

## **MANAGEMENT DISCUSSION AND ANALYSIS**

**FOR**

**STINTON EXPLORATION LTD.**

**FOR THE QUARTER ENDED MARCH 31, 2014 - UNAUDITED**

This Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Stinton Exploration Ltd. (the "Company" or "Stinton") constitutes Management's assessment of the results of the Company's financial and operating performance during the three month period ending March 31, 2013. This MD&A should be read in conjunction with the unaudited financial statements and related notes for the quarter ended March 31, 2013 and the Company's audited financial statements and related notes for the year ending December 31, 2013 available on SEDAR ([www.sedar.com](http://www.sedar.com)). Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars. This MD&A was prepared as of May 29, 2014.

### **FORWARD LOOKING STATEMENTS**

This MD&A contains certain "forward-looking statements" within the meaning of Canadian securities laws. Forward-looking statements reflect the Company's current views with respect to future events, are based on information currently available to the Company and are subject to certain risks, uncertainties, and assumptions, including those discussed above. Forward-looking statements include, but are not limited to, statements with respect to the success of mining exploration work, title disputes or claims, environmental risks, unanticipated reclamation expenses, the estimation of mineral reserves and resources and capital expenditures. In certain cases, forward-looking statements can be identified by the use of words such as "intends", "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ from those expressed or implied by the forward-looking statements. Such factors include, among others, risks related to international operations, fluctuation of currency exchange rates, actual results of current exploration activities, changes in project parameters as plans are refined over time, the future price of gold and other precious or base metals, possible variations in mineral resources, grade or recovery rates, accidents, labour disputes and other risks of the mining industry, delays in obtaining, or inability to obtain, required governmental approvals or financing, as well as other factors discussed under "Risk Factors". Although the Company has attempted to identify material factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained in this Prospectus are made as of the date of this Prospectus. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company will update forward-looking statements in its management discussion and analysis as required.

## **BUSINESS OF STINTON EXPLORATION LTD.**

Stinton Exploration Ltd. is a Canadian-based mineral exploration company focused on the acquisition and exploration of mineral properties in Canada. The Company currently holds a 25% interest in the Buffalo Nickel Project, a property consisting of 13 contiguous mining claims encompassing 2995 hectares, located in southeast Manitoba. The property is prospective for nickel PGE (Platinum Group Elements).

## **GOING CONCERN**

The Company's Financial Statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. The Company had cash and cash equivalents of \$196 as at March 31, 2014 (December 31, 2014: \$196), but management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive or raise additional debt and/or equity capital. The Company's solvency, ability to meet its liabilities as they become due and to continue its operations is essentially solely dependent on management's ability to attract investor funding. If investors are unwilling to provide additional funding to the Company and/or if the Company is unable to raise additional capital in the immediate future, the Company will need to curtail operations, seek additional capital on less favourable terms and/or pursue other remedial measures or cease operations. This material uncertainty may cast significant doubt on the ability of the Company to continue as a going concern. These consolidated financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern including adjustments related to other costs associated with ceasing operations.

## **PROPERTIES**

### **The Buffalo Nickel Property**

The Company commenced operations in December, 2010 with the acquisition of a 25% interest in the Buffalo Nickel Property (the "Property") pursuant to the Purchase Agreement dated as of December 13, 2010 between the Company and William C. Hood (the Vendor), by issuing 700,000 common shares of the Company to the Vendor, with an option to acquire the remaining 75% of the property by the issuance of an additional 1,300,000 common shares of the Company up to and including the second anniversary of the date of the Purchase Agreement, provided that the Company keeps the Property in good standing and conducts all operations and activities on the Property in accordance with applicable law. The option to acquire the remaining 75% interest in the property was allowed to expire on Dec. 13, 2012.

