WINSTON GOLD MINING CORP.

Management Discussion and Analysis

For the year ended December 31, 2014 and for the period from date of incorporation (January 31, 2013) to December 31, 2013
Dated June 5, 2015
(Form 51-102F1)

INTRODUCTION

The following Management Discussion and Analysis ("MD&A") of Winston Gold Mining Corp. (the "Company" or "Winston") has been prepared by management, in accordance with the requirements of National Instrument of 51-102 as of June 5, 2015 and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2014 and for the period from date of incorporation (January 31, 2013) to December 31, 2013 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is a "Venture Issuer" as defined in NI 51-102.

All financial information in this MD&A related to 2014 and 2013 has been prepared in accordance with IFRS. All monetary amounts are expressed in Canadian dollars, the presentation and functional currency of the Company, unless otherwise indicated.

FORWARD LOOKING STATEMENTS

Certain information in this MD&A, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information may include, but is not limited to, information which reflect management's expectations regarding the Company's future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Often, this information includes words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

In making and providing the forward-looking information included in this MD&A the Company's assumptions may include among other things: (i) assumptions about the price of base metals; (ii) that there are no material delays in the optimization of operations at the Winston and Holmes projects; (iii) assumptions about operating costs and expenditures; (iv) assumptions about future production and recovery; (v) that there is no unanticipated fluctuation in foreign exchange rates; and (vi) that there is no material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the following: (i) decreases in the price of base metals; (ii) the risk that the Company will continue to have negative operating cash flow; (iii) the risk that additional financing will not be obtained as and when required; (iv) material increases in operating costs; (v) adverse fluctuations in foreign exchange rates; and (vi) environmental risks and changes in environmental legislation.

This MD&A (See "Risks and Uncertainties") contains information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-

looking information. The Company undertakes no obligation to reissue or update forward looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.

OVERVIEW

Description of the business

Winston Gold Mining Corp. (the "Company") was incorporated in the Province of Manitoba on January 31, 2013 under the name of 6649930 Manitoba Ltd. On September 19, 2014 the Company changed its name to Winston Gold Mining Corp. On September 25, 2014, Winston Gold Mining USA Corp. was incorporated in the State of Montana, USA. Winston Gold Mining USA Corp. is a wholly owned subsidiary of the Company. The Company is in the process of exploring mining claims which are under lease and has not yet determined whether or not the leased properties will contain economically recoverable reserves.

At December 31, 2014, the Company reported a working capital deficiency of $197,910 (December 31, 2013 - $5,757) and will require financing from outside participation to continue exploration and subsequent development of its mining claims under lease agreements and to be able to make payments required under the mining lease agreements. At December 31, 2014 the Company had not yet achieved profitable operations, has accumulated losses of $815,412 (December 31, 2013 - $5,759) since its inception and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on continued financial support from its shareholders, the ability of the Company to raise equity financing, the attainment of profitable operations and external financings.

SIGNIFICANT EVENTS

On January 31, 2013, the Incorporation date of the Company, Max Polinsky was the sole Director. On September 29, 2014, Murray Nye and Ben Porterfield were elected as Directors of the Company, Max Polinsky was elected President and Chief Financial Officer, Murray Nye was elected as Chief Executive Officer, Megan Francis was elected as Corporate Secretary and Collins Barrow Toronto LLP, Licensed Public Accountants of Toronto, Ontario were appointed as Auditors of the Company. On September 29, 2014, Murray Nye, Max Polinsky and Ben Porterfield were appointed to the Audit Committee.

OVERALL PERFORMANCE

In summary, the Company's financial performance decreased over the year ended December 31, 2014 compared to the period from January 31 to December 31, 2013. Working capital decreased by $5,757 from Nil at January 31, 2013 to a working capital deficit of ($5,757) at December 31, 2013. Working capital decreased by $192,153 from a working capital deficit of ($5,757) at December 31, 2013 to a working capital deficit of ($197,910) at December 31, 2014. The decrease over the periods are mainly attributed to:

- Net proceeds from share issuances of $237,500 (Jan 31-Dec 31, 2013 - $2).
- Net proceeds from share subscriptions due of $80,000 (Jan 31-Dec 31, 2013 - $Nil).
- Expending $448,693 on exploration and evaluation (Jan 31-Dec 31, 2013 - $4,202).
- Expending $45,006 on legal, audit and accounting and professional fees (Jan 31-Dec 31, 2013 - $1,447).
- Expending $15,954 on administrative, office and travel expenses (Jan 31-Dec 31, 2013 - $110).

EXPLORATION ACTIVITIES

Area and Location

The five (5) unpatented (Holmes Property) and 16 patented (Winston Property) claims cover an area of 205 acres in the historic Winston Mining District and are located within Township 8 North and Ranges 1 West and 1 East of the United States Public Land Survey System. The center of the Winston Gold Project is approximately located at coordinates 446470 meters East, 5143825 meters North; NAD1983, UTM Zone 12N in the northeastern Elkhorn Mountains, Broadwater County, Montana, USA. The Winston area is about 18 straight-line miles (30 kilometers) southeast of Helena, the capital city of Montana and about 2 miles (3 kilometers) southwest of the small community of Winston, Montana.

Claims and Title

Winston Gold properties location monuments are located and properly marked for identification and all claim corners have been erected in accordance with applicable regulations. Certificates of Location are on file at the Broadwater County Recorder's Office in Townsend, Montana. Certificates of Location and claim maps are on file with the US Department of the Interior, Bureau of Land Management (BLM) Montana State Office (MSO) in Billings, Montana. The claