



**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the three and nine months ended January 31, 2014

**RED ORE GOLD INC.**  
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**For the Three and Nine Months Ended January 31, 2014**  
**(Information as at March 27, 2014 unless otherwise noted)**

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**Cautionary Statements**

Forward-Looking Information

Except for statements of historical fact relating to Red Ore Gold, certain statements contained in this MD&A constitute forward-looking information, future oriented financial information or financial outlooks (collectively "forward-looking information") within the meaning of Canadian securities laws. Forward-looking information may relate to this document and other matters identified in Red Ore Gold's public filings, Red Ore Gold's future outlook and anticipated events or results and in some cases can be identified by terminology such as "may", "will", "could", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "projects", "predict", "potential", "targeted", "possible", "continue", "objective" or other similar expressions concerning matters that are not historical facts and include, commodity prices, access to sufficient capital resources, mineral resources, mineral reserves, realization of mineral reserves, existence or realization of mineral resource estimates, results of exploration activities, the timing and amount of future production, the timing of construction of the proposed mine and process facilities, the timing of cash flows, capital and operating expenditures, the timing of receipt of permits, rights and authorizations, communications with local stakeholders and community relations, employee relations, settlement of disputes, status of negotiations of joint ventures, availability of financing and any and all other timing, development, operational, financial, economic, legal, regulatory and political factors that may influence future events or conditions. Such forward-looking statements are based on a number of material factors and assumptions including but not limited in any manner, those disclosed in any other of Red Ore Gold's public filings and include the ultimate determination of mineral reserves, availability and final receipt of required approvals, licenses and permits, ability to acquire necessary surface rights, sufficient working capital to develop and operate the proposed mine, access to adequate services and supplies, economic conditions, commodity prices, foreign currency exchange rates, interest rates, access to capital and debt markets and associated cost of funds, availability of a qualified work force, positive employee relations, lack of social opposition and legal challenges, ability to settle disputes and the ultimate ability to mine, process and sell mineral products on economically favorable terms. While Red Ore Gold considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in other Red Ore Gold filings. Forward-looking statements are based upon management's beliefs, estimate and opinions on the date the statements are made and, other than as required by law, Red Ore Gold does not intend and undertakes no obligation to update any forward-looking information to reflect, among other things, new information or future events.

This MD&A includes but is not limited to, forward looking statements regarding: the potential and planned exploration on the Company's properties; the Company's ability to meet its working capital needs for the twelve-month period ending January 31, 2015; the plans, costs, capital and timing of future exploration and development of the Company's property interest in Nevada; the Company's ability to find strategic partnerships for its Bottle Creek property, the Company's ability to obtain a listing on a Canadian stock exchange, the Company's ability to achieve a settlement with creditors on old outstanding accounts payable.

## **INTRODUCTION**

The following provides Management's Discussion and Analysis of the financial position of Red Ore Gold Inc. ("the Company") and the results of operations of the Company for the three and nine months ended January 31, 2014. Management's Discussion and Analysis was prepared by Company management and approved by the Board of Directors on March 27, 2014.

All figures are presented in Canadian dollars (unless otherwise indicated) and are in accordance with International Financial Reporting Standards ("IFRS"). These statements together with the following Management Discussion and Analysis dated March 27, 2014, are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to potential future performance. Red Ore Gold's consolidated financial statements were prepared in accordance with IFRS. All amounts in this MD&A are expressed in Canadian dollars ("CAD"), unless otherwise noted.

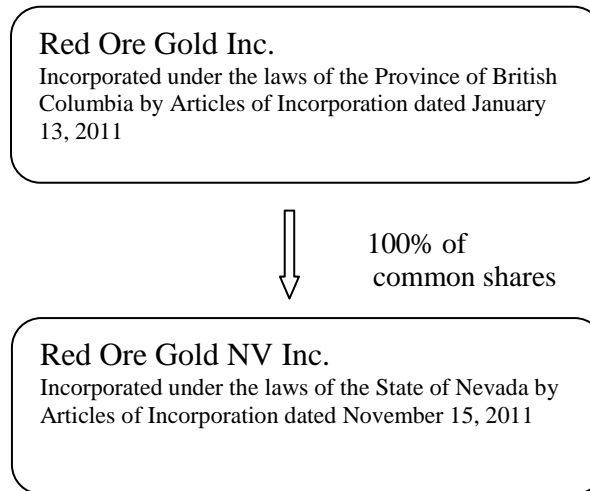
## **NATURE OF OPERATIONS**

### Corporate summary

Red Ore Gold is an exploration stage junior mining company engaged in the identification, acquisition, evaluation and exploration of precious and base metals with mineral properties in the United States. At the date of these consolidated financial statements, the Company has not determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of amounts recorded for mineral exploration properties and deferred exploration expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these reserves and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties. Red Ore Gold Inc. (the "Company" or "Red Ore") was incorporated under the name "Red Ore Gold Inc." under the laws of the Province of British Columbia by Articles of Incorporation dated January 13, 2011.

The primary office is located at 3643 Marine Drive, West Vancouver, British Columbia, V7V 1N3 with the operating office located at #205-2742 St Joseph Blvd, Orleans, Ontario, Canada, K1C 1G5.

## GROUP STRUCTURE



### Highlights

Highlights for the three and nine months ended January 31, 2014 include:

- Completed a private placement for gross proceeds of \$110,000, through the issuance of 1,100,000 common shares.
- Michael Newman has relinquished his position as director of the Company and Pat Purdy resigned as the Corporate Secretary.
- During the nine months ended January 31, 2014, reached settlements with some of its creditors allowing it to write off accounts payable balances in the amount of \$276,554 related primarily to its prior business that had remained unpaid for several years.

### Revenue Canada seized bank accounts

On March 19, 2014, Revenue Canada (“CRA”) provided notice to the Company that the bank accounts would be seized and cleared to pay the outstanding sales tax liability. On March 21, 2014, CRA withdrew all of the funds in the Company’s Canadian and US bank accounts. This left an outstanding balance of approximately \$26,000. Management has reached an agreement with CRA to pay the outstanding balance in 6 installments ending September 30, 2014.

### Listing Application

The Company plans to complete a listing application with the Canadian Stock Exchange (“CSE”) when the drill program along with a 43-101 on the Rye Patch property is completed. Management anticipates the completion of a drill program in the summer of 2014.

## FOCUSED EXPLORATION

The Company has one flag ship property which is its Rye Patch property in Nevada, USA. All proposed exploration to be carried out in 2014 will be done on this project. Management is planning a drill program on this property in the summer of 2014 if sufficient funding is available.

Management is considering divesting its interest in the Bottle Creek property. There is no work program in place for 2014 on the Bottle Creek property.

## ON-GOING PROJECTS

Listed below is a summary of the main projects and their status:

Country	Project	Commodity	Status at January 31, 2014	2014 Plans	Red Ore Ownership	Financial Statements
United States	Bottle Creek	Gold	No work program has been proposed for this project.	Divest this property.	60% (pending notice of dilution)	Held in Golden Gryphon USA.
United States	Rye patch	Gold/Silver	Signed lease option agreement	Commence initial drill exploration program summer of 2014.	100%	Held in Red Ore Gold NV Inc.

## Mineral resources and mineral reserves

The Corporation has no known mineral reserves as defined by and compliant with the requirements of National Instrument 43-101.

## Exploration and evaluation expenditures

During the nine months ended January 31, 2014, the Company incurred \$48,671 of exploration and evaluation expenses to keep the property in good standing. All of the costs incurred were property maintenance costs.

## Bottle Creek Property – Nevada

On September 5, 2012, the Company had received notice from Golden Gryphon that Red Ore was delinquent on the cash calls made and as a result would see its ownership diluted. Red Ore as at January 31, 2014, has not yet received notice of the percentage of dilution in its interest in Bottle Creek exploration claims.

The business relationship between Golden Gryphon and Red Ore remains contentious. The company is currently looking at potential joint venture or option agreements to fund or divest this project.

## **Rye Patch Property - Nevada**

On November 5, 2011, the Company announced that it had signed a definitive Option Lease Agreement Gold Range Company LLC (GRC). The Rye Patch property is comprised of 75 unpatented lode claims and one patented lode claim, covers approximately 1,500 acres and 2.5 miles of prospective strike length over the productive Humboldt Thrust Fault.

The terms of the definitive Option Lease Agreement are:

- 1) The Company will make a US\$10,000 payment upon signing the Letter of Intent (paid);
- 2) The Company will make a US\$10,000 payment upon signing the option lease agreement (paid);
- 3) The Company will make a US\$20,000 payment on the 1st anniversary of signing the lease option agreement (paid);
- 4) The Company will make a US\$30,000 payment on the 2nd anniversary of signing the lease option agreement (paid);
- 5) The Company will make a US\$50,000 payment on the 3rd anniversary of signing the lease option agreement;
- 6) The Company will make a US\$100,000 payment on the 4th anniversary of signing the lease option agreement;
- 7) The Company will make a US\$ 200,000 payment on the 5th anniversary of signing the lease option agreement and thereafter for a total of 20 years renewable in 20 year increments.

The advance royalty payments shall be deductible from future production royalties.

GRC retains a 5% NSR which shall be subject to a buy-down clause in favour of RXX to 3% NSR for US\$3,000,000 and to an additional buy-down to 1.5% NSR for an additional amount of US\$3,000,000. The advance production royalty payments shall be deductible from future production royalties. There are no work commitments in the deal.

The Rye Patch property, including the historic Rye Patch Group Mine, is believed to host the potential to develop both additional high-grade veins and also large gold-silver bulk mineable mineralization similar to the adjacent Florida Canyon and Standard open pit/heap leach mines, hosted in carbonate rocks of the Triassic age Grass Valley, Natchez Pass and Prida Formations. The Rye Patch property is comprised of 75 unpatented lode claims and one patented lode claim, covering approximately 600 hectares (1,500 acres) and 4 km (2.5 miles) of prospective strike length over the productive Humboldt Thrust Fault. Also located on this mineralized trend are the Standard Mine 8.3 kilometers (5.2 miles) to the north, and the Coeur Rochester Mine 17.3 kilometers (10.8 miles) to the south.

Discovered about 1860, the Rye Patch Mine is reported by the Nevada Bureau of Mines and Geology to have produced more than 600,000 ounces of silver by 1870. In 1954 they reported that 80 tons of high grade tungsten ore was produced and also that minor high-grade antimony was produced during the 1960's. The gold-silver target zone has been traced for more than 4 km (2.5 miles), and occupies a north-south trending structural corridor 120 to 300 m (400 to 1,000 feet) in width along a major thrust fault. Previous explorers have reported that mineralization on the south end of the corridor is silver dominated, progressively becoming enriched in gold to the north, where historic surface grab samples range from 1.25 to 3.44 grams per tonne (.04 to .11 ounces per ton) gold in the mineralized zone in the Prida and Rochester Rhyolite Formations. Antimony-rich veins are frequently associated with gold mineralization and historic surface grab

samples from the central portion of the main corridor have yielded results to 1.25 grams per tonne (.041 ounces per ton) gold and 291 grams per tonne (9.3 ounces per ton) silver.

Extensive mine workings exist to only a depth of 61 meters (200 feet) near the southern portion of the property in the vicinity of the Rye Patch Group Mine. Additional small mine workings are present along the entire strike of the mineralized corridor. Most of the historic workings below surface are accessible but none have been adequately mapped or sampled. The Rye Patch property claim group was fairly recently consolidated from a collection of smaller claim holdings, explaining the lack of modern exploration activity. The property is a 100% leasehold, without earn-in requirements, with lease payments considered to be advances against the NSR held by the lessor. The property has never been drilled.

Red Ore will pursue a drill program on the Rye Patch property in the summer of 2014, for which all necessary permits have already been obtained. Management has estimated that the costs for the proposed target specified drill program on Rye Patch would be approximately \$165,000 and that the results would be available in the fall 2014.

### SELECTED FINANCIAL INFORMATION

The following table contains selected financial information of the Company for the nine months ended January 31, 2014 and the year ended April 30, 2013.

	<b>9 months ended January 31, 2014</b>	9 months ended January 31, 2014
Revenue and other income	<b>\$ 271,994</b>	\$ (141,272)
Total expenses	<b>175,197</b>	426,026
Net income (loss) for the period attributable to the Company	<b>96,797</b>	(567,300)
Basic income (loss) per common share	<b>0.00</b>	(0.03)
	<b>As at January 31, 2014</b>	As at April 30, 2013
Total assets	<b>\$ 13,711</b>	\$ 21,745
Total long-term financial liability	<b>NIL</b>	\$ 157,868
Cash dividends per common share	<b>NIL</b>	NIL

The chart below presents the summary financial information of Red Ore Gold Inc.:

<b>Consolidated Statement of Position</b>	<b>Balance as of January 31, 2014 \$</b>	<b>Consolidated Statement Of Loss</b>	<b>Quarter ended January 31, 2014 \$</b>
Current assets	13,711	Operating expenses	(175,197)
Noncurrent assets	5,062	Other items	271,994
Current liabilities	315,222	Total profit	96,797
Noncurrent liabilities	-		
Shareholders' equity (deficiency)	(301,511)		

## **OVERALL PERFORMANCE AND RESULTS OF OPERATIONS**

### **Expenses and Net Profit (Loss) for the Quarter End**

Total expenses for the quarter ended January 31, 2014, were \$175,197 (January 31, 2013 - \$426,026).

#### Significant variance

Management fees were higher by \$18,500 in 2014 compared to 2013. This was due to the fact in Q3 2014 the CEO was awarded 420,000 common shares at a value of \$0.10 for services provided in 2013 and 2014.

Promotion and investor conference expense was \$24,241 lower in Q3 - 2014 due to the Company not attending any conferences. The Company in an attempt to preserve funds has significantly reduced its promotion budget in 2014.

Exploration expenses were approximately \$96,093 lower in Q3 2014 compared to Q3 2013. This is due to the fact that no exploration was undertaken in Q3 2014. The only EE costs incurred in Q2 2014 related to option and land management fees paid to keep the claims in good standing.

Other expenses were \$23,789 lower in Q3 - 2014 due to the Company attempting to preserve funds by reducing administrative costs.

Professional fees were \$125,874 lower in Q3 - 2014 due to the Company not listing and no IPO activity by the Company in 2014 YE.

The company realized other income of \$258,013 in Q3 2014 compared to an expense of \$6,729 in Q3 2013. During the nine months ended January 31, 2014, the Company reached settlements with some of its creditors allowing it to write off accounts payable balances in the amount of \$276,534 related primarily to its prior business that had remained unpaid for several years.

No cash dividends have been paid by the Company. The Company has no present intention of paying cash dividends on its common shares as it anticipates that all available funds will be invested to finance new and existing exploration activities.

### **Quarterly results**



<b>Quarter</b>	<b>Net Income (Loss) (\$)</b>	<b>Income (Loss)/ Share (\$)</b>	<b>Total Assets (\$)</b>	<b>Shareholder's Equity (\$)</b>	<b>Non controlling interest (\$)</b>
Q3/2014	11,896	(0.00)	13,711	(301,511)	-
Q2/2014	108,905	0.01	16,865	(303,454)	-
Q1/2014	(18,692)	(0.00)	20,285	(589,630)	-
Q4/2013 *	8,948	0.00	21,745	(590,938)	-
Q3/2013 *	(76,363)	(0.00)	59,775	(612,581)	-
Q2/2013 *	(179,548)	(0.02)	75,443	(601,219)	-
Q1/2013	(182,088)	(0.01)	90,400	(521,570)	5,954
Q3/2012	(350,593)	(0.03)	381,666	(225,386)	141,720

\* On August 10, 2012 the Company dissolved its 60% owned subsidiary Bottle Creek Exploration LLC.

### **CRITICAL ACCOUNTING ESTIMATES**

Preparing financial statements in conformity with IFRS requires the Company to select from possible alternative accounting principles. Estimates also affect classification and reported amounts for various assets, liabilities, equity balances, revenues and expenses. Prior estimates are revised as new information is obtained and are subject to change in future periods. Management believes the accounting policies and estimates used in preparing the consolidated financial statements are considered appropriate in the circumstances but are subject to numerous judgments and uncertainties inherent in the financial reporting process.

Exploration and evaluation costs – Exploration and evaluation costs of mineral exploration properties together with direct exploration and development expenditures are only capitalized when the Board of Directors is convinced that the Company has an economically feasible mineral reserve located on one of its exploration properties. Until that point, all exploration and evaluation costs are expensed until an economically feasible reserve is identified.

Income taxes - The Company is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities based on the Company's current understanding of tax laws as applied to the Company's circumstances. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Stock option valuation - Issuances and grants of share options are valued using the fair value method. Management uses the Black-Scholes valuation model to estimate the fair value of options determined at grant date. Grants of options result in non-cash charges to expense or development property and a corresponding credit to share-based payment reserves. Charges associated with granted options are recorded over the vesting period. Significant assumptions affecting valuation of options include the trading value of the Company's shares at the date of grant, the exercise price, the term allowed for exercise, a volatility factor relating to the Company's historical share price, forfeiture rates, dividend yield and the risk-free interest rate.

## **LIQUIDITY AND CAPITAL RESOURCES**

At January 31, 2014, the Company had cash totaling at \$2,157. During the period ended January 31, 2014, the Company spent cash of \$161,533 through operating activities, and received \$154,774 through financing activities.

On March 19, 2014, Revenue Canada (“CRA”) provided notice to the Company that the bank accounts would be seized and cleared to pay the outstanding sales tax liability. On March 24, 2014, CRA withdrew all of the funds in the Company’s Canadian and US bank accounts. The accounts have remained frozen as the Company still has an outstanding payable to CRA of approximately \$26,000.

