SUPER NOVA PETROLEUM CORP.

(Formerly Super Nova Minerals Corp.)

Management Discussion & Analysis
For the three and nine months ended February 28, 2014

Management Discussion and Analysis ("MD&A") focuses on significant factors that affected the performance or may affect future performance of Super Nova Petroleum Corp., formerly Super Nova Minerals Corp. ("Super Nova" or the "Company") and is intended to help the reader understand the financial statements of Super Nova. The information herein should be read in conjunction with the unaudited condensed interim financial statements for the nine months ended February 28, 2014 and the audited financial statements for the year ended May 31, 2013 and 2012 and related notes contained therein, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

This MD&A is prepared as at April 29, 2014 and all monetary amounts are in Canadian dollars unless otherwise stated. Some of the statements in this MD&A are forward-looking statements that are subject to risk factors set out in the cautionary note contained therein.

On April 3 2014, the Company changed its name to Super Nova Petroleum Corp. from Super Nova Minerals Corp..

COMPANY OVERVIEW

Super Nova is a Canadian resource exploration company engaged in the acquisition and exploration of mineral properties, Oil and gas properties and currently holds interests in resource properties in British Columbia and Quebec, Canada, and Montana and Texas, United States.

HIGHLIGHTS

The following are highlights of events occurring during the nine months ended February 28, 2014 and subsequent thereto:

Financing

- In August 2013, the Company closed a private placement of 5,390,000 units at a price of $0.01 per unit for gross proceeds of $53,900. Each unit is comprised of one common share and one transferable common share purchase warrant. Each share purchase warrant is exercisable for a period of four years at an exercise price of $0.05 per share during the first year, $0.10 per share during the second year, $0.15 per share during the third year and $0.20 per share during the fourth year.

- In October 2013, the Company closed a price placement of 835,000 units at a price of $0.05 for gross proceeds of $41,750, of which a total of $29,250 subscription were received prior to August 31, 2013. Each unit is comprised of one common share and one transferable common share purchase warrant. Each share purchase warrant is exercisable for a period of two years.

- On April 15, 2014, the Company closed a private placement of 3,739,966 non flow through unit $0.06 each for gross proceeds of $224,398. Each unit is comprised of one common share and one transferable common share purchase warrant. Each share purchase warrant is exercisable for a period of three years at an exercise price of $0.075 per share during the first year, $0.10 per share during the second year and $0.125 per share during the third year.

All proceeds raised were used as planned to fund exploration activities and general working capital.

The Company has been approved to trading on the O.T.C. Pinksheets as at October 21, 2013 under the symbol "SNOVF".

Properties

- On January 2014, the Company and Norstra Energy Inc. (the "Farmor") entered into a Farmout Agreement which grants an option to the Company to earn an optioned 80% working interest in approximately 10,000 acres of contiguous property located in the Bakken Formation in North-West Montana, USA (the "Farmout Lands"). The Farmout Lands have been divided into three separate blocks and the Company has an option to earn 80% working interest in each block by drilling a vertical well at each Block.

- On January 29, 2014, the Company entered a purchase agreement with Glen Landry, an individual, to purchase a 100% working interest or 80% net revenue interest in an oil and gas leases covering 6,000 acres of property located in the Bakken Formation in North-West Montana, USA in by issuing 1,500,000 common shares of the Company and 1,500,000 share purchase warrants to Glen Landry. Each share purchase warrant is exercisable into one common share of the Company at $0.075 per share during the first year, $0.10 per share during the second year and $0.125 per share during the third year of the exercise period. Further, in the event that commercially feasible oil and gas reserves are discovered on the Property, the Company will issue an additional 3,500,000 common shares to the Vendor.

  On February 6, 2014, the 1,500,000 common shares and the 1,500,000 share purchase warrants were issued to Glen Landry. The estimated fair value of common share at the issuance was $60,000 and the estimated fair value of the share purchase warrants was $59,779.