The Property is subject to an underlying royalty in favour of William C. Hood based on a net smelter returns royalty equal to two percent (2%), which commences on the operation of the Property or any portion thereof as a producing mine and the production of mineral products there from. The Company may elect to purchase from the Vendor at any time one-half of the net smelter returns royalty, being one percent (1%), upon payment to the Vendor of one million dollars (\$1,000,000).

## CORPORATE ACTIVITIES

The Company continued its efforts to secure financing or joint venture opportunities to advance to the next stage of exploration of the Company's Buffalo Bay nickel project. The Company has also begun investigating alternative sectors for opportunities and avenues for growth. Discussions have been held with several entities outside of the minerals and mining sector. While no definitive agreements have yet been reached management has been encouraged by the preliminary discussions held to date.

### Selected Quarterly and Annual Information

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have an impact on future periods.

Activities during the quarter were sharply reduced from activity of the year prior, when the Company was in the midst of its attempted Initial Public Offering, and final exploration work of the PHASE 1 exploration program of the Buffalo Bay nickel project was being completed. As a result expenses are sharply reduced year over year.

During the quarter ended March 31, 2014, the Company reported \$nil revenue and a net loss of \$nil compared with \$nil revenue a loss of \$123,477 for the corresponding period the prior year.

As of March 31, 2014, the Company had working capital of \$(146,735). This is not sufficient to meet the planned requirements of the Company and as the Company has no operating source of revenue, additional capital is required. The Company plans to issue further shares to continue to advance its business objectives.

|   | 3 Months Ended March 31, 2014 | 3 Months Ended March 31, 2013 |
|---|-------------------------------|-------------------------------|
| Total revenues                          | \$nil                         | \$nil                         |
| Mineral property expenditures           | \$nil                         | \$32,500                      |
| General and administrative expenses     | \$nil                         | \$90,977                      |
| Basic and diluted loss per common share |                               |                               |
|   | <b>March 31, 2014</b>         | <b>March 31, 2013</b>         |
| Total assets                            | \$30,962                      | \$30,962                      |
| Total liabilities                       | \$177,697                     | \$177,697                     |
| Cash dividends per share                | \$nil                         | \$nil                         |

The Company expects to incur losses for at least the next 24 months and there can be no assurance that the Company will ever make a profit. To achieve profitability, the Company must advance its Property through further exploration in order to bring the Property to a stage where the Company can attract the participation of a senior resource corporation with the expertise and financial capability to place such Property into commercial production.

The Company's ability to continue as a going-concern is dependent upon its ability to achieve profitability and fund any additional losses it may incur. The financial statements are prepared on a going concern basis, which implies that the Company will realize its assets and discharge its liabilities in the normal course of business. The financial statements do not reflect adjustments to the carrying value of assets and liabilities that would be necessary if the Company were unable to achieve and maintain profitable operations.

### **Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

### **Transactions with Related Parties**

Professional services provided by the CEO and CFO who are also directors of the Company were done without charge for the quarter. It is anticipated that there will be fees charged for services rendered in the future.

### **Critical Accounting Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results may differ from these estimates.

### **Outstanding Share Data**

As at March 31, 2014 there were 3,740,000 common shares issued and outstanding as fully paid and non-assessable securities.

### **Proposed Transactions**

As is typical of the minerals exploration and development industry, the Company continues to review property and competitor information in search of future opportunities in terms of new property acquisitions and business partnerships. Although no transactions are in progress currently, the Company endeavours to continue research into potential opportunities, and to keep business relationships open should opportunities arise.

### **IFRS**

The Company has prepared its financial statements in accordance with IFRS standards as issued by the International Accounting Standards Board effective as at March 31, 2014.

## **Resource Properties**

### ***The Buffalo Nickel Property***

On December 13, 2010 the Company commenced operations with the acquisition of a 25% interest in the Buffalo Nickel Property. The Property, situated geologically in the Wabigoon Subprovince, consists of 13 claims totaling 2995 hectares and is located in the southeastern part of the Province of Manitoba, approximately 150 km southeast of Winnipeg and 16 km north of the boundary with the state of Minnesota, USA. About 13 km east of the centre of the claims is the boundary with the Northwest Angle, a part of the United States that extends north of the 49th parallel.