The Company has financed its operations from inception to date through the issuance of equity securities. The Company has budgeted exploration work programs, administrative and other expenses that exceed available cash resources. As at January 31, 2014, the Company had total cash of \$2,157. The Company requires additional funding to be able to further its existing exploration projects and to meet ongoing requirements for general operations. The ability of the Company to continue as a going concern is dependent on raising additional financing, development of its properties and generation of profitable operations in the future.

### **Financing Transactions**

#### Three and nine months ended January 31, 2014

On July 9, 2013, the Company issued 200,000 units to investors at a price of \$0.10 per unit for gross proceeds of \$20,000 as part of a private placement. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of \$0.15 per common share exercisable on or before July 9, 2015.

During Q2 2014 the Company received funds of \$90,000 in relation to an ongoing private placement. The Company has an obligation to issue 900,000 units to investors at a price of \$0.10 per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of \$0.15 per common share exercisable for two years from the date of issuance.

On August 27, 2013, the Company issued a creditor 250,000 common shares as part of a settlement of long outstanding payables. The shares were issued with a deemed price of \$0.10 per share. No warrants or options were issued in conjunction with the shares.

On October 29, 2013, the Company issued 50,000 common shares with a deemed value of \$0.10 per share as payment on the land management agreement for the Rye Patch property.

On November 13, 2013, the Company issued 100,000 units to investors at a price of \$0.10 per unit for gross proceeds of \$10,000 as part of a private placement. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of \$0.15 per common share exercisable on or before November 13, 2015.

On January 20, 2014, the Company issued a creditor 526,288 common shares as part of a settlement of long outstanding payables as well as compensation owing to the CEO. The shares were issued with a deemed price of \$0.10 per share. No warrants or options were issued in conjunction with the shares.

## OUTSTANDING SHARE DATA

Information with respect to outstanding common shares, warrants, compensation options, compensation option warrants and stock options as at March 27, 2014, January 31, 2014 and April 30, 2013, are as follows:

	<b>March 27, 2014</b>	<b>January 31, 2014</b>	<b>April 30, 2013</b>
Common shares	21,740,227	21,740,227	19,813,939
Common shares to be issued	60,000	-	-
Stock options	1,392,500	1,392,500	1,550,000
Warrants	11,174,500	11,174,500	10,074,500
Fully diluted shares outstanding	<b>34,367,227</b>	<b>34,307,227</b>	<b>31,438,439</b>

## FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts payable, and convertible loan and debenture. The fair value of certain instruments approximates the carrying value due to their short-term nature.

Per financial instrument:

	<b>Financial Instrument Classification</b>	<b>Carrying amount \$</b>	<b>Fair value \$</b>
<b>Financial assets</b>			
Cash	Financial assets through profit and loss	2,157	2,157
<b>Financial liabilities</b>			
Accounts payable	Loans and borrowings	107,072	107,072
Convertible debenture	Loans and borrowings	162,375	186,419
Convertible loan	Loans and borrowings	44,774	44,774

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at January 31, 2014, the Company does not have any Level 3 financial instruments.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

## TRANSACTIONS WITH RELATED PARTIES

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Transactions with key management personnel

Key management of the company are members of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, Vice President of Exploration, and President. Key Management remuneration includes the following:

	<u>January 31, 2014</u>	<u>January 31, 2013</u>
<u>Short-term key management benefits</u>		
Compensation including bonuses	\$ 62,460	\$ 82,903
<u>Long-term key management benefits</u>		
Share based payments	-	-
Total remuneration	\$ 62,460	\$ 82,903

## Transactions with related companies

### Galahad Metals Inc.

In 2013/14 Red Ore shared office space with Galahad. The Board of Directors for Red Ore and Galahad have agreed that the rent for the operating office in Ottawa shall be paid by Galahad and all operating costs are to be paid by Red Ore. In September 2012, Red Ore and Galahad ceased sharing costs and Red Ore began paying its own rent.

As of August 6, 2013, Galahad and Red Ore Gold no longer share office space and as a result no longer incur shared costs.

Furthermore, Galahad made advances to fund start-up costs, initial IPO costs and exploration and evaluation expenditures related to the Bottle Creek, Rye Patch and Pogonip properties. At January 31, 2014, the Company has a long term convertible note with a face value \$186,419 (April 30, 2013 - \$186,419) (Note 8). The convertible debt has accrued interest of \$13,981, which was waived by Galahad as at January 31, 2014. All of the interest accrued on the convertible debt during the year ended April 30, 2013 has been waived by Galahad. The waived accrued interest of \$13,981 (April 30, 2013 - \$17,088) has been treated as forgiveness of debt and taken into other income.