RESOURCE EXPLORATION PROJECTS

a) Marbridge Property, Quebec

The Company's 100% interest owned Marbridge Property is a nickel-copper-platinum group element (PE) mineralization project, located in the Lamotte Township, 470 km northwest of Montreal and 33 km northwest of Val d'Or in the Abitibi region of west-central Quebec, along the north-trending Highway 109 which joins the town of Riviere-Heva town located on Highway 117 and Amos, 39 km to the north.

Geologically, the Marbridge property is situated in the south-central Archean Abitibi greenstone belt where it overlies the Malartic Group. The latter is comprised of numerous late batholithic bodies that intrude volcanic and sedimentary sequences. The preceding is comprised of roughly east-west-trending komatiitic and minor volcanic-sedimentary assemblages that curl around three large late-to post-tectonic granitic batholiths.

Comprehensive detailed exploration of the Marbridge Property remains to be undertaken. The Company has planned a two-phased exploration program at Marbridge Property. The first phase would consist of geological mapping, geophysics, geochemistry, and drilling, and the second phase would consist almost entirely of drilling, but would be contingent on the results obtained from Phase I.

The Marbridge Property is subject to a net smelter return royalty of 3%, of which 2% may be purchased for $1,000,000.

The Company dropped 44 of the 52 claims comprising part of the Marbridge Property located in northwestern Quebec.

b) Iron Ridge Project, British Columbia

The Company has an option to acquire 100% interest in the Iron Ridge Property, located in south-eastern British Columbia, approximately 10 kilometers east of the town of Creston, which consists of five mineral claim blocks, covering a total area of 549.87 hectares. In consideration for acquiring the property, the Company issued 1,300,000 common shares valued at $130,000 during fiscal 2008, issued 2,000,000 common shares valued at $100,000 during fiscal 2011 and paid a total of $39,000 in cash by May 31, 2011.

The Iron Ridge Property is an early exploration stage property with a favourable structural and stratigraphic setting for economic minerals. During the year ended May 31, 2012, the Company carried out a field exploration program which consisted of a small sampling program and ground magnetic survey. At total of 20 rock samples and 116 soil samples were collected on the Iron Ridge Property for the sampling program. Approximately 6.6km of survey lines were covered in the ground magnetic survey in order to provide higher quality geophysical data for assessment purposes in respect to the Iron Ridge Fault. Laboratory assay results of the rock and soil samples showed no indication of any enrichment in economic minerals in the area. However, the ground geophysics produced some interesting structures and trends which could represent possible targets for further re-evaluation.
Iron Ridge Property is subject to a net smelter return royalty of 3%, of which 2% may be purchased for $1,000,000.

c) Preissac Property

On November 2, 2012, the Company entered into a purchase agreement (the "Preissac Agreement") with Pristine Capital Corp. ("Pristine") to acquire the Preissac Property, which is comprised of 13 mineral titles (totaling 456 hectares) located in the Rouyn-Noranda-Val mining camp, in Northwest Quebec for $30,000 cash and 1,450,000 Common Shares of the Company ("Purchase Price"). On November 6, the Company issued a total of 1,450,000 Common Shares, valued at $174,000, to Pristine and the cash consideration is to be paid by installments, of which $10,000 is due on January 15, 2013 and $20,000 is due on February 28, 2013. Upon completion of payment of the Purchase Price, the Company will acquire an undivided 100% interest in and to the property.

The Company dropped all mineral claims comprising the Preissac Property located in northwestern Quebec and wrote off costs of $174,000 to the statement of loss and comprehensive loss.

d) Elk Hills Property

Pursuant to a series of agreements, the Company entered into a farmout (the "Farmout Agreement") with Elk Hills Petroleum Canada Ltd. and Elk Hills Heavy Oil LLC (the "Farmors"). Under the terms of the agreement, the Company has a right to acquire a 50% working interest in both the Morris Block and Cottonwood Creek Lease Projects within the Elk Hills Property, until the Farmors receive a total of $3 million in net revenue from oil production through their fully carried working interest and an 87.5% working interest thereafter, by completing the following:

(i) Making the following cash payments:

	Cash
Initial payment (Paid)	$ 47,000
February 25, 2013 (paid)	$ 25,000
March 15, 2013 ($10,000 paid)	48,000
April 30, 2013	30,000
May 31, 2013	100,000
July 31, 2013	150,000

