

# WINSTON RESOURCES INC.

## MANAGEMENT DISCUSSION & ANALYSIS

**FOR THE INTERIM NINE MONTH PERIOD ENDED APRIL 30, 2015**

**(Prepared by Management on June 26, 2015)**

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MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) AS OF APRIL 30, 2015 TO ACCOMPANY THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF WINSTON RESOURCES INC (THE "COMPANY" OR "WINSTON") FOR THE INTERIM NINE MONTH PERIOD ENDED APRIL 30, 2015.

The following Management's Discussion and Analysis should be read in conjunction with the unaudited consolidated financial statements of the Company for the period from August 1, 2014 to April 30, 2015, which were prepared in accordance with International Financial Reporting Standards ("IFRS") and the notes thereto. All financial amounts are stated in Canadian currency unless stated otherwise.

This MD&A contains certain forward-looking statements based on the best beliefs, and reasonable assumptions of the management of the Company. There are many risks and uncertainties attached to the mineral exploration business. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements. (See "Risks and Uncertainties" in this MD&A for more information).

## **DESCRIPTION OF THE BUSINESS**

### **Overview**

Winston Resources, through its majority owned (84.95%) subsidiary CNRP Mining, is a minerals company focusing its main efforts on developing its Elmtree Gold project in New Brunswick Canada, as well as the development and acquisition of other Canadian natural resource properties. The NI43-101 Technical report for the Elmtree Gold project is available under Winston's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on its corporate website at [www.WinstonResourcesInc.com](http://www.WinstonResourcesInc.com).

Winston also owns an investment portfolio of minority shareholdings in Zara Resources Inc (CSE:ZRI) ("Zara"), Hadley Mining Inc (CSE:HM) ("Hadley") and Leo Resources Inc (CSE:LEO) ("Leo"). The Company has a 40.0% interest in Hadley, a 23.37% interest in Zara, and a 17.07% interest in Leo. For more information about Zara, visit the company's webpage at [www.ZaraResourcesInc.com](http://www.ZaraResourcesInc.com) For more information about Hadley, visit the company's webpage at [www.HadleyMining.com](http://www.HadleyMining.com) For more information about Leo visit the company's webpage at [www.LeoResourcesInc.com](http://www.LeoResourcesInc.com)

### **Zara**

Zara Resources is a minerals company incorporated October 9, 2012 focusing its main efforts on exploring its 100% owned Pigeon River nickel-copper and Forge Lake gold properties in Ontario. Previously, through its subsidiary Leo Resources Inc ("Leo"), Zara also owned 100% of the Riverbank nickel-copper property in Ontario, however on August 2, 2013, all the shares of Leo were distributed to shareholders of Zara by way of a plan of arrangement (see "Leo Resources Spin Off"). The NI43-101 Technical reports for Pigeon River, Forge Lake, and Riverbank are available under Zara's profile on SEDAR at [www.sedar.com](http://www.sedar.com), and on the Company's website.

### **Zara Offer to acquire shares of Visible, Greencastle and Altai**

On August 19, 2013 Zara announced its intention to offer to acquire shares of Visible, Greencastle Resources Ltd. ("Greencastle"), and Altai Resources Inc. ("Altai") (collectively the "Targets"). By an Offer Circular dated August 26, 2013, Zara offered to acquire Shares of the Targets in consideration of the issuance of Zara common shares as follows:

Target	Offer Price	Consideration Payable
Visible	\$0.05 per Visible Share	0.4167 Zara Shares
Greencastle	\$0.14 per Greencastle Share	1.667 Zara Shares
Altai	\$0.17 per Altai Share	1.4167 Zara Shares

The Offer was conditional on, among other things, there being validly deposited under the Offer and not withdrawn at the expiry time, such number of shares of the respective Targets that constitutes at least 50% plus one share, of the outstanding shares of the respective Targets, excluding shares beneficially owned by Zara and its directors. On September 13, 2013, the Bureau de Decision et de Revision (Quebec) (“BDR”) issued a cease trade order on Zara’s simultaneous bid for Visible, Greencastle and Altai pending correction and translation of all offer documents into French and review by staff of the Autorité des marchés financiers (“AMF”).

On May 14, 2014, the Company determined that it would no longer proceed with the take-over bids.

#### Zara Proposed Acquisition of Lux Aquatica Assets

On May 30, 2014, and as amended on June 19, 2014 the Company, announced that it has signed a Letter of Intent (“LOI”) and proposed to enter into a definitive binding agreement (the “Agreement”) to acquire certain recreational marine assets comprising two recreational submarines, a 10 year lease on a luxury yacht named Avery Claire, and the website www.LuxAquatica.com offering luxury yacht and diving services (“Lux Aquaticata”) from Chivas Land Limited (“Chivas”) for the sum of \$500,000. Subject to numerous conditions, including shareholder and regulatory approvals and the closing of the acquisition of the Lux Aquatica assets, the Company proposed to distribute its Forge Lake and Pigeon River mineral exploration assets in Ontario to Company shareholders by way of a statutory plan of arrangement under the Business Corporations Act (British Columbia). The acquisition transaction was subject to, among other things, the completion of a private placement of no less than 7,000,000 new Company shares at \$0.05 per share.

On October 17, 2014 the Company announced that it terminated the Letter of Intent due to Chivas not meeting its obligations in regard to completing the private placement.

#### Zara Cancellation of shares related to the acquisition of Forge Lake

On October 17, 2014 the Company announced that 5,715,780 common shares of Zara have been cancelled pursuant to that certain Mining Claim Assignment Agreement dated April 16, 2013 between the Company and Hudson River Minerals Ltd (“Hudson”) due to Hudson failing to distribute the 5,715,780 Zara shares to Hudson shareholders within the required time frame.

#### Debt Conversion by Zara

On November 27, 2014 Zara settled indebtedness owing to four different parties in the total amount of \$483,808 by the issuance of a total of 9,676,160 common shares at \$0.05 per common share. On January 7, 2015 Zara settled indebtedness due on its Preferred Shares Series B by the issuance of 940,900 common shares at \$0.05 per common share. On January 26, 2015 Zara settled indebtedness due on its Preferred Shares Series A by the issuance of 91,000 common shares at \$0.05 per common share.

The number of issued and outstanding shares of Zara are now 43,326,660.

## Hadley

Hadley owns a 25% interest in the Pigeon River mining claim which it purchased on April 10, 2015 from Zara Resources Inc. for the sum of \$9,000. The Pigeon River mining claim is located about 80 kilometers to the west of Thunder Bay in the Pigeon River area of Northwest Ontario, and covers an unexplored magnetic target with potential to host nickel, copper and platinum group elements mineralization

Previously, Hadley had owned 100% of the Etamame Lake Nickel Project located in the Lingman Lake Greenstone belt area about 38 kilometres south-west of Sachigo Lake in Northwestern Ontario, Canada. On April 10, 2015 the Company allowed the Etamame claim to lapse, and has no further interest in Etamame.