On September 9, 2013, Red Ore Gold Inc. and Galahad Metals Inc. signed an agreement for the repurchase and cancellation of 6,609,088 common shares of Red Ore Gold currently held in the Galahad treasury. The agreement also includes the cancellation of a convertible debenture held by Galahad, in the amount of \$184,319.

The transaction will close upon the payment of \$135,000 to Galahad, the funds to be obtained from the proceeds of the current private placement.

#### 2232097 Ontario Inc.

The Company has a land management fee agreement with 2232097 Ontario Inc., a company controlled by Garry Smith, Red Ore's VP of Exploration, whereby the Company is required to make annual payments as long as it continues its exploration on the Rye Patch property. Per the agreement, the Company is required to make the following payments:

- The Company will make a \$10,000 payment and 100,000 common shares upon signing the option lease agreement (paid);
- The Company will make a \$20,000 payment and 50,000 common shares on the 1st and 2nd anniversary of signing the lease option agreement (paid); and
- The Company will make a \$25,000 payment and 50,000 common shares on the 3rd anniversary of signing the lease option agreement and thereafter.

During the quarter ended January 31, 2014, the Company incurred total land management fees of \$20,000 (April 30, 2013 - \$20,000) in relation to the signing of the option lease agreements related to the Rye Patch property and issued 50,000 common shares valued at \$5,000, \$0.10 per common share (2013 - 50,000 valued at \$5,000 (\$0.10 per share)).

### **BOARD PURPOSE AND FUNCTION**

The directors and management of the parent company have extensive experience operating in the United States and taking projects through to various stages of exploration and development. There is a balanced representation of directors with operational, corporate and financial backgrounds.

The Board's purpose is to ensure corporate governance, risk, strategy and shareholder interests are priorities at all times. At the end of the financial year under review, the board consisted of four members.

Except as disclosed below, Red Ore Gold Inc. is not aware of any director or of the families of any directors, having any interest, direct or indirect, in any transaction during the last financial year or in any proposed transaction with any company in the Red Ore Gold Inc. which has affected or will materially affect Red Ore Gold Inc.

### **DIRECTORS AND OFFICERS, CHANGES**

On June 25, 2013, Michael Newman, resigned from the Board of Directors.

On August 27, 2013, Patricia Purdy resigned as Corporate Secretary.

### **QUALIFIED PERSON**

The Company relies on Garry Smith, P. GEO, as the Qualified Person as defined under National Instruments 43-101. Mr. Smith has read and approved the technical information contained in this MD&A. The disclosure on mineralization on properties has not been verified by Mr. Smith and is not necessarily indicative of the Company's anticipated results. Where provided, potential quantity and grade is conceptual in nature as the Company has not conducted sufficient exploration to define resources and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

## **INVESTOR RELATIONS**

As at the date of this Management Analysis and Discussion, Red Ore Gold Inc., has not yet signed a contract with an investor relation company. Once the listing application is completed and the Company obtains a listing on the Canadian Securities Exchange it will focus on hiring an investor relations firm.

## **PROPOSED TRANSACTIONS**

As is typical of the mineral exploration and development industry, the Company is continually reviewing potential merger, acquisition, investment and joint venture transactions and opportunities that could enhance shareholder value.

The Company is currently in the process of looking for a joint venture or option partner for its Bottle Creek project. Management believes that this is a complex property and would require a third party to advance the exploration and development of the project.

The Company is currently in the process of reaching settlement agreements with creditors to clear some of the old outstanding payables.

## **CONTRACTUAL OBLIGATIONS**

The Company does not have any fixed contractual obligations or commitments for capital or operating leases, purchase obligations or other long-term commitments except for those related to property option agreements and as disclosed below. Any commitments under exploration property option agreements are cancellable at the Company's option but would result in forfeiture of rights under those agreements.

- a) The Company's operations are governed by governmental laws and regulations regarding environmental protection. Environmental consequences are hardly identifiable, in term of level, impact or deadline. At the present time and to the best knowledge of its management, the Company is in conformity with the laws and regulations in effect. Restoration costs will be accrued in the financial statements only when they will be reasonably estimated and will be charged to the earnings at the time.
- b) On September 5, 2012, the Company had received notice from Golden Gryphon that Red Ore was delinquent on the cash calls made related to the Bottle Creek Property and as a result would see its ownership diluted. Red Ore as at January 31, 2014, has not yet received notice of the percentage of dilution in its interest in Bottle Creek exploration claims.

- c) The Company has a commitment with Galahad, related to interest and principal payments on convertible debt.