One week subsequent to the first well for the 5 spot being spudded	300,000
	$ 700,000

(ii) Issue common shares to the shareholders of Elk Hills Petroleum Canada Ltd. totalling 16,786,665 as follows:
- 5,595,555 shares within five business days after the CNSX approval (issued)
- 5,595,555 shares within one week of drilling, casing and logging a well on Cottonwood Creek Prospect
- 5,595,555 shares after all lifting costs and flow rates have been established by a huff and puff on either the Bauwens 15-13 well or the newly drilled Cottonwood Creek Prospect well.

(iii) Drill, core and case one well in the Cottonwood Creek Prospect no later than April 30, 2013; Start a Steam Injection Test at the Bauwens well or the newly drilled and cased Cottonwood Creek well within 60 days after the Cottonwood Creek well is drilled and cased and no later than July 31, 2013;

(iv) Complete a 5 spot well consisting of drilling an injection well and thereafter drilling four additional producing wells surrounding the injection well in an area on the Morris Block or in the Cottonwood Creek Area designated by the Farmors; the drilling of the 5 Spot well shall commence within 60 days of the completion of the Steam Injection Test.

The Elk Hills Property is subject to royalty totalling 20%, of which 10% will be payable by the Company until the $3 million in net revenue from oil production is reached and 17.5% thereafter.

On August 12, 2013, the Company and Farmors reached an agreement that replaced and superseded the original agreement and its amendment. The new agreement retained the same working interest percentages as were contemplated in the original series of agreements. The terms and conditions to acquire the interest were changed to the following:

(i) Cash payment requirements:

		Cash
Upon signing of the contract, non-refundable payment (paid)	$	25,000
Within 30 days of signing of the agreement (September 12, 2013); plugging costs associated with existing wells on the property		15,000*
On or before September 15, 2013, non-refundable payment		25,000*
On or before September 30, 2013; cost to renew top leases		35,000*
On or before November 30, 2013; non-refundable payment		25,000
On March 31, 2014 or 45 days after receiving permits for steam testing, whichever is later		100,000
On July 15, 2014 or 45 days after receiving five spot permits, whichever is later		150,000
Within 90 day of extracting first barrel of oil from the five spot well		340,000
		$ 715,000

*subsequent to period end the Company was in negotiations with the Farmors on these payments.

As at August 31, 2013, the carrying value of the Elk Hill Property was $666,555, which consisted of cash payment totaling $107,000, a total of 5,595,555 shares issued and valued at $559,555.

On September 19, 2013 the Company filed on SEDAR (www.sedar.com) an NI 51-101 report entitled "Evaluation of Prospective Resources, Cottonwood and Morris Blocks, Elk Hills, Montana, June 1, 2013 (May 31, 2013)" prepared by Chapman Petroleum Engineering Ltd. The reader is referred to SEDAR to view the details of the report.

On December 13, 2013, the Company has decided not to proceed with the Elk Hills project. (see news release of August 22, 2013) and wrote off costs of $680,034 to the statement of loss and comprehensive loss. The Company is negotiating with certain parties on an alternative oil project in Montana.

Subsequent to February 28, 2014, the Company has defaulted on its obligations under the Farmout Agreement and the parties wish to settle all outstanding claims relating to the Company's breach of the Farmout Agreement pursuant to which the Company will issue 650,000 common shares (the "Settlement Shares") of the Company to or at the direction of the Farmors. The issuance of common share is subject to the approval of CSE.

e) Bakken Land, Montana, USA

On January 2014, the Company and Norstra Energy Inc. (the "Farmor") entered into a Farmout Agreement which grants an option to the Company to earn an optioned 80% working interest in approximately 10,000 acres of contiguous property located in the Bakken Formation in North-West Montana, USA (the "Farmout Lands"). The Farmout Lands have been divided into three separate blocks and the Company has an option to earn 80% working interest in each block by drilling a vertical well at each Block.