The former parent company of Hadley, Winston Resources Inc (“Winston”) completed a spin off to its shareholders of a portion of its holdings in Hadley. The spin-off was transacted by way of a statutory plan of arrangement (the “Plan of Arrangement”) under the Business Corporations Act (British Columbia). Pursuant to the terms of the Plan of Arrangement, Winston distributed approximately 10% of the outstanding common shares of Hadley to holders of common shares of Winston such that each Winston shareholder of record on the effective date of the Plan of Arrangement received one common share in the capital of each of Hadley for every twenty-five common shares in the capital of Winston. As a result, Hadley Mining was listed as a public company on the CSE on December 10, 2012. Following a subsequent spin off by Winston of GreenBank, Winston as at July 31, 2014 owns 40.67% of Hadley and GreenBank owns 49% of Hadley. Management of Hadley has focused upon progressing the Etamame Nickel Project with a view to establishing a nickel resource at Etamame Lake.

### Hadley Letter of Intent with Vargo

On February 6, 2015, Hadley signed a Letter of Intent and proposes to enter into a definitive binding agreement (the “Acquisition Agreement”) to acquire 100% of the issued and outstanding share capital of Vargo Holdings Ltd (“Vargo”) payable by the issuance of 92,500,000 new Hadley shares at a deemed price of CAD\$0.28 per share. Vargo is a Cyprus based private company, which is 100% owned by Acazis AG (“Acazis”) a German based African investment company whose CEO is Patrick Bigger. Vargo owns 90% of Gondar Agro Forestry Corporation (“Gondar”), which owns the Guna State Forest Concession (“Concession”) covering 2,175 hectares of Eucalyptus forest in Ethiopia. The Concession was independently valued on February 3, 2015 at US\$36.65M or approximately CAD\$46.12M. It is intended that Gondar will commence harvesting the Eucalyptus forest in 2015.

Conditional on closing of the Acquisition Agreement and continued listing of the Company on the CSE, a European Group of investors (“EG”) proposes to enter into a subscription agreement to subscribe for 5,000,000 new Hadley shares at a price of CAD\$0.24 per share. Upon signing of the Acquisition Agreement, the CAD\$ 1,200,000 subscription funds will be deposited into an escrow account with the Company’s transfer agent, Reliable Stock Transfer Inc. at a Toronto bank until closing. EG will nominate one director to the Board of the Company.

Patrick Bigger, the CEO of Vargo, is an experienced European investment banker having worked in both Switzerland and London for several major international investment banks for over ten years. He has been the CEO of Acazis since June 2009, which he has restructured into a viable Ethiopian based agricultural company. Previously he was CEO of the Swiss company TEGE SA, which later became Mobilezone AG, the largest independent supplier of mobile telephones in Switzerland. He has also been a consultant for companies in the renewable energy sector, including a role as Sales Director of MWB Fairtrade Wertpapierhandelsbank AG, Munich. It is intended that Patrick Bigger will become the CEO of the Company.

Closing of the Acquisition Agreement will be subject to approval of Hadley shareholders and regulatory authorities, and Hadley will propose to change its business to investing in agricultural assets in Africa and its corporate name to Green Assets Africa Inc. The Company intends to complete a 1 for 5 share

consolidation, after which there will be approximately 24,500,000 shares issued and outstanding. There is no guarantee that the Acquisition Agreement will close.

Simultaneous with the signing of the Acquisition Agreement, Nebraska Enterprises Ltd a Bahamas company controlled by Patrick Bigger will purchase (pre-consolidation) 1,593,989 Hadley shares from GreenBank Capital Inc and 10,169,021 Hadley shares from Winston Resources Inc, for a total of 11,763,010 Hadley shares, at a price of CAD\$0.019128 per share. Nebraska Enterprises Ltd will pay CAD\$100,000 upon signing of the Acquisition Agreement and the balance at closing. In the event that the Company's CSE listing is not maintained subsequent to closing, the price of the shares purchased by Nebraska Enterprises Ltd will be reduced to CAD\$0.014346 per share.

Upon closing, Mark Wettreich will retire as a director and officer of Hadley, and Patrick Bigger will be appointed a director and CEO of Hadley. Danny Wettreich will retire as CEO and remain as Chairman and director. Peter Wanner and Paul Cullingham will remain as independent directors and members of the audit committee. Danny Wettreich will thereafter receive a directors' fee of CAD\$5,000 cash per month. A nominee of EG will be appointed a director.

Closing of the Acquisition Agreement will be subject to compliance with any required governmental and securities regulations, and the approval of a majority of Hadley shareholders at a special shareholders meeting.

## **Leo**

Leo Resources was formed on March 18, 2013 and is a minerals company focusing its main efforts on developing its Riverbank property in Ontario. The NI43-101 Technical reports for Riverbank is available under Leo's profile on SEDAR at [www.sedar.com](http://www.sedar.com), and on the Company's website at [www.LeoResourcesInc.com](http://www.LeoResourcesInc.com)

Leo was previously a subsidiary of Zara Resources Inc. ("Zara"). On March 20, 2013, Zara announced a proposal to spin-off to its shareholders 100% of Leo. On March 20, 2013 Leo entered into an agreement with Zara to acquire 100% of the Riverbank claims ("Riverbank") for \$358,000 to be satisfied by the issuance of 2,747,500 post consolidation common shares of Leo. In addition Zara also subscribed for 100,000 Non-Voting Series A Preferred Shares for the sum of \$100,000 cash. Riverbank is also subject to a pre-existing 2% NSR. The spin-off was transacted by way of a statutory plan of arrangement (the "Leo Plan") under the Business Corporations Act (British Columbia). Upon completion of the Leo Plan, Leo owned 100% of Riverbank. Pursuant to the terms of the Leo Plan, Zara distributed 2,747,500 post consolidation common shares of Leo. On August 2, 2013 the spin-off received all necessary court approvals and the plan of arrangement was subsequently completed. Leo listed on the CSE on August 16, 2013. On May 21, 2014 Leo completed a 1 for 5 consolidation of its common shares.

On August 1, 2014 Leo dual listed its common shares on the Frankfurt Exchange and on XETRA.

Riverbank is located in the Kasabonika-McFauld's Greenstone Belt about 540 km to the north east of Thunder Bay and 350 km north of Geraldton, Ontario. It consists of 7 unpatented mining claims. The property is believed to be underlain in part by mafic to ultramafic rocks that potentially could host nickel-copper mineralization. On June 19, 2015 the Company allowed 6 of the Riverbank claims to lapse.

## **GreenBank Spin-Off**

On February 8, 2013, Winston announced that its board of directors has unanimously approved a proposal to spin off to its shareholders 100% of its holdings of its wholly-owned subsidiary, GreenBank, and that following the spin-off, GreenBank would apply for listing of its common shares on the CSE. GreenBank.

agreed to acquire an investment portfolio from Winston payable by the issuance of 25,710,000 common shares of GreenBank. at a deemed price of \$0.10 per GreenBank share. The investments comprise of 13,460,000 common shares being 49% of Zara Resources Inc (CSE: ZRI) (“Zara”) and 12,250,000 common shares being 49% of Hadley Mining Inc (CSE: HM) (“Hadley”). A Special Meeting of Winston shareholders was held on April 15, 2013 at which the shareholders voted on and approved a special resolution approving the spin-off. The spin-off was transacted by way of a statutory plan of arrangement under the Business Corporations Act (British Columbia), and GreenBank began trading as a public company on the CSE under the symbol “GBC” on April 19, 2013.