At the time of the purchase the property was held 100% by William C. Hood of Beausejour, Manitoba. The Company has purchased a 25% interest in the Property in exchange for 700,000 common shares of the Company and a net smelter return of 2% for Mr. Hood. The Company has an option to purchase the remaining 75% of the Property, but only in its entirety, for an additional 1,300,000 common shares subject to the same 2% net smelter return. The option to acquire the remaining 75% interest in the property expired on December 13, 2012.

## **Other Corporate Matters**

### **FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES**

The Company manages its capital with the objectives of ensuring sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions, and to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the board of directors on an ongoing basis. The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Selected information is provided to the board of directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the 3 months ended March 31, 2014

The Company is not subject to any externally imposed capital requirements.

### **PROPERTY AND FINANCIAL RISK FACTORS**

#### *Financial Instruments and Other Instruments*

The Company's financial instruments as at March 31, 2014 include cash and cash equivalents and accounts payable and accrued liabilities.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

### *Credit Risk*

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to accounts receivable included in current assets. The Company has no material concentration of credit risk arising from operations. Cash and cash equivalents consist of cash which has been invested with a Canadian Credit Union, from which management believes the risk of loss is remote.

### *Interest Rate Risk*

The Company has cash and no interest-bearing debt. The Company's current policy is to periodically invest excess cash, as appropriate, in investment-grade short term deposit certificates issued by financial institutions. The Company is satisfied with the credit ratings of its financial institution.

### *Sensitivity Analysis*

Based on management's knowledge and experience of the financial markets, a plus or minus 1% change in interest rates would not have a significant impact on the reported net loss for the period.

### *Liquidity Risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The ability of the Company to continue to pursue its exploration activities and continue as a going concern is dependent on its ability to secure additional equity or other financing.

## **ADDITIONAL RISK FACTORS**

The Company's business of exploring mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. In addition to considering the information disclosed in the financial statements and in the other publicly filed documentation regarding the Company available at [www.sedar.com](http://www.sedar.com), the reader should carefully consider the following information. Any of these risk elements could have material adverse effects on the business of the Company. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future, and its common shares should be considered speculative.

### *Environmental Liabilities*

There are currently no known existing environmental liabilities to which the Property is subject. The surface waters of the claims drain east and southeast over lands owned by the Buffalo Point First Nation. The Property is otherwise free of liens or pending legal actions, back-in rights, payments or other encumbrances. There are no known land improvements, mineralized zones, mine workings or tailings ponds on the Property. The Property is at an early stage of exploration and permits are required from the Manitoba Innovation, Energy and Mines department before building trails and road access. These permits are available to the Company.

### *Ability to Fund / Potential Dilution*

There can be no assurance that any funding required by the Company will become available to it, and if so, that it will be offered on reasonable terms, or that the Company will be able to secure such funding through third party financing or cost sharing arrangements. Furthermore, there is no assurance that the Company will be able to secure new mineral properties or projects, or that they can be secured on competitive terms. The Company may also issue options and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

### *Mineral Resources*

As of the date of this Management Discussion & Analysis, no mineral resources as defined by National Instrument 43-101 had been established at the Company's project. There is no certainty that further exploration and development will result in the definition of mineral resources, or mineral reserves at the Company's project.

### *Permitting Requirements*

The Company and/or its partners are, from time to time, required to obtain certain permits, licenses or consents in order to operate its business. There is no guarantee as to whether or when such permits, licenses or consents will be granted or renewed as applicable.

### *Commodity Price Volatility*

The prices of various resource commodities that the Company intends to explore, and subject to exploration success, exploit and subsequently market, can fluctuate, and are beyond the Company's control. Adverse price fluctuations in these targeted commodities can materially impact investor confidence and undermine the ability of the Company to raise sufficient capital from the investment marketplace to continue ongoing exploration efforts in a timely manner.