The Company has committed to the following payment: Initial Block: the Company will earn an 80% interest in the initial block of the Farmout Lands upon paying the Farmor $1,400,000 and successfully drilling an initial well, as a producer or dry hole, on the initial block lands.
The $1,400,000 will be applied as follows:

1. $385,000 – to reimburse the Farmor for costs incurred to date on the Framout Lands
2. $1,015,000 – being the balance of the estimated cost for the drilling of a 8,900 foot well on the initial block lands.

a) $25,000 within 30 days of execution of the agreement
b) $15,000 to be paid monthly commencing 60 days after execution of the agreement, with the balance of all funds (after deducting all costs paid by the Company to drill the well) due on later than 12 months from the date of the agreement.

Second Block: Upon successful completion of the well on the initial block lands per the above terms, the Company will have the option, within 240 days from the date of rig release from the drilling of the initial block, to commence the drilling of an 8,900 foot vertical well on the second block to earn 80% working interest in the second block, subject to completion of a well on the second block as a producer or a dry hole.

Third Block: Upon successful completion of the well on the second block lands per the above terms, the Company will have the option, within 240 days from the date of rig release from the drilling of the second block, to commence the drilling of an 8,900 foot vertical well on the third block to earn an 80% working interest in the third block, subject to completion of a well on the third block as a producer or a dry hole.

The Farmout Lands are subject to a royalty burdens totalling 16% and the initial block is subject to an additional royalty of 3.5%. The Farmor will retain a 20% carried working interest in all blocks.

On January 29, 2014, the Company entered a purchase agreement with Glen Landry, an individual, to purchase a 100% working interest or 80% net revenue interest in an oil and gas leases covering 6,000 acres of property located in the Bakken Formation in North-West Montana, USA in by issuing 1,500,000 common shares of the Company and 1,500,000 share purchase warrants to Glen Landry. Each share purchase warrant is exercisable into one common share of the Company at $0.075 per share during the first year, $0.10 per share during the second year and $0.125 per share during the third year of the exercise period. Further, in the event that commercially feasible oil and gas reserves are discovered on the Property, the Company will issue an additional 3,500,000 common shares to the Vendor.

On February 6, 2014, the 1,500,000 common shares and the 1,500,000 share purchase warrants were issued to Glen Landry. The estimated fair value of common share at the issuance was $60,000 and the estimated fair value of the share purchase warrants was $59,779.

f) McAfee Well, Frio County, Texas

On February 14, 2014, the Company entered an option agreement with Benlex,LLC ("Optionor") to acquire an optioned 90% pre-payout working interest (being a 67.5% net revenue interest) and 50% post-payout working interest (being a 37.5% net revenue interest) in an oil and gas lease (the "Lease") covering the McAfee Well located in Pearsall Field, Frio County, Texas by paying the following:

- US$20,000 on or before February 24, 2014, (the "One-Time Fee") (paid)
- Additional US$20,000 on or before March 31, 2014 – to reimburse costs incurred by the Optionor to date on the Lease (paid)
- Additional US$630,000 on or before May 30, 2014 – being the balance of the estimated cost for the drilling of a horizontal extension to the McAfee Well.

Upon payment of the US$670,000 set out above, the Company will have earned a 90% pre-payout working interest in the Lease until such time as the Company has recovered all costs actually incurred to complete the drilling of the horizontal extension to the McAfee Well, including the full US$670,000 reference above. Thereafter, the Company's interest will be reduced to a 50% working interest (37.5% net revenue interest) in the Lease.

Subsequent to period ended February 28, 2014, the Company pursuant to optional agreement, the Company paid US$40,000 to Optionor of McAfee Well property.

The Company received an NI 51-101 report on the McAfee Well in March 2014 (refer to the Company's news release of March 13, 2014.)

SELECTED ANNUAL FINANCIAL DATA

The following selected financial information is derived from the audited financial statements and notes thereto. The information has been prepared in accordance with IFRS.