### **CNRP Mining Spin-Off**

On February 19, 2013 Winston announced that its board of directors had unanimously approved a proposal to spin off to its shareholders approximately 15% of its wholly-owned subsidiary, CNRP Mining Inc. (“CNRP”) and that following the spin-off, CNRP would apply for listing of its common shares on the CSE. CNRP owns 100% of the advanced Elmtree Gold Project in New Brunswick, Canada (“Elmtree”). The Elmtree Property is located in the Bathurst Mining Camp approximately 25 km northwest of Bathurst, New Brunswick and comprises a total of 83 claims that cover a contiguous area of approximately 1,811 hectares. Elmtree has an indicated resource of 99,000 ounces of gold and an inferred resource of 195,000 ounces of gold. A Special Meeting of Winston shareholders was held on April 15, 2013 at which shareholders voted on and approved a special resolution approving the spin-off. The spin-off was transacted by way of a statutory plan of arrangement under the Business Corporations Act (British Columbia). Pursuant to the terms of the Plan of Arrangement, Winston distributed 2,064,982 of the outstanding 14,000,000 common shares of CNRP to holders of common shares of Winston such that each Winston shareholder of record on the effective date of the Plan of Arrangement received 1 common share in the capital of CNRP for every 32 common shares in the capital of Winston. CNRP began trading as a public company on the CSE under the symbol “CND” on April 19, 2013.

### **Share Consolidation**

On April 25, 2013, Winston announced that its directors approved a share consolidation of its common shares on the basis of one “new” common share for twenty “old” common shares to be effective May 15, 2013. No fractional shares were issued under the share consolidation and any fraction was rounded to the nearest whole number. Immediately following the consolidation Winston had 3,503,995 common shares issued and outstanding. All outstanding options and warrants were adjusted to reflect the consolidation ratio, with their respective prices being multiplied by twenty.

### **Private Placements and Debt Conversions**

On April 30, 2013, Winston completed a non-brokered private placement of 4,000,000 pre-consolidation common shares of Winston at a price of \$0.05 per Share, for gross proceeds of \$200,000.

On November 27, 2013, the Company completed a non-brokered private placement (the “Private Placement”) with Mark Wettreich, a director of the Company, of 1,440,000 units (each a “Unit”) of Winston at a price of \$0.05 per Unit, for gross proceeds of \$72,000. Each Unit consists of one common share in the capital of Winston and one common share purchase warrant. Each common share purchase warrant entitles the holder to acquire one additional common share in the capital of Winston at an exercise price of \$0.05, for 36 months after closing. On January 1, 2014, Mark Wettreich, exercised the warrants he owned and purchased 1,440,000 common shares of Winston at a price of \$0.05 per share, for gross proceeds of \$72,000.

On October 9, 2014, the Company effected a debt conversion (the “Debt Conversion”) of \$173,917 owing to Sammiri Capital Inc a private company owned by Danny Wettreich a director and CEO of Winston. The Debt Conversion comprised Units of Winston, each Unit comprising of one common share at \$0.05 per

share and one warrant exercisable at \$0.05 per share (the “Debt Conversion”). The Debt Conversion resulted in the issuance of 3,478,340 common shares, representing 35.27% of the increased share capital of Winston, and 3,478,000 warrants representing 96.5% of the increased and outstanding warrants. No commission was payable in relation to the Debt Conversion.

The total amount of Winston shares issued and outstanding is now 9,862,335.

## **MINERAL PROPERTIES**

### **Elmtree Gold Project -CNRP Mining Inc**

The Elmtree Property, is 100% owned by the Company’s majority owned public subsidiary CNRP Mining Inc. (CNSX: CND), and is located in the Bathurst Mining Camp approximately 25 km northwest of Bathurst, New Brunswick. It comprises a total of 83 claims that cover a contiguous area of approximately 1,811 ha. Micon International completed a NI 43-101 compliant technical report on May 25, 2012 which increased the resource estimate by 30% to a combined indicated and inferred 294,000 ounces of gold.

There are three gold-bearing zones within the property: the West Gabbro Zone (WGZ), Discovery Zone (DZ) and the South Gold Zone (SGZ). The mineral resource estimate presented in the May 2012 Elmtree Technical Report takes account of drilling conducted since Micon’s previous technical report on the property that was prepared for Castle Resources Inc., entitled “Technical Report on Preliminary Assessment of the Elmtree Gold Property, Gloucester County, New Brunswick, Canada” with an effective date of March 5, 2010.

The Micon resource estimate shows 1,611,000 indicated tonnes grading 1.91 g/t gold (99,000 ounces gold) and 2,053,000 inferred tonnes grading 1.67 g/t of gold (110,000 ounces of gold) in the West Gabbro Zone, with 2,367,000 inferred tonnes grading 0.74 g/t in the South Gold Zone (56,000 ounces of gold), 700,000 inferred tonnes grading 1.25 g/t in the Discovery Zone (29,000 ounces of gold). The cut-off grade used for the West Gabbro Zone and the Discovery Zone is 0.5 g/t Au and that for the South Gold Zone is 0.3 g/t Au.

The Elmtree Property is situated within the Elmtree Inlier which constitutes a tectonic sliver considered to be a remnant of Dunnage Terrain oceanic crust, located adjacent to the north margin of the terrain’s Exploits Sub-Zone. The Elmtree Inlier consists of strata of the Fournier Group and Belledune River Melange (formerly Elmtree Group). The first consists of an Ordovician volcanic-sedimentary sequence comprised of ophiolitic volcanics, deformed mafic intrusions, minor plagiogranite and dark grey slate, greywacke and melange, and the second contains later Ordovician lithic and quartz wacke and interbedded grey slate, locally with thinly interbedded limestone and conglomerate. Minor amounts of mafic volcanics are also present. The most important structural aspects of the property are the Elmtree Fault system and its anastomosing subsidiary shears that trend generally east-west to east-northeast across the property and show steep to vertical dips where defined by drilling and mapping. The main Elmtree Fault structure is a splay of the crustally significant Rocky Brook-Millstream Fault that occurs approximately 8 km to the south, where it forms the tectonic boundary with adjacent rocks of the Mirimichi Terrain. Within the property area, the Elmtree Fault manifests itself as a broad zone of shearing, fracturing and deformation separating graphitic argillites of the Elmtree Formation from calcareous siltstones of the Chaleurs Group. The structure is thought to have controlled emplacement of the gabbroic intrusion that hosts the West Gabbro Zone gold mineralization on the property, while subsidiary structures on the Elmtree Property have controlled emplacement of felsite and feldspar porphyry dykes as well as mineralized quartz vein arrays and hydrothermal alteration zones in the nearby South Zone and Discovery Zone areas.

## **Zara-Riverbank Property**

The Riverbank property consists of 1 unpatented mining claim located in the Kasabonika-McFauld's Greenstone belt, part of the Sachigo sub-province of the Precambrian Shield area of Northwestern Ontario, approximately 540 km north-north east of Thunder Bay, Ontario and 350 km north of Geraldton, Ontario. The project area is located along the western margin of the James Bay Lowlands within the Tundra Transition Zone consisting primarily of string bog and muskeg whereby the water table is very near the surface. Average elevation is approximately 170 m above mean sea level. The property area is predominantly flat muskeg with poor drainage due to the lack of relief. Glacial features are abundant in the area and consist of till deposits, eskers, and drumlins, all of which are typically overlain by marine clays from the Hudson Bay transgression. The Riverbank property is believed to be underlain in part by mafic to ultramafic rocks that potentially could host nickel –copper mineralization. Prior to the acquisition of Leo's interest in the property the previous owners completed an airborne VTEM survey and associated aeromagnetic survey by Geotech. This was followed by one diamond drill hole in 2011 totaling 216 m. A number of conductive trends are present on the Riverbank property. The work to date indicates that the property is underlain by rocks that include ultramafic bodies. The geophysics done to date indicates that the target model of mafic-ultramafic associated nickel bearing magmatic sulphides is valid. Exploration over the property to date has consisted primarily of geophysics followed by limited diamond drilling. Riverbank was transferred to Zara's former subsidiary, Leo Resources Inc, more details of which are given below under "Leo Resources Spin-Off".

### Leo Resources Spin-Off

On March 20, 2013, Zara announced that its board of directors unanimously approved a proposal to spin-off to its shareholders of 100% of Zara's wholly-owned subsidiary Leo. Following the spin-off, Leo applied for listing of its common shares on the CSE. The spin-off was transacted by way of a statutory plan of arrangement (the "Leo Plan") under the Business Corporations Act (British Columbia). Upon completion of the Leo Plan, Leo now owns 100% of Riverbank. Pursuant to the terms of the Leo Plan, Zara distributed 13,737,500 common shares of Leo to holders of common shares of Zara on the Share Distribution Record Date. Each Zara shareholder of record on the Share Distribution Record Date received 1 common share in the capital of Leo for every 2 common shares in the capital of Zara. A Special Meeting ("Meeting") of Zara shareholders was held on May 14, 2013 at which shareholders approved the Leo Plan. The Record Date for determining shareholders who were entitled to receive notice of and vote at the Meeting was April 4, 2013. On August 2, 2013 the spin-off received all necessary court approvals and the plan of arrangement was subsequently completed. Leo listed on the CSE on August 16, 2013.

## **Zara-Pigeon River**

On January 7<sup>th</sup>, 2013 Zara acquired 100% of the Pigeon River property from Pele Mountain Resources Inc, and claim transfers and share issuances were completed February 8<sup>th</sup>, 2013. The Pigeon River property is located in the Southern Province of the Precambrian Shield area of northern-western Ontario, and is located approximately 60 km southwest of Thunder Bay, Ontario. The property consisted of 28 unpatented mining claims covering approximately 6688 ha. The property is underlain by sediments of the Animikie Group including sulphidic black shale of the Rove Formation that are believed to be host to ultramafic rocks that potentially could host nickel-copper mineralization. The previous owner of Pigeon River completed an airborne VTEM survey and associated aeromagnetic survey over the property. This was followed by four diamond drill holes totaling 991 m. The work to date indicates that the property is underlain by areas with magnetic signatures indicating the presence of ultramafic rocks. The target model is one of mafic-ultramafic flows with associated nickel bearing magmatic sulphides being hosted by deep water extensional basin



sediments. This setting is very similar to other areas of the world hosting world class nickel deposits including the Pechenga area of Russia and the Thompson Nickel Belt of Canada.

On February 19<sup>th</sup>, 2013 Zara completed an NI43-101 Technical Report (“The Pigeon River Report”) on the Pigeon River Property, which was updated on October 8, 2013. The Pigeon River Report was prepared by the Sibley Basin Group and authored by Alan Aubut P. Geo. The Pigeon River Report describes the geology and work done to date on Pigeon River and recommends a further drilling program consisting of diamond drilling along with borehole geophysics with a proposed budget of \$170,000. The full Pigeon River NI43-101 Technical Report is available on Zara’s profile on SEDAR and on its website [www.ZaraResourcesInc.com](http://www.ZaraResourcesInc.com)

On December 12, 2013 the Company decided to allow 20 claims to lapse, and on December 31, 2014 the Company allowed 7 claims to lapse. The Pigeon River property now comprises one claim. Zara owns a 75% interest in the Pigeon River mining claim following the sale of a 25% interest to Hadley Mining Inc on April 10, 2015 for the sum of \$9,000.

### **Zara-Forge Lake**

Forge Lake is located 32 km northeast of Wawa, Ontario, and 14 km south of the Richmond Gold Mine and Mill. The previous owners of the property conducted a surface sampling program, an airborne magnetic survey and two diamond drill programs. Seventeen holes were drilled in November 2011 and intersected 3.25g/t Au over 12.7m. In April-June 2012 twelve holes were drilled designed to test for continuity of mineralization between the two main areas previously drilled, and intersected 7.07 g/t Au over 5.5 m. The exploration to date indicates that the gold-bearing quartz vein system is continuous and can contain high grade gold intersections, with a strike length of 650 m and a dip extent of 350 m.

On May 22, 2013 Zara completed an NI43-101 Technical Report on the Forge Lake Gold Property, which was updated on October 8, 2013. The Forge Lake NI-43101 Technical Report is available on Zara’s profile on SEDAR and on its website at [www.ZaraResourcesInc.com](http://www.ZaraResourcesInc.com)

### **Hadley-Etamame Property**

The Etamame Nickel Project had consisted of 10 claim blocks totaling 142 claim units located in the Lingman Lake Greenstone belt area about 38 kilometres southwest of Sachigo Lake in Northwestern Ontario, Canada. On April 8, 2014, management determined that they would not renew nine of the ten claim blocks and accordingly recognized a write-off in the amount of \$288,099 during the year ended July 31, 2014. On April 10, 2015 Hadley allowed the remaining Etamame claim to lapse, and it has no further interest in Etamame.

Geotech Ltd. carried out a VTEM AEM survey over Etamame in March 2011, which identified numerous prospective targets associated with strong magnetic anomalies. The Etamame Lake Ultramafic Complex Property area is characterized by tholeiitic-komatiitic volcanism that strikes for over 12km east-west. The volcanic pile is on average 1km to 1.5km thick. The area contains a series of intercalated near vertical dipping komatiites (peridotites/pyroxenites and dunites), biotite rich mafic volcanics, crystal tuffs, felsic volcanic conglomerates, cherts and sulphide iron formation. Serpentinized pyroxenite outcrops were noted 1km due west of Etamame Lake indicating strong hydrothermal activity located along strong east/west shear/fault systems. The age of the Etamame Lake property rocks are 2742 to 2749 million years old exhibiting greenschist facies. The Etamame Lake Ultramafic Complex could host Ni-Cu-PGE sulphide bodies. The Etamame Lake Ultramafic Complex conforms to the geological model of the Western Australian Kambalda-Windarra type volcanic-peridotite associated Ni-Cu-PGE deposits, both in geological setting and possible

metal concentrations and mineral associations. According to the deposit model the massive sulphide bodies are predominantly located at the base of komatiite flows in contact with footwall rocks. A volumetrically larger blanket of net-textured and disseminated sulphides overlies the massive sulphide portion of the deposits. Genesis of volcanogenic nickel sulphide deposits has been attributed to magmatic processes, a sulphide flow hypothesis, volcanic-exhalative activity and replacement phenomenon. The generation of a massive nickel sulphide horizon is done by magmatic processes via gravity settling of immiscible sulphide droplets in situ. The Etamame Lake Ultramafic Complex was identified by utilizing public domain data and knowledge gained from the MNDM Resident Geology offices located in Red Lake, Thunder Bay and Sudbury. Since 2006 Noronto, Freewest-Cliff Resources, KWG have made new nickel-chrome discoveries located in the eastern portion of the Sachigo Sub Province. The Sachigo Sub Province contains 14 greenstone belts that lie in the most northern portions of Manitoba and Ontario. Considerable work has been done to identify all geological information available over the fourteen greenstone belts and identify all mafic/ultramafic units mapped by the OGS - GSC or any historical foreign exploration. The Lingman greenstone belt lies 47km west of the Sachigo First Nation Community. Ultramafics and sulphide rich iron formations units were identified in the south east arm of the Lingman Lake greenstone belt by Wilson and Pelletier. The area was identified by Vanex Exploration to be an excellent komatiitic Ni-Cu-PGE project Ontario OGS assessment file research worked indicated no exploration has been carried out over the Etamame Lake ultramafics/sulphide iron formation environment. Exploration within the Lingman Lake greenstone belt consisted mostly of gold exploration. Utilizing ODM-GSC Aeromagnetic maps shows an intense linear east/west trending magnetic feature 14km long and 1 to 1.5km wide that sits on top of the ultramafics and sulphide iron formations

## **INTEREST IN MINERAL PROPERTIES**

The full capitalized cost of the mineral properties is reflected in the accompanying financial statements

## **RESULTS OF OPERATIONS**

The Company is in the exploration and evaluation stage and therefore did not have revenues from operations. For the nine month period ended April 30, 2015 the Company incurred a comprehensive loss of \$128,745 (\$0.01 per share) mainly comprised of professional fees of \$33,554, office and general of \$10,633, share based compensation of \$7,800, filing and listing fees of \$15,875, shareholder information expenses, and transfer agent fees of \$5,676. For the three month period ended April 30, 2015 the Company incurred a comprehensive loss of \$62,921 (\$0.00 per share) mainly comprised of professional fees of \$6,452, filing and listing fees of \$3,150, and shareholder information expenses of \$5,916. For the nine month period ended April 30, 2015 the Company used cash in operating activities of \$(40,695). For the three month period ended April 30, 2015 the Company used cash in operating activities of \$(10,750). For the nine month period ended April 30, 2015 the Company provided cash by investing activities of \$9,680. For the three month period ended April 30, 2015 the Company provided cash by investing activities of nil. For the nine month period ended April 30, 2015 the Company generated cash in financing activities of \$30,674. For the three month period ended April 30, 2015 the Company generated cash in financing activities of \$8,021. Depending on future events, the rate of expenditures and general and administrative costs could increase or decrease.

## **Selected Financial Information**

The following table provides selected financial information that should be read in conjunction with the audited Financial Statements and Notes of the Company for the applicable period.

**Summary of Results**
**Period from  
February 1, 2015–  
April 30, 2015**

<b>Interest Income</b>	\$0
<b>Net Loss and Comprehensive Loss</b>	\$62,921
<b>Interest in Mineral Properties</b>	\$5,393,760
<b>Current Assets</b>	\$19,186
<b>Total Assets</b>	\$5,425,835
<b>Total Liabilities</b>	\$878,821
<b>Shareholder's Equity</b>	\$4,547,014

**Summary of Quarterly Results**

	<b>Period from August 1, 2013 – October 31, 2013</b>	<b>Period from November 1, 2013 – January 31, 2014</b>	<b>Period from February 1, 2014 – April 30, 2014</b>	<b>Period from May 1, 2014 – July 31, 2014</b>
<b>Net Loss &amp; Deficit</b>	\$ (69,770)	\$ (47,307)	\$ (68,041)	\$ (2,403,649)
<b>Interest in Mineral Properties</b>	\$7,703,760	\$7,703,760	\$7,703,760	\$5,393,760
<b>Current Assets</b>	\$76,953	\$76,658	\$76,918	\$57,308
<b>Total Assets</b>	\$7,893,106	\$7,887,238	\$7,880,383	\$5,522,928
<b>Total Liabilities</b>	\$1,024,367	\$921,806	\$982,992	\$1,028,886
<b>Shareholder's Equity</b>	\$6,868,739	\$6,965,432	\$6,897,391	\$4,494,042
<b>Basic and diluted loss per share</b>	\$ (0.02)	\$ (0.01)	\$ (0.01)	\$ (0.48)

	<b>Period from August 1, 2014 – October 31, 2014</b>	<b>Period from November 1, 2014- January 31, 2015</b>	<b>Period from February 1, 2015- April 30, 2015</b>
<b>Net Loss &amp; Deficit</b>	\$ (36,374)	\$ (29,369)	\$ (62,921)
<b>Interest in Mineral Properties</b>	\$5,393,760	\$5,393,760	\$5,393,760
<b>Current Assets</b>	\$27,652	\$24,130	\$19,186
<b>Total Assets</b>	\$5,483,735	\$5,477,677	\$5,425,835
<b>Total Liabilities</b>	\$844,350	\$867,742	\$878,821
<b>Shareholder's Equity</b>	\$4,639,385	\$4,609,935	\$4,547,014
<b>Basic and diluted loss per share</b>	\$ (0.01)	\$ (0.01)	\$ (0.00)

## Liquidity and Solvency

The Company will need access to equity capital to pursue its business plan and there is no guarantee that equity may be available, and if available it may not be on terms that Management finds is in the interest of the Company. The Company considers its investments in Zara, Hadley and Leo as long term investments, however retains the option of disposing of some or all its investments in Zara, Hadley and Leo to raise funds. Due to the significant percentage ownership of Zara, Hadley and Leo, the Company may have difficulty selling some or all of its shareholding and any such sale may negatively impact the value of its investments. The Company may also borrow funds from its CEO. In order to maintain its operations the Company needs funds for primarily management fees, legal and accounting. Some of the management fees have been accrued by management and as a result do not represent a cash requirement for the Company, however there is no assurance that management fees will be accrued in the future. The Company would need to raise additional equity capital in order to pursue other investment opportunities or to support special projects. The exploration budgets for Zara, Hadley and Leo will require additional equity to be raised by those companies in order to fund those exploration budgets, and there is no guarantee that such equity can be raised by Zara, Hadley and Leo.

The following table summarizes the Company's cash on hand, working capital and cash flow as at April 30, 2015

<b>Cash</b>	\$1,194
<b>Working Capital</b>	\$(859,635)
<b>Cash Used in Operating Activities</b>	\$(40,695)
<b>Cash Provided by Financing Activities</b>	\$30,674
<b>Increase in Cash</b>	\$(341)

The Company is dependent on the sale of newly issued shares to finance its operational activities and general and administrative costs. Its majority owned subsidiary CNRP is dependent on the sale of newly issued shares to finance its exploration activities and make property acquisition payments as well as its general and administrative costs. The Company will have to raise additional funds in the future to continue its operations. There can be no assurance, however, that the Company will be successful in its efforts. If such funds are not available or other sources of financing cannot be obtained, then the Company will be forced to curtail its activities.

## Capital Resources

The Company has no operations that generate cash flow and its long term financial success is dependent on its subsidiary CNRP, and its affiliates Zara, Hadley and Leo, discovering properties that contain mineral reserves that are economically recoverable, and on the capital appreciation of its investment securities. The Company's primary capital assets as at January 31, 2015 are investment securities and resource properties. The Company has no commitments for capital expenditure, and there are no known trends or expected fluctuations in the Company's capital resources. The exploration budgets for CNRP, Zara, Hadley and Leo will require additional equity to be raised by those companies in order to fund those exploration budgets, and there is no guarantee that such equity can be raised by CNRP, Zara, Hadley and Leo.

### Common Shares

The authorized capital of the issuer consists of an unlimited number of common shares without par value of which 9,862,335 are outstanding as of June 26, 2015. Holders of the issuer's common shares are entitled to vote at all meetings of shareholders declared by the directors, and subject to the rights of holders of any shares ranking in priority to or on a parity with the common shares, to participate ratably in any distribution of property or assets upon the liquidation, winding up or dissolution of the Issuer.

The following is a summary of the Company's (excluding CNRP which is shown separately below) outstanding stock options and warrant data as of June 26, 2015

### Winston Stock Options

Options to purchase common shares in the capital of Winston are granted by Winston's Board of Directors to eligible persons pursuant to Winston's 2014 Stock Option Incentive Plan. During the nine month period ended April 30, 2015, Winston granted no stock options. As shown in the following table, 490,000 options are currently outstanding.

<b>Date</b>	<b>Number</b>	<b>Name of Optionee if Related Person and relationship</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Market Price on date of Grant</b>
7/1/2013	80,000	(1)Daniel Wettreich, Director	\$0.05	7/1/2018	\$0.05
7/1/2013	60,000	Mark Wettreich, Director	\$0.05	7/1/2018	\$0.05
7/1/2013	20,000	Peter Wanner, Director	\$0.05	7/1/2015	\$0.05
8/5/2014	110,000	Daniel Wettreich, Director	\$0.05	8/5/2019	\$0.02
8/5/2014	40,000	Mark Wettreich, Director	\$0.05	8/5/2019	\$0.02
8/5/2014	80,000	Peter Wanner, Director	\$0.05	8/5/2016	\$0.02
8/5/2014	100,000	Paul Cullingham, Director	\$0.05	8/5/2016	\$0.02

(1) Daniel Wettreich surrendered 60,000 options effective August 5, 2014

### Winston Warrants

At June 26, 2015 the Company had the following warrants and brokers warrants outstanding.

<b>Date of Expiry</b>	<b>Description</b>	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>
October 9,2017	Subscriber Warrants	3,478,340	0.05
		<b>3,478,340</b>	

### CNRP Stock Options

At June 26, 2015 CNRP had 1, 400,000 stock options issued and outstanding.

<b>Date</b>	<b>Number</b>	<b>Name of Optionee if Related Person and relationship</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Market Price on date of Grant</b>
10/13/2014	700,000	Daniel Wettreich, Director	\$0.05	10/31/2017	\$0.01
10/13/2014	450,000	Mark Wettreich, Director	\$0.05	10/31/2017	\$0.01
5/30/2014	125,000	Paul Cullingham, Director	\$0.05	7/31/2016	\$0.01
10/13/2014	125,000	Peter Wanner, Director	\$0.05	10/31/2016	\$0.01

### CNRP Warrants

At June 26, 2015 the Company had no warrants and brokers warrants outstanding.

### **Outlook and Capital Requirements**

There is no guarantee that market conditions will be conducive to raising additional equity capital. Depending on future events, the rate of Company expenditures and general and administrative costs could increase or decrease.

### **Related Parties Transactions**

Related party transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties

The amount of due from related companies at April 30, 2015 in the amount of \$5,375 is comprised of due from Hadley \$5,275 and due from Rulinus of \$100. The due to related parties in the amount of \$77,805 is due to an officer of \$8,597, a payable to Zara of \$3,332, a payable to Leo of \$36,580, a payable to GreenBank of \$3,829, and a payable to a private company controlled by an officer of \$25,467. The amounts are payable on demand and are interest-free.

For the period ended April 30, 2015, the Company incurred no management fees expenses to a private company controlled by an officer. As at April 30, 2015, the amount of \$33,900 was owed thereto and has been included in trade payables and accrued liabilities.

On October 9, 2014, the Company effected a debt conversion (the "Debt Conversion") of \$173,917 owing to Sammiri Capital Inc a private company owned by Danny Wettreich a director and CEO of Winston. The Debt Conversion comprised Units of Winston, each Unit comprising of one common share at \$0.05 per share and one warrant exercisable at \$0.05 per share (the "Debt Conversion"). The Debt Conversion resulted in the issuance of 3,478,340 common shares, representing 35.27% of the increased share capital of Winston, and 3,478,000 warrants representing 96.5% of the increased and outstanding warrants. No commission was payable in relation to the Debt Conversion.

## **Off-Balance Sheet Arrangements**

The Company does not utilize off-balance sheet transactions.

## **Proposed Transactions**

There are no proposed transactions that will materially affect the performance of the Company other than those disclosed in this MD&A.

## **Accounting Policies**

The accounting policies and methods employed by the Company determine how it reports its financial condition and results of operations, and may require management to make judgments or rely on assumptions about matters that are inherently uncertain. The Company's results of operations are reported using policies and methods in accordance with IFRS. In preparing financial statements in accordance with IFRS, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses for the period. Management reviews its estimates and assumptions on an ongoing basis using the most current information available. These financial statements have been prepared by management in accordance with IFRS. Outlined below are those policies considered particularly significant:

### ***Significant Estimates and Judgments***

The preparation of these financial statements in accordance with IFRS requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses.

Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates.

The most significant estimates relate to impairment assessments of E&E, recoverability of HST and the valuation of share-based payments. Other major assumptions is the fair value of related party accounts payable and accounts receivable and the classification of current and non-current. The most significant judgements relate to the use of the going concern assumption in the preparation of the financial statements, the recognition of deferred income tax assets and liabilities, and the determination of the economic viability of exploration and evaluation assets.

After capitalization, E&E assets are reviewed for indicators of impairment at each reporting period under IFRS 6. Determining if there are any facts and circumstances indicating impairment loss is a subjective process involving judgment and a number of estimates and interpretations in many cases. When an indication of impairment loss exists, the recoverable amount of the cash generating unit ("CGU") must be estimated. Identifying the CGUs requires management judgment. In testing CGUs for impairment, management estimates the recoverable amount of the CGUs. This requires management to make several assumptions as to future events or circumstances.

The Company records all share-based compensation using the fair value method. The Company uses the Black-Scholes option pricing model to determine the fair value of share-based compensation. The main factor affecting the estimates of the fair value of stock options is the stock price, expected volatility used and the expected duration of the instrument. The Company currently estimates the expected volatility of its common shares based on comparable information derived from the trading history of guideline public companies which are in a similar situation to the Company taking into consideration the expected life of

the options.

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements.

#### ***Related Party Transactions and Disclosures***

Parties are considered to be related if one party has the ability to directly or indirectly control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be Individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions are in the normal course of business and have commercial substance and are measured at the fair value.

#### ***Deferred income taxes***

Deferred income taxes are provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

- Deferred income tax liabilities are recognized for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- Taxable temporary differences associated with investments in associates and interests in joint ventures, where the timing in the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is expected to be realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position. Deferred income taxes relating to items recognized directly in equity are recognized in equity and not in the statement of comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.