### *Title to Mineral Properties*

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed or impugned. Although the Company has investigated its title to the mineral properties for which it holds concessions or mineral leases or licenses, there can be no assurance that the Company has valid title to such mineral properties or that its title thereto will not be challenged or impugned. The Company does not carry title insurance with respect to its mineral properties. A successful claim that the Company does not have title to a mineral property could cause the Company to lose its rights to mine that property, perhaps without compensation for its prior expenditures relating to the property.

### *Mineral Exploration and Exploitation*

Mineral exploration and exploitation involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. Substantial expenditures are required to

establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of some properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining, or to upgrade existing infrastructure. There can be no assurance that the funds required to exploit any mineral reserves and resources that may be discovered by the Company will be obtained on a timely basis or at all. The economics of exploiting mineral reserves and resources discovered by the Company are affected by many factors, many outside the control of the Company, including the cost of operations, variations in the grade of ore mined and metals recovered, price fluctuations in the metal markets, costs of processing equipment, and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. There can be no assurance that the Company's mineral exploration and exploitation activities will be successful.

### *Uninsurable Risks*

Mineral exploration and exploitation activities involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could negatively affect the Company's profitability and financial position and the value of the common shares of the Company. The Company does not maintain insurance against environmental risks.

### *Environmental Regulation and Liability*

The Company's activities are subject to laws and regulations controlling not only mineral exploration and exploitation activities themselves but also the possible effects of such activities upon the environment. Environmental legislation may change and make the mining and processing of ore uneconomic or result in significant environmental or reclamation costs. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mineral exploitation activities, such as seepage from tailings disposal areas that could result in environmental pollution. A breach of environmental legislation may result in the imposition of fines and penalties or the suspension or closure of operations. In addition, certain types of operations require the submission of environmental impact statements and approval thereof by government authorities.

Environmental legislation is evolving in a manner that may mean 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 directors, officers and employees. Permits from a variety of regulatory authorities are required for many aspects of mineral exploitation activities, including closure and reclamation. Future environmental legislation could cause additional expenses, capital expenditures, restrictions, liabilities and delays in the development of the Company's properties, the extent of which cannot be predicted. In the context of environmental permits, including the approval of closure and reclamation plans, the Company must comply with standards and laws and regulations which may entail costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. The Company does not maintain environmental liability insurance.



### *Regulations, Permits and Access*

The Company's activities are subject to a wide variety of laws and regulations governing health and worker safety, employment standards, waste disposal, protection of the environment, protection of historic and archaeological sites, mine development and protection of endangered and protected species and other matters. The Company is required to have a wide variety of permits from governmental and regulatory authorities to carry out its activities. These permits relate to virtually every aspect of the Company's exploration and exploitation activities. Changes in these laws and regulations or changes in their enforcement or interpretation could result in changes in legal requirements or in the terms of the Company's permits that could have a significant adverse impact on the Company's existing or future operations or projects. Obtaining permits can be a complex, time-consuming process. There can be no assurance that the Company will be able to obtain the necessary permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities. In addition, in certain instances the mineral rights and claims with respect to which the Company undertakes its exploration activities relate to properties over which another party owns the surface rights. In other instances, a party or a community may assert that it has the right to use or restrict the activities conducted upon that property. In those cases, in connection with its exploration activities the Company may be required to, or may determine that it is prudent to, obtain permission from surface rights owners, community representatives or other parties. To the extent that the Company is unable to obtain such permission, the Company may be unable to conduct its exploration activities, or it may incur additional costs or encounter delays with respect to those programs.

### *Dependence on Key Employees*

The Company's business and operations are dependent on retaining the services of a small number of key employees. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these employees. The loss of one or more of these employees could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key employees.

## **OUTLOOK**

The Company has generated some recent interest in its Buffalo Bay nickel project. Potential regarding a possible business combination, merger or sale to another entity is also being investigated. Nothing material has occurred to date.