	As at May 31,		
	2013	2012	2011
Current assets	**$ 22,244**	$ 178,141	$ 136,996
Exploration and evaluation asssets	**1,502,417**	703,661	601,229
Total assets	**1,524,661**	881,802	738,225
Current liabilities	**322,458**	117,888	89,040
Long term liabilities	-	14,240	-
Shareholders' equity	**1,202,203**	749,674	649,185
Total liabilities and shareholders' equity	**$ 1,524,661**	$ 881,802	$ 738,225
Working capital (deficiency)	**$ (300,214)**	$ 60,253	$ 47,956

	Years ended May 31,					
		2013		2012		2011
Revenue	**$**	**-**	$	-	$	-
Expenses		**738,428**		182,961		47,587
Loss and comprehensive loss for the year	**$**	**738,428**	$	182,961	$	47,587
Basic and diluted loss per share	**$**	**0.04**	$	0.02	$	0.01
Weighted average number of common shares outstanding		**18,781,869**		11,328,694		4,346,105
Dividends per share	**$**	**-**	**$**	**-**	$	-

As Super Nova is in the exploration stage, none of the Company's current properties are in production. Therefore, mineral exploration expenditures are capitalized and losses are incurred as a result of administrative expenses related to the operation of the Company's business. Consequently, the Company's loss and comprehensive loss for the year is not a meaningful indicator of its performance or potential.

The key performance driver for the Company is the acquisition and development of prospective mineral properties. By acquiring and exploring projects of superior technical merit, the Company increases its chance of finding and developing an economic deposit.

At this time, the Company is not anticipating profit from operations. Until such time as the Company is able to realize profits from the production and sale of commodities from its mineral interests, Company will report an annual loss and will rely on its ability to obtain equity or debt financing to fund ongoing operations.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes the operation results for the past eight quarters:

Sumamry of quarterly financial information

As at	**Feb-28 2014**	Nov 30, 2013	Aug 31, 2013	May 31, 2013	Feb 28, 2013	Nov 30, 2012	Aug 31, 2012	May 31, 2012
Current assets	**$ 3,607**	$ 3,446	$ 6,744	$ 22,244	$ 10,274	$ 37,010	$ 167,989	$ 178,141
Exploration and evaluation asss	**822,642**	1,533,917	1,527,417	1,502,417	943,417	891,417	716,417	703,661
Total assets	**826,249**	1,537,363	1,534,161	1,524,661	953,691	928,427	884,406	881,802
Current liabilities	**526,476**	430,842	340,511	322,458	249,642	270,808	200,982	117,888
Long term liabilities	-	-	-	-	-	-	14,240	14,240
Shareholders' equity	**299,773**	1,106,521	1,193,650	1,202,203	704,049	657,619	669,184	749,674
Total liabilities and shareholders	**$ 826,249**	$ 1,537,363	$ 1,534,161	$ 1,524,661	$ 953,691	$ 928,427	$ 884,406	$ 881,802
Working capital (deficiency)	**$ (522,869)**	$ (427,396)	$ (333,767)	$ (300,214)	$ (239,368)	$ (233,798)	$ (32,993)	$ 60,253

	Quarters ended							
	Feb-28 2014	Nov 30, 2013	Aug 31, 2013	May 31, 2013	Feb 28, 2013	Nov 30, 2012	Aug 31, 2012	May 31, 2012
Revenue	**$ -**			$ -	$ -	$ -	$ -	$ -
Expenses	**1,025,519**	99,629	87,871	119,651	158,577	304,210	155,990	87,852
Loss and comprehensive loss fo	**$ 1,025,519**	$ 99,629	$ 87,871	$ 119,651	$ 158,577	$ 304,210	$ 155,990	$ 87,852
Basic and diluted loss per share	**$ 0.03**	$ 0.00	$ 0.00	$ 0.01	$ 0.01	$ 0.02	$ 0.01	$ 0.01
Weighted average number of common shares outstanding	**33,947,835**	32,741,784	26,979,410	18,781,869	18,619,402	15,588,126	14,607,289	12,241,822
Divisends per share	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -	$ -

RESULTS OF OPERATIONS

Nine months ended February 28, 2014 ("Q3 2014") compared to the nine months ended February 28, 2013 ("Q3 2013")

Net loss and comprehensive loss for the nine months ended February 28, 2014 amounted to $1,213,019 (loss per share - $0.04) compared to $618,777 (loss per share - $0.04) incurred during the same period last year. The increase in loss of $594,242 was mainly wrote down of exploration and evaluation assets of $854,033 (Q3 2013 - $nil) and stock-based compensation $98,991of stock options granted to the management, employee (Q3 2013 $nil).