### ***Impairment of non-financial assets***

At each reporting date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that these assets suffer any impairment in value, except for E&E which is first assessed against the indicators of IFRS 6. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount with a corresponding impairment loss recognized in the statement of comprehensive income in the period of impairment.

If an impairment loss reverses in a subsequent period then the carrying amount of the asset is increased to its revised value to the extent that the increased carrying amount does not exceed its original carrying amount at the initial date of acquisition.

### ***Functional currency***

The Company's presentation and functional currency is the Canadian dollar.

### ***Exploration and evaluations assets ("E&E")***

E&E assets consist of exploration and mining concessions, options and contracts. Acquisition costs, lease costs and exploration costs are capitalized and deferred until such time as the asset is moved to a mining asset (if meets the economic and feasible stage) or the properties are disposed of either through sale or abandonment.

E&E costs consist of such items as:

- Acquisition of exploration properties;
- Gathering exploration data through topographical and geological studies;
- Exploratory drilling, trenching and sampling;
- Determining the volume and grade of the resource;
- Test work on geology, metallurgy, mining, geotechnical and environmental; and
- Conducting engineering, marketing and financial studies.

E&E shall be assessed for impairment when one or more of the following facts and circumstances indicate that a specific CGU should be tested for impairment:

1. The period for which the entity has the right to explore in the specific area has expired during the financial statement period or will expire in the near future and is not expected to be renewed.
2. Substantive expenditures on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned.
3. Exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
4. Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or sale.

The Company estimates the recoverable amount of each CGU, on the basis of areas of interest. Management groups mineral claims that are contiguous and specific to an area that encompasses the same prospective minerals, into one area of interest and assigns a name to this mineral property.

Recoverable amount is the higher of fair value less disposal costs and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. E&E are also tested for impairment before the assets are transferred to development properties.

### ***Equity Settled Transactions***

The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (“the vesting date”). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company’s best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge for a period represents the movement in cumulative expense recognized as at the beginning and end of that reporting period and the corresponding amount is represented in share based compensation reserve.

When the share-based payment arrangement has been cancelled or the terms have expired the fair value assigned to the share-based payment arrangement is transferred to contributed surplus

### ***Share Capital***

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company’s common shares are classified as equity instruments

Incremental costs directly attributable to the issue of new shares are recognized in equity as a reduction from the gross proceeds received from the issued shares

### ***Financial instruments***

#### **Fair value through profit or loss (FVTPL)**

Financial assets that are held with the intention of generating profits in the near term are classified as held for trading within FVTPL. In addition, any other financial assets can be designated by the Company upon initial recognition as held for trading. These instruments are subsequently re-measured at fair value with the change in the fair value recognized as gain or loss in the statement of loss and comprehensive loss during the period.

#### **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are either designated as such by management or not classified in any of the other categories. Available-for-sale financial assets are measured at fair value with changes recognized in other comprehensive income. Upon sale or impairment, the accumulated fair value adjustments recognized in other comprehensive income are recorded in the statements of loss and comprehensive loss.

#### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at

amortized cost using the effective interest rate method (“EIR”), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of comprehensive loss. The losses arising from impairment are recognized in the statement of loss and comprehensive loss. The Company has classified HST recoverable and due from related companies as loans and receivable.

Other financial liabilities:

Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost. The effective interest rate (or amortized cost method) is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition. Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels

- Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The company’s cash is considered Level 1 in the hierarchy.

***Loss Per Share***

Loss per share is calculated based on the weighted average number of common shares issued and outstanding during the period. In the years when the Company reports a net loss, the effect of potential issuances of common shares are anti-dilutive, therefore, basic and fully diluted loss per common share is the same. The diluted loss per share reflects the potential dilution of common share equivalents, such as the conversion of outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The treasury stock method is used for the assumed proceeds upon exercise of the options and warrants.

***Change in accounting policies***

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after January 1, 2013. The following new standards have been adopted:

- (i) IFRS 10 – Consolidated Financial Statements (“IFRS 10”) was issued by the IASB in May 2011. IFRS 10 is a standard which identifies the concept of control as the determining factor in assessing whether an entity should be included in the consolidated financial statements of the parent company. Control is comprised of three elements: power over an investee; exposure to variable returns from an investee; and the ability to use power to affect the reporting entity’s returns. At August 1, 2013, the Company adopted this pronouncement and there was no impact on the Company’s financial statements.

(ii) IFRS 11 – Joint Arrangements (“IFRS 11”) was issued by the IASB in May 2011. IFRS 11 is a new standard which focuses on classifying joint arrangements by their rights and obligations rather than their legal form. Entities are classified into two groups: parties having rights to the assets and obligations for the liabilities of an arrangement, and rights to the net assets of an arrangement. Entities in the former case account for assets, liabilities, revenues and expenses in accordance with the arrangement, whereas entities in the latter case account for the arrangement using the equity method. At August 1, 2013, the Company adopted this pronouncement and there was no impact on the Company’s financial statements.

(iii) IFRS 12 – Disclosure of Interests in Other Entities (“IFRS 12”) was issued by the IASB in May 2011. IFRS 12 is a new standard which provides disclosure requirements for entities reporting interests in other entities, including unconsolidated structured entities. At August 1, 2013, the Company adopted this pronouncement and there was no impact on the Company’s financial statements

(iv) IFRS 13 - Fair Value Measurement (“IFRS 13”) was issued by the IASB in May 2011. IFRS 13 is a new standard which provides a definition of fair value and a single source of fair value measurement considerations. IFRS 13 clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. It also establishes disclosures about fair value measurement. The Company’s adoption of IFRS 13, on August 1, 2013, did not have a financial impact upon the financial statements. The disclosures have been provided accordingly.

(v) In October 2011, the IASB issued IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine. This interpretation requires the capitalization and depreciation of stripping costs in the production phase if an entity can demonstrate that it is probable future economic benefits will be realized, the costs can be reliably measured and the entity can identify the component of the ore body for which access has been improved. At August 1, 2013, the Company adopted this pronouncement and there was no impact on the Company’s financial statements.

(vii) IAS 27 - Separate Financial Statements (“IAS 27”) was effective for annual periods beginning on or after January 1, 2013, as a result of the issue of the new standards, IAS 27 has been reissued, as the consolidation guidance will now be included in IFRS 10. IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. At August 1, 2013, the Company adopted this pronouncement and there was no impact on the Company’s financial statements.

### ***Future Accounting Policies***

At the date of authorization of these Financial Statements, the IASB has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting period.

- IFRS 9 Financial Instruments (“IFRS 9”)  
IFRS 9 was issued by the IASB and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires an expected loss impairment method to be used, replacing the incurred loss impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption

is permitted.

- IAS 32 Offsetting Financial Assets and Liabilities (“IAS 32”)  
IAS 32, this amendment clarifies certain aspects of offsetting and net and gross settlement. The Company has determined there will be no effect on adoption of amendment to IAS 32 on its financial statements. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014.
- IAS 36 Impairment of Assets (“IAS 36”)  
IAS 36 is effective for annual periods beginning on or after July 1, 2014. IAS 36 was amended to address the disclosure required for the recoverable amount of impaired assets or CGU for periods in which an impairment loss has been recognized or reversed. There will be no expected impact on the results of operations or presentation.