Year ended April 30	2014	2015	2016	2017	2018	Total
Convertible debenture	\$ 1,554	\$ 18,642	\$ 18,642	\$ 18,642	\$ 205,061	\$ 262,541

- d) As at January 31, 2014, the Company has negative working capital of \$306,573 and as a result does not have significant working capital to meet its existing obligations and fund its operations over the next twelve months. The Company is entirely dependent upon its ability to obtain sufficient cash to cover its operating costs by way of external financing.
- e) The Company has a commitment with a creditor to pay down an outstanding payable with 2% of future financings. As of January 31, 2014, the balance on the payable was \$20,900 and the Company has an obligation to make a payment of \$200 on a placement which closed in Q2 2013.

## **CONTROL AND PROCEDURES**

The Chief Executive Officer and Chief Financial Officer 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 senior accounting personnel, and candid discussion of those risks with the audit committee.

## **EVENTS AFTER THE REPORTING DATE**

On March 19, 2014, Revenue Canada ("CRA") provided notice to the Company that the bank accounts would be seized and cleared to pay the outstanding sales tax liability. On March 24, 2014, CRA withdrew all of the funds in the Company's Canadian and US bank accounts. The accounts have remained frozen as the Company still has an outstanding payable to CRA of approximately \$26,000. Management has reached an agreement with CRA to pay the outstanding balance will be paid in 6 instalments ending September 30, 2014.

## **RISKS AND UNCERTAINTIES**

The Company is subject to a number of risks and uncertainties due to the nature of its business and the present stage of development of its business. Investment in the natural resource industry in general and the exploration and development sector in particular, involves a great deal of risk and uncertainty. Current and potential investors should give special consideration to the risk factors involved.

### Exploration Stage Company

The Company is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits with the discovery of gold being the Company's focus. The Company's property interests are in the exploration stage only and are without a known economic mineral deposit. Accordingly, there is little likelihood that the Company will realize any profits in the short to medium term. Any profitability in the future from the Company's business will be dependent upon locating an economic mineral deposit, which itself is subject to numerous risk factors. Further, there can be no assurance, even if an economic deposit of minerals is located, that any of the Company's property interests can be commercially mined. The exploration and development of mineral deposits involve a high degree of financial risk over a significant period of time of which even a combination of careful evaluation, experience and knowledge of management may not eliminate. While discovery of additional ore-bearing structures may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs of the Company will result in profitable commercial mining operations. The profitability of the Company's operations will be, in part, directly related to the cost and success of its exploration programs which may be affected by a number of factors. Substantial expenditures are required to establish reserves which are sufficient to commercially mine and to construct, complete and install mining and processing facilities in those properties that are actually mined and developed.

### Economic Risk

The price of gold and other minerals fluctuate. The future direction of the price of any mineral will depend on numerous factors beyond the Company's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of minerals and therefore on the economic viability of the Company's properties, cannot accurately be predicted. As the Company is only at the exploration stage, it is not yet possible for it to adopt specific strategies for controlling the impact of fluctuations in the price of gold.

### Management

Dependence on Key Personnel, Contractors and Service Providers, shareholders of our Company rely on the good faith, experience and judgment of the Company's management and advisors in supervising and providing for the effective management of the business and the operations of the Company and in selecting and developing new investment and expansion opportunities. The Company may need to recruit additional qualified contractors and service providers to supplement existing management. The Company will be dependent on a relatively small number of key persons, the loss of any one of whom could have an adverse effect on the Company.



## Industry Conditions

The exploration and development of mineral deposits involve significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a deposit may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves, to develop processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration and development programs planned by the Company will result in a profitable commercial operation.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as mineral prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Mining operations generally involve a high degree of risk. The Company's operations will be subject to all the hazards and risks normally encountered in the exploration and development of minerals, including unusual and unexpected geology formations, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

## Value of Our Common Shares

The value of the Company's common shares could be subject to significant fluctuations in response to variations in quarterly and annual operating results, the success of the Company's business strategy, competition or other applicable regulations which may affect the business of the Company and other factors.

## Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other interests, many of which have greater financial resources than it has, for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

## Additional Funding and Financing Risk

Additional funds will be required for future exploration and development. The source of future funds available to the Company is through the sale of additional equity capital or borrowing of funds. There is no assurance that such funding will be available to the Company. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favorable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position. In addition, any future equity financings by the Company may result in substantial dilution for existing shareholders.

### Environmental Risk

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes to environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties in which the Company holds interests that have been caused by previous or existing owners or operators.

### Title to Property

Although the Company has obtained title opinions with respect to certain of its properties and has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of its properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests.