An increase of $33,614 in administrative fees from $34,521 in Q3 2013 to $68,135 in Q3 2014 due to increase of management fee charged to the Company.

A decrease in consulting fees $35,082 from $76,500 in Q3 2013 to $41,418 in Q3 2014 mainly due to slight decreased investor relations activities carried out by the Company.

A decrease in corporate Communication $124,076 from $156,778 in Q3 2013 to $32,702 in Q3 2014 due to the Company reduced its efforts to raise the public awareness of Company and communicate with potential and existing shareholders of the Company in the current weak capital market conditions.

A decrease in professional fees $17,229 from $70,834 in Q3 2013 to $53,605 in Q3 2014 mainly due to less legal fees associated with the listing of the common shares of the Company**.**

A decrease of filing fees and regulatory fees $8,446 from $20,904 in Q3 2013 to $12,458 in Q3 2014 mainly due to less investor and financing activities as a result of weak market conditions.

A decrease of listing fee $183,937 from $183,937 in Q3 2013 to $nil in Q3 2014 was mainly due to the fair value of common shares issued to the former shareholders of the 519 BC and costs associated with the amalgamation with 519 BC, which amounted to $183,937 were expensed as listing fee on the statement and comprehensive loss and no such expenses in the period ended February 28, 2014.

An increase of stock-based compensation $98,991 from $nil in Q3 2013 to $98,991 in Q3 2014 was due to 2,475,000 stock option granted in Q3 2014 compared to no stock options granted in Q3 2013.

Other items: The Company recorded a loss on a write down of exploration and evaluation assets $854,033 (Q3 2013 $nil), flow through share premium of $1,663 (Q3 2013 $nil).

Third Quarter Result

During the quarter ended February 28, 2014, the Company incurred a loss of $1,025,519 compared to a loss of $158,577 incurred during the same period last year. The increase in loss of $866,942 was mainly wrote down of exploration and evaluation assets of $854,033 (Q3 2013 - $nil) and stock-based compensation $98,991of stock options granted to the management, employee (Q3 2013 $nil).

Significant movements in operating expenses for the three-month period ended February 28, 2014 include administrative fees of 17,479 (Q3 2013 - $13,171), consulting fees $18,000 (Q3 2013 - $32,500), corporate communications $915 (Q3 2013 - $82,924), professional fee $15,502 (Q3 2013 - $8,125), filing fees and regulatory fees $3,411 (Q3 2013 - $4,049), stock based compensation $98,991 (Q3 2013 - $nil).

Other items: During the three months ended February 28, 2014, the Company recorded a loss on a write down of exploration and evaluation assets $854,033 (Q3 2013 $nil), flow through share premium of $1,663 (Q3 2013 $nil).

LIQUIDITY AND CAPITAL RESOURCES

The Company is in the exploration stage and therefore has incurred losses and negative cash flows from operations. The Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placement. On October 22, 2012, the common shares of the Company were listing on the CNSX. Although public listing could increase the liquidity, the Company's ability to raise cash mainly depends on capital market conditions, commodities price, and the results of ongoing exploration programs. There is no assurance that the Company will be able to obtain any additional financing on terms acceptable to the Company. The quantity of funds to be raised and the terms of any equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration and development activity.

The mining industry is capital intensive and there can be no certainty that the Company's existing cash balances or that the proceeds from the issuance of its common shares will provide sufficient funds for all of the Company's cash requirements. Should the need arise, the Company may pursue other financing options or rely on joint venture partners to supply some of funds required to explore and develop any acquisitions. There is no assurance that the Company will be successful in obtaining the funds it may require for its program or that the terms of any financing obtained will be acceptable.

The Company has no commitments for capital expenditures and financing arrangements which have been arranged but not yet used as at February 28, 2014.