Various other accounting pronouncements (such as IFRS 14, IFRS 15, and the various annual improvements) that have no material impact to the Company are not included above. The Company has not early adopted these standards. The Company is currently assessing the impact the application of these standards may have on the financial statements of the Company

#### ***Financial Risk Management Objectives and Policies***

The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management, with the Board of Directors oversight, manages financial risks. Where material, these risks will be reviewed and monitored by the Board of Directors. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

#### ***Financial Risks***

The Company's main financial risk exposure and its financial risk management policies are as follows:

##### ***Credit risk***

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is limited to the carrying value amount carried on the statement of financial position. The Company's assets most susceptible to credit risk is its cash, which is held at a Canadian chartered bank in a non-interest bearing account, HST recoverable, which is due from the Canadian government, as well as the related party receivables which are described in Note 10 to the financial statements and is expected to be recoverable. As such, the risk of loss on these assets is minimal.

##### ***Market Risk***

Market risk is the risk of uncertainty arising primarily from possible commodity market price movements and their impact on the future economic viability of the Company's projects and ability of the Company to raise capital. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operating and exploration budgets accordingly.

##### ***Liquidity Risk***

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, including 30-day, 180-day and 360-day lookout periods. As at July 31, 2014, the Company had \$1,535 in cash. Currently, the Company does not have sufficient funds and will require financing to carry out an exploration and acquisition program, fund the

property purchase obligations, and meet general and administration expenses for the next twelve months.

### **Commodity Risk**

The value of the Company's exploration and evaluation assets are related to the price of gold and other mineral commodities, and the outlook for this mineral. Adverse changes in the price of gold can also significantly impair the economic viability of the Company's projects, along with the ability to obtain future financing.

The Company has designated its cash at fair value through profit and loss. The HST recoverable and due from related companies are classified as loans and receivables whereby they are initially recognized at fair value and then subsequently carried at amortized cost. Accounts payables and accrued liabilities, due to related company and due to officer are classified as other financial liabilities whereby they are initially recognized at fair value and then measured at amortized cost.

The carrying values, which approximate fair values, of the Company's financial instruments are as follows:

	April 30, 2015	July 31, 2014
<b>Financial Assets</b>		
<i>Fair value through profit or loss</i>		
Cash	\$ 1,194	\$ 1,535
<i>Loans and receivables</i>		
HST Recoverable	2,756	28,019
Due from related companies	5,375	25,956
<b>Financial Liabilities</b>		
<i>Other financial liabilities</i>		
Accounts payables and accrued liabilities	101,016	181,437
Due to related parties	77,805	147,449
Mineral property purchase price payable	700,000	700,000

### **Capital Management**

The Company's objective in managing capital is to ensure continuity as a going-concern and to safeguard its ability to continue its acquisition and exploration programs. The Company manages its capital structure and makes adjustment to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares and acquire or sell mining properties to improve its financial performance and flexibility.

The Company defines its capital as its shareholder's equity. To effectively manage the Company's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has appropriate liquidity to meet its operating and growth objectives. As needed, the Company raises funds through private placements or other equity financings. The Company does not utilize long term debt as the Company does not currently generate operating revenues. There is no dividend policy.

### **Risks and Uncertainties**

The Company's principal activity is mineral exploration and development, and investment in securities. Companies in this industry are subject to many and varied kinds of risk, including but not limited to, environmental, metal prices, political and economical. The mineral exploration business is risky and most exploration projects will not become mines. The Company and its subsidiary and affiliates CNRP, Zara, Hadley and Leo may offer an opportunity to a mining company to acquire an interest in a property in return for funding all or part of the exploration and development of the property. For the funding of property

acquisitions and exploration the Company and its subsidiary and affiliates CNRP, Zara, Hadley and Leo depends on the issue of shares from the treasury to investors. These stock issues depend on numerous factors including a positive mineral exploration environment, positive stock market conditions, a company's track record and the experience of management. The Company has no significant source of operating cash flow and no revenues from operations. The Company and its subsidiary and affiliates CNRP, Zara, Hadley and Leo have not yet determined whether any mineral contains mineral reserves are economically recoverable. The Company has limited financial resources. Substantial expenditures are required to be made by the Company and its subsidiary and affiliates CNRP, Zara, Hadley and Leo to establish reserves. There is no guarantee that the Company or its subsidiary and affiliates CNRP, Zara, Hadley and Leo will be able to contribute or obtain all necessary resources and funds for the exploration and exploitation of any required permits, and may fail to meet exploration commitments. Mineral exploration involves a high degree of risk and few properties, that are explored, are ultimately developed into producing mines. Exploration of mineral properties by the Company's subsidiary and affiliates CNRP, Zara, Hadley and Leo may not result in any discoveries of commercial bodies of mineralization. If the Company's subsidiary and affiliates CNRP, Zara, Hadley and Leo efforts do not result in any discovery of commercial mineralization, the Company may cease operations. The Company and its subsidiary and affiliates CNRP, Zara, Hadley and Leo are subject to the laws and regulations relating to environmental matters in all jurisdictions in which they operate, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company has limited financial resources.

### **Conflicts of Interest**

Certain of the directors and officers of the Company may also serve as directors and officers of other companies involved in gold and precious metal or other natural resource exploration and development and consequently the possibility of conflict exists. Any decisions made by such directors or officers involving the Company will be made in accordance with the duties and obligations of directors and officers to deal fairly and in good faith with the Company and such other companies. In addition, such directors declare their interest and refrain from voting on any matters in which such directors may have a conflict of interest.

### **Management's Responsibility for Financial Statements**

The information provided in this report is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

### **Other**

Additional information relating to the Company's operations and activities can be found by visiting the Company's website at [www.WinstonResources.com](http://www.WinstonResources.com), CNRP's website at [www.CNRPMining.com](http://www.CNRPMining.com), and Winston's profile at [www.sedar.com](http://www.sedar.com).

### **Trends**

Trends in the industry can materially affect how well any junior minerals company is performing. The price of precious metals has undergone a recent retracement, although worldwide exploration is being maintained. Company management believes that the retracement is a short-term anomaly and that the general trend will show precious metals prices to be higher over time. However, the Company's investments are in the mineral exploration sector and the presently depressed market for mining companies and their valuations can adversely affect the Company's ability to successfully complete transactions.

## **Outlook**

The outlook for precious metals is uncertain and has seen a recent decline on prices.

## **Cautionary Statement**

This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding the Company's expectation of future trends in the mineral exploration sector, its subsidiary and affiliates development plans and the Company's future plans and objectives are forward-looking statements that involve various risks and uncertainties. The material factors and assumptions that management has used to determine such forward-looking statements include, without limitation, (1) estimates of stock-based compensation expense (2) expectations of industry trends (3) expectations of future funding (4) expectation of exploration activities and (5) expectation of successful negotiation by its affiliates with First Nations. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statement. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies the Company is bound. Forward-looking statements are based on the estimates and opinions of management on the date of statements are made, and the Company endeavours to update corporate information and material facts on a timely basis. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with corporate finance and mergers and acquisitions activities, investment portfolio risk, and operational and political risks.