additional explanations for the fluctuation in net loss are summarized below:

Accounting and Legal Fees

For the 2013 fiscal year, $12,720 in accounting fees was recorded compared to $15,780 accounting fees in fiscal 2012 and $16,030 accounting fees in fiscal 2011. The accounting fees was recorded for the audit services provided for the financial statements and T2 corporate income tax return filing for the year ended December 31, 2012.

For the 2013 fiscal year, $16,903 in legal fees was recorded compared to $7,668 legal fees in fiscal 2012 and $2,963 legal fees in fiscal 2011. Legal fees were incurred mainly due to general corporate matters and proposed share consolidation.

Consulting and Management Fees

For the 2013 fiscal year, $161,471 in consulting fees was recorded compared to $185,282 consulting fees in fiscal 2012 and $70,578 consulting fees in fiscal 2011. During fiscal 2011, the Company entered into a consulting agreement with an advisory firm for accounting and administrative services ("Advisory Services") for a monthly fee of $15,000 in fiscal 2011 and 2012, and a monthly fee of $10,000 in fiscal 2013. For the year ended December 31, 2013, the Company has paid consulting fees of $120,000 for the Advisory Services compared to $180,000 in 2012 and $60,000 in 2011, and geological consulting fees of $270 in 2013 compared to $855 in 2012 and $1,135 in 2011 to the advisory firm. In fiscal 2013, $35,000 was recorded as business development and advisory service fee from another advisory firm compared to $Nil in 2012 and $Nil in 2011. The Company has also incurred $6,201 in IT consulting services during fiscal 2013 compared to $4,427 in 2012 and $9,443 in 2011.

For the 2013 fiscal year, $92,500 in management fees was recorded due to payments to key management personnel and entities over which they have control or significant influence (related party transactions) compared to $75,000 in fiscal 2012 and $Nil in fiscal 2011.

Transfer Agent and Filing Fees
For the 2013 fiscal year, $19,828 in transfer agent and filing fee was recorded in connection with regular filing with CSE and securities commission compared to $17,219 in fiscal 2012 and $27,981 in fiscal 2011.

Write-off of Mineral Properties
For the 2013 fiscal year, $147,993 was recorded as write-off of mineral properties compared to $Nil in fiscal 2012 and $Nil in fiscal 2011 due to the termination of the option agreement related to the Company's South Baird Property on July 8, 2013. The property was written off during the June 30, 2013 reporting period.

Total Assets
Total assets decreased from $533,612 as at December 31, 2012 (December 31, 2011 - $823,374) to $70,023 as at December 31, 2013. Total assets as at December 31, 2013 consist of cash, short term investment and receivables. The decrease was mainly due to write-off of the Company's South Baird Property on July 8, 2013.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected unaudited financial information of the Company for the eight most recently quarters of operations. This information is derived from unaudited quarterly financial statements prepared by management. These financial data are prepared in accordance with IFRS.

	Qtr 4 December 31, 2013	**Qtr 3 September 30, 2013**	**Qtr 2 June 30, 2013**	**Qtr 1 March 31, 2013**	**Qtr 4 December 31, 2012**	**Qtr 3 September 30, 2012**	**Qtr 2 June 30, 2012**	**Qtr 1 March 31, 2012**
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Loss	$72,965	$83,580	$212,290	$72,965	$74,537	$74,266	$85,376	$225,050
Basic and diluted loss per share	$0.02	$0.03	$0.07	$0.02	$0.02	$0.02	$0.03	$0.08
Total assets	$70,023	$187,761	$275,336	$497,255	$533,612	$595,588	$682,842	$765,349
Working Capital	$68,316	$141,282	$224,862	$298,758	$371,723	$443,538	$555,022	$640,398

Net Loss

Overall, management, consulting, accounting, project investigation, share-based payments and write-off of mineral properties are the major components that caused variances in net losses from quarter to quarter.