Liquidity

The Company's working capital and deficit positions at February 28, 2014 and May 31, 2013 were as follows:

		November 30 2013 (unaudited)		May 31 2013 (audited)
Working capital (deficit)	$	(522,869)	$	(300,214)
Deficit	$	(2,376,602)	$	(1,163,583)

The balance of cash available at February 28, 2014 was $695, with a working capital deficit of $522,869.

<u>Capital Resources</u>

At February 28, 2014, there were $2,676,375 (May 31, 2013 – $2,336,536) representing 32,682,224 (May 31, 2013 – 26,448,880) common shares and a deficit of $2,376,602 (May 31 2013 - $1,163,583, resulting in a shareholder's equity of $299,773 (May 31, 2013 - $1,202,203).

RELATED PARTY TRANSACTIONS

All related transactions balances are unsecured, interest-free, and repayable on demand. Related party transactions not disclosed elsewhere include the following:

a) Key management personnel compensation

The Company considers senior officers and directors to be key management. During the three months and nine months ended February 28, 2014 the remuneration for key management was $12,100 and $45,000 respectively (same period last year - $ 23,500 and $64,275 As at February 28, 2014, a total of $128,769 (May 31, 2013 $112,330) payable to key management remained outstanding.

b) Other related party transactions

Golden Dawn Minerals Inc. ("GOM"), a public traded company with common directors and officers of the Company, provides office space and administration services to the Company. During the three and nine months ended February 28, 2014, the Company incurred $23,702 and $85,215 , respectively, (same period last period - $21,198 and $90,671) payable to GOM for its services provided. As at February 28, 2014, a total of $149,944 (May 31, 2013 - $64,382)

b) Loans received from related party

As at February 28 2014, the Company obtained a $30,000 unsecured loan (same period last year $nil) from an officer and director of the Company, which loan is payable on demand with no interest accruing thereon. The issuer also obtained a $15,000 loan (same period last year $nil) from a relative of an officer and director, which loan is payable on demand with $1,000 in interest accruing thereon. Subsequent to February 28, 2014, the Company paid off the loan $30,000 and received $25,000 unsecured loan.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The accounting policies and estimates applied in preparation of the financial statements for the current period are consistent with those applied and disclosed in the Company's audited financial statements for the year ended May 31, 2013, with the exception of the application of certain new and amended IFRSs issued by the ISAB, which were effective for annual periods beginning on and after January 1, 2013. The Company has applied the following new and revised IFRSs in these unaudited condensed interim financial statements.

IFRS 13, Fair value measurement, provides a single IFRS framework for measuring fair value and requires disclosures about fair value measurement. The Standard defines fair value on the basis of exit price notion and use a fair value hierarchy, which results in a market-based, rather than entity-specific measurement. The Company adopted IFRS 13 on June 1, 2013 on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at June 1, 2013.

The Company also adopted the amendments to IAS 1, Presentation of Financial Statements, and effective January 1, 2013. These amendments required the Company to group other comprehensive income items by those that will be reclassified subsequently to profit or loss and those that will not be reclassified. These changes did not result in any adjustments to other comprehensive income or comprehensive income.

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its unaudited condensed interim financial statements. In addition, the preparation of the financial data requires that the Company's management make assumptions and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical judgments and estimates applied in the preparation of these condensed interim financial statements are consistent with those applied and disclosed in note 3 to the Company's financial statements for the year ended May 31, 2013.

Readers are encouraged to refer to the critical accounting policies and estimates as described in the Company's audited consolidated financial statements and MD&A for the year ended May 31, 2013.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables, and accounts payable and accrued liabilities and due to related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. Note that receivables are HST due from Government, low risk.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and receivables. The Company limits its exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. Receivables consist of Harmonized Sales Tax ("HST") receivable from the Canadian government and are considered low risk.