### Uninsured Hazards

The Company currently carries minimal insurance coverage. The nature of the risks the Company faces in the conduct of its operations are such that liabilities could exceed policy limits in any insurance policy or could be excluded from coverage under an insurance policy. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the Company's financial position.

### Conflicts of Interest

Certain Directors of the Company also serve as Directors of other companies involved in natural resource exploration, development and production. Consequently, there exists the possibility that such Directors will be in a position of conflict of interest. Any decision made by such Directors involving the Company are made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such Directors will declare and refrain from voting on, any matter in which such Directors may have a material conflict of interest.

### Permits, Licenses and Approvals

The operations of the Company may require licenses and permits from various governmental authorities. The Company believes it holds or is in the process of obtaining all necessary licenses and permits to carry on the activities which it is currently conducting under applicable laws and regulations. Such licenses and permits are subject to changes in regulations and in various operating circumstances. There can be no guarantee that the Company will be able to obtain all necessary licenses and permits that may be required to maintain its mining activities, construct mines or other facilities and commence operations of any of their exploration properties. In addition, if the Company proceeds to production on any exploration property, it must obtain and comply with permits and licenses which may contain specific conditions concerning operating procedures, water use, the discharge of various materials into or on land, air or water, waste disposal, spills, environmental studies, abandonment and restoration plans and financial

assurances. There can be no assurance that the Company will be able to obtain such permits and licenses or that it will be able to comply with any such conditions.

#### Land Claims

At the present time, none of the properties in which the Company has an interest or an option to acquire an interest is the subject of an aboriginal land claim. However, no assurance can be provided that such will not be the case in the future.

#### Regulatory Matters

The Company's business is subject to various federal, provincial and local laws governing prospecting and development, taxes, labor standards and occupational health, mine safety, toxic substances, environmental protection and other matters. Exploration and development are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws impose high standards on the mining industry to monitor the discharge of waste water and report the results of such monitoring to regulatory authorities, to reduce or eliminate certain effects on or into land, water or air, to progressively rehabilitate mine properties, to manage hazardous wastes and materials and to reduce the risk of worker accidents. A violation of these laws may result in the imposition of substantial fines and other penalties.

#### Mineral Price Fluctuations

The marketability of any mineral is subject to numerous factors beyond the control of the Company. The price of minerals can experience volatile and significant movements over short periods of time. Factors impacting price include but are not limited to demand for the particular mineral, political and economic conditions and production levels and costs of production in other areas or countries.

#### Operating in Foreign Jurisdictions

The Company operates in the United States of America and as a result is exposed to a level of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. Changes, if any, in mining or investment policies or shifts in political attitude in a foreign country in which it operates may adversely affect business operations.

### **STRATEGY AND OUTLOOK**

Our objective is to maximize the value of the Company for our shareholders and our strategy to obtain this result is to continually develop our mineral properties.

To proceed with this strategy, the Company intends, subsequent to the year end, to complete a private placements and drill program on the Rye Patch property. When economic and market conditions improve the Company intends to apply for a listing on the Canadian National Stock Exchange.

Red Ore Gold Inc. short term list of objectives is as follows:

- 1) Complete a drill program on the Rye Patch property;
- 2) Complete share buy-back and debt cancellation agreement with Galahad Metals;

- 3) Complete listing application for a listing of the Red Ore common shares on a Canadian Stock Exchange;

While management has been successful in obtaining sufficient funding for its operating, capital and exploration requirements from the inception of the Company to date there is, however, no assurance that additional future funding will be available to the Company or that, when it is required it will be available on terms which are acceptable to Management.

## **OTHER INFORMATION**

Other information and additional disclosure of the Company's technical reports, material change reports, news releases, and other information may be found on the Company's website <http://redoregold.com/>.

## **CORPORATE INFORMATION**

### **Directors and Officers**

Robin Dow, HBA, MBA, FCSI – Chairman  
Larry Hoover – Director, President and CEO  
Sabino Di Paola, CPA, CA – CFO  
Robert Schellenberg, CPA – Director  
Patricia L. Purdy – Director

### **Corporate Office**

3643 Marine Dr., West Vancouver, British Columbia, V7V 1N3

### **Operating Office**

2742 St. Joseph Blvd. Suite 205, Orleans, Ontario, K1C 1G5  
Phone 1-613-834-6513  
Fax 1-613-424-5682

### **Web Site**

<http://redoregold.com/>

### **Symbol**

RXX (not yet listed on any stock exchange)

### **Independent Auditor**

James Stafford Chartered Accountants

### **Corporate Banker**

Royal Bank of Canada, Ottawa

### **Transfer Agent**

Capital Transfer Agency Inc., Toronto