During the quarter ended December 31, 2013, the major expenses of the Company are the management fees of $30,000 and consulting fees of $67,407.

During the quarter ended September 30, 2013, the major expenses of the Company are the management fees of $40,000 and consulting fees of $31,897.

During the quarter ended June 30, 2013, the major expenses of the Company are the write-off of mineral properties of $147,993, consulting fees of $31,120 and project investigation expenses of $15,825.

During the quarter ended March 31, 2013, the major expenses of the Company are the consulting fees of $31,047, management fees of $22,500 and accounting fees of $11,220.

During the quarter ended December 31, 2012, the major expenses of the Company are the consulting fees of $46,047 and management fees of $22,500.

During the quarter ended September 30, 2012, the major expenses of the Company are the consulting fees of $46,902 and management fees of $22,500.

During the quarter ended June 30, 2012, the major expenses of the Company are the consulting fees of $46,287 and management fees of $22,500.

During the quarter ended March 31, 2012, the major expenses of the Company are the accounting fees of $14,280, consulting fees of $46,047, management fees of $7,500 and share-based payments of $148,389.

Fourth Quarter

In the fourth quarter ended December 31, 2013, the Company incurred a net loss of $72,965 (2012 - $74,537). The current period's loss was mainly caused by consulting fees of $67,407 (2012 - $46,047) and management fees of $30,000 (2012 – $22,500).

Working Capital

Working capital for the quarter ended December 31, 2012 decreased compared to the previous quarters due to management fees, consulting fees and general office administrative expenditures.

MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

On September 21, 2010, the Company signed an option agreement (the "Option Agreement") with optionor to acquire an undivided 100% interest in the South Baird Property, subject to a 2% NSR to the optionor, with an option buyout of 50% of the NSR for $1,000,000 upon or prior to the commencement of commercial production. The South Baird Property is located in the District of Red Lake Mining in the province of Ontario.

The Company entered into a finder's fee agreement dated November 25, 2010 in connection with the acquisition of the South Baird Property. The Company paid finder's fee in cash of $25,000 and issued 18,750 common shares on December 23, 2010.

Pursuant to the Option Agreement, the Company issued 25,000 common shares at $0.80 per share to the optionor on August 17, 2011 after the completion of the Company's IPO.

On July 8, 2013, the Company terminated the Option Agreement. The Company wrote off all the related exploration and evaluation assets expenses of the South Baird Property.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2013, the Company's cash and cash equivalents balance was recorded as $1,140 (2012 – $347,959) and the Company had a working capital of $68,316 (2012 - $371,723). As at December 31, 2013, the Company has share capital of $1,022,791 (2012 – $1,022,791) representing 3,006,250 (2012 – 3,006,250) common shares, reserves of $102,314 (2012 – $214,485) and an accumulated deficit of $1,056,789 (2012 – $727,160).

The Company has not yet put into commercial production any of its mineral properties and therefore has no operating revenues. Accordingly, the Company is dependent on the equity markets as its sole source of operating working capital. The Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

The Company will have to continue to rely on equity and debt financing. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company.

CONTRACTUAL OBLIGATIONS

A summary of our contractual obligations at December 31, 2013 is detailed in the table below.

Contractual Obligations	Payments Due by Period				
	Total	**Less than 1 Year**	**1 – 3 Years**	**4 – 5 Years**	**After 5 Years**
Accounts Payable, Accrued and other Liabilities	$1,707	$1,707	N/A	N/A	N/A
Total	**$1,707**	**$1,707**	**N/A**	**N/A**	**N/A**

Management believes that the Company has sufficient cash to meet its current obligation for the next twelve months.

OFF BALANCE SHEET ARRANGEMENTS

To the best of management's knowledge, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

TRANSACTIONS WITH RELATED PARTIES

The Company paid or accrued amounts to related parties during the period ended December 31, 2013 as follows:

Services provided by:		Year Ended December 31, 2013	2012
Baron Global Financial Canada Ltd.	a	$120,270	$180,855
Compensation to key management	b	$35,000	-
Littlehampton Capital Corp.	c	$35,000	-
Pashleth Investment Ltd.	d	$22,500	75,000

a) Baron Global Financial Canada Ltd. ("Baron") is related by way of a director, who is also the managing director of Baron.

b) On July 1, 2013, the Company entered into a consulting agreement with a former director of the Company for strategic planning services. The agreement began on July 1, 2013 and was terminated on December 9, 2013 when the director resigned as a director of the Company. The fee was $5,000 per month for 6 months. The Company also paid $5,000 to the former director as a signing bonus.

c) On July 1, 2013, the Company entered into a consulting agreement with Littlehampton Capital Corp. ("Littlehampton"), a company owned by the former CEO and director of the Company for strategic planning services. The agreement began on July 1, 2013 and was terminated on December 3, 2013 when the CEO and director resigned as the CEO and director of the Company. The fee was $5,000 per month for 6 months. The Company also paid $5,000 to Littlehampton as a signing bonus.

d) Pashleth Investment Ltd. ("Pashleth") is owned by the former CEO and director of the Company. As of December 31, 2013, the former CEO and director forgave amounts owing of $45,000 which has been recorded as a cost recovery.
Related Party Payable:

	Year Ended December 31, 2013	2012
Pashleth Investment Ltd.	-	$22,500

PROPOSED TRANSACTIONS

The Company does not currently have any proposed transactions approved by the Board of Directors. All current transactions are fully disclosed in the audited financial statements for the year ended December 31, 2013.

SIGNIFICANT ACCOUNTING POLICIES AND CRITIAL ACCOUNTING ESTIMATES

All significant accounting policies and critical accounting estimates are fully disclosed in Note 2 of the audited financial statements for the year ended December 31, 2013.

FINANCIAL INSTRUMENTS

All financial assets and financial liabilities are initially recorded at fair value and designated upon inception into one of the following categories: held-to-maturity, available-for-sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Held-to-maturity instruments, loans and receivables and financial liabilities not at fair value through profit and loss are measured at amortized cost using the effective interest rate method.

The Company has implemented the following classifications for its financial instruments:

a) Cash has been classified as FVTPL;
b) Short-term investments have been classified as FVTPL;
c) Receivables have been classified as loans and receivables; and
d) Payables and accruals have been classified as financial liabilities not at fair value through profit and loss.

Assets measured at fair value on a recurring basis were presented on the Company's balance sheet as at December 31, 2013 as follows:

	Fair Value Measurements Using				
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, December 31, 2013 $	Balance, December 31, 2012 $
Cash	1,140	-	-	1,140	347,959
Short-term investment	54,500	-	-	54,500	11,500

The Company's financial instruments are exposed to a number of financial and market risks, including credit, liquidity, interest rate and currency risks. The Company may, or may not, establish from time to time active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of its operations would warrant such hedging activities.

Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash and short term investment with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest-bearing assets in relation to cash at banks and GIC carried at floating interest rates with reference to the market. The Company's operating cash flows are substantially independent of changes in market interest rates. The Company has not used any financial instrument to hedge potential fluctuations in interest rates. The exposure to interest rates for the Company is considered minimal. The Company has no interest bearing borrowings.

The policies to manage interest rate risk have been followed by the Company during the prior year and are considered to be effective.

Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

OTHER MD&A DISCLOSURE REQUIREMENTS

Disclosure of Outstanding Share Data

The Company's issued and outstanding share capital as at the date of this report is as follows:
(1) Authorized: Unlimited common shares without par value.
(2) As at the date of this MD&A, the Company has 3,006,250 common shares, 157,500 options issued and outstanding.