Currency risk

The Company operates primarily in Canadian dollars and as such is not affected by the fluctuations of the Canadian dollar with other currencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company has historically relied upon equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company anticipated it will need additional capital in the future to finance ongoing exploration of its properties, such capital to be derived from the exercise of outstanding stock options, warrants and/or the completion of other equity financings. The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for future exploration and development of its projects, although the Company has been successful in the past in financing its activities through the sale of equity securities. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration success. In recent years, the securities markets in Canada have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

Interest rate risk

The Company normally invests in short-term interest bearing financial instruments. There is a minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificate included in cash as they are currently held in large financial institutions.

Fair value measurements of financial assets and liabilities

Disclosure about significance of inputs used in making fair value measurements is as follows:

Level 1 – quoted prices in active markets for identical assets or liabilities;

Level 2 – 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 – inputs for the asset or liability that are not based on observable market data.

The fair value of cash is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. The Company believes that the recorded values of receivables, due from related parties and accounts payable and accrued liabilities, approximate their current fair values because of their nature and relatively short maturity dates or durations.

OTHER RISKS AND UNCERTAINTIES

The Company's principal activity is mineral exploration. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, metal prices, political and economical.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title.

Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Company has no significant source of operating cash flow and no revenues from operations. None of the Company's mineral properties currently have reserves. The Company has limited financial resources.

Substantial expenditures are required to be made by the Company to establish ore reserves. The property interests owned by the Company, or in which it has an option to earn an interest are in the exploration stages only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and only few properties which are explored are ultimately developed into producing mines.

Exploration of the Company's mineral exploration may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations. The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Trends, commitments, events or uncertainties presently known or identifiable to management that are reasonably expected to have a material effect on the Company's business, financial position, or results of operations, are as follows*:*

- Current market volatility and general share price decline in the financial sector, including the Exchange, may impact the Company's ability to raise further capital and fund ongoing operations.

- To maintain operational expenses going forward, the Company will require non flow through funds either through a private placement financing, the exercise of stock options or warrants, or the sale of unproven mineral interests.

OUTSTANDING SHARE DATA

The Company's authorized capital is an unlimited number of common shares without par value. As at date of this report:

	Number outstanding	Exercise Price first year	Exercise Price second year	Exercise Price third year	Exercise Price fourth year	Expiry Date
Common shares	38,422,190					
Common shares issuable on exercise:						
Warrants	1,146,662	0.150	0.200			January 18, 2015
Warrants	1,766,666	0.125	0.175			February 20, 2015
Warrants	835,000	0.060	0.100			October 18, 2015
Warrants	1,500,000	0.075	0.100	0.125		February 6, 2017
Warrants	5,390,000	0.050	0.100	0.150	0.200	August 17, 2017
Warrants	3,739,966	0.075	0.100	0.125		April 15, 2017
Share options	2,475,000	0.070				February 7, 2019
Share options	700,000	0.070				April 4, 2019

OFF-BALANCE SHEET ARRANGEMENTS

There are no off balance sheet items.

PROPOSED TRANSACTIONS

There are no proposed transactions.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUER WITHOUT SIGNIFICANT REVENUE

(a) Capitalized or expensed exploration and development cost

The required disclosure is presented in Note 5 to the financial statements for three and nine months ended February 28, 2014.

FORWARD LOOKING STATEMENTS

Except for statements of historical fact, certain information contained herein constitutes forward-looking statements. Forward-looking statements are usually identified by the use of certain terminology, including “will”, “believes”, “may”, “expects”, “should”, “seeks”, “anticipates”, “plans” or “intends” or by discussions of strategy or intentions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results or achievements to be materially different from any future results or achievements expressed or implied by such forward- looking statements. Forward-looking statements are statements that are not historical facts, and include but not limited to, estimates and their underlying assumptions; statements regarding plans, objectives and expectations with respect to the effectiveness of the Company's business model; future operations, products and services; the impact of regulatory initiatives on the Company's operations; the size of and opportunities related to the markets for the Company's products; general industry and macroeconomic growth rates; expectations related to possible joint and/or strategic ventures and statements regarding future performance.

Additional information relating to the Company can be obtained from SEDAR at www.sedar.com.

DISCLAIMER

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents. No securities commission or regulatory authority has reviewed the accuracy of the information presented herein.