Additional Disclosure For Junior Issuers

The Company has expensed the following material cost components:

	Year ended December 31, 2013 $	Year ended December 31, 2012 $
Consulting fees	161,471	185,282
Transfer agent and filing fees	19,828	17,219
Legal fees	16,903	7,668
Write-off of mineral properties	147,993	-
Management fees	92,500	75,000

Consulting fees of $161,471 (Dec 31, 2012 – $185,282) included $155,000 financial advisory fees paid to two consulting firms affiliated to the officers and directors of the Company, $6,201 paid for IT consulting services to the Company's IT consulting company and $270 paid to the Company's geologist.
Transfer agent and filing fees of $19,828 (Dec 31, 2012 - $17,219) are in connection with regular filing with CSE and securities commission and monthly transfer agent services.

Legal fees of $16,903 (Dec 31, 2012 - $7,668) included legal services in connection with general corporate matters and proposed share consolidation.

Write-off of mineral properties of $147,993 (Dec 31, 2012 - $Nil) was related to the termination of the option agreement related to the Company's South Baird Property on July 8, 2013. The property was written during the June 30, 2013 reporting period.

Management fees of $92,500 (Dec 31, 2012 - $75,000) was related to the strategic planning services provided by former officers and directors of the Company.

The Company capitalized the following exploration and development costs:

South Baird Property, Ontario, Canada

	$
Balance December 31, 2011	103,145
Acquisition Costs	20,000
Exploration Costs	
Report and assays	208
Field expenses and others	2,304
Geological consulting	12,736
Balance December 31, 2012	138,393
Alteration study	9,600
Write-off during the period	(147,993)
Balance December 31, 2013	-

FUTURE ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards and interpretations have been published that are not mandatory for the December 31, 2013 reporting period. The following standards are assessed not to have any impact on the Company's financial statements:

(a) Amendment to IAS 1, Presentation of Financial Statements

The amendments to IAS 1 revised the presentation of other comprehensive income (OCI). Separate subtotals are required for items which may subsequently be recycled through profit or loss and items that will not be recycled through profit or loss. The Company has updated the presentation of OCI on the face of the Statement of Comprehensive Income.

(b) IFRS 13, Fair Value Measurements

IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.
The adoption of IFRS 13 by the Company has had no material impact. The fair value of the available-for-sale investment has been determined directly by reference to published price quotations in an active market. Prior to adoption of IFRS 13 the Company measured the available for sale investment on the same basis.

In addition, the following new or amended standards and interpretations that are mandatory for 2013 annual periods have not had a material impact on the Company:

- IFRS 7 Financial Instruments: Disclosures: Amendments – Offsetting Financial Assets and Financial Liabilities

- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosures of Interests in Other Entities
- IAS 19 Employee Benefits (Amendments)
- IFRIC 20 Stripping Costs in the Production Phases of a Surface Mine

RISKS AND UNCERTAINTIES

The Company is engaged in the exploration and development of mineral properties. These activities involve a high degree of risk which, even with a combination of experience, knowledge and careful evaluation, may not be overcome. Consequently, no assurance can be given that commercial quantities of minerals will be successfully found or produced.

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many common risks to new and developing enterprises, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a positive return on shareholders' investment.

The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

The Company's property interests are located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development and production facilities on mineral properties. Power may need to be generated on site.

The mineral industry is intensely competitive in all its phases. The Company competes with many other mineral exploration companies who have greater financial resources and technical capacity.

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

SUBSEQUENT EVENTS

On January 13, 2014, the Board of Directors of the Company approved a consolidation of the Company's issued and outstanding common shares on the bases of four (4) pre consolidation common shares for one (1) post-consolidated common share (the "Consolidation"). The Company had 12,025,000 issued and outstanding common shares before the Consolidation, and the Company now has 3,006,250 common shares issued and outstanding following the Consolidation. Outstanding stock options and warrants were similarly adjusted by the consolidation ratio.

The consolidated common shares commenced trading on the Canadian Securities Exchange on Monday, January 27, 2014 under current name "Kariana Resources Inc.", and under current stock symbol" KAA".

ADDITIONAL INFORMATION

Additional information about the Company is available for viewing on SEDAR at www.sedar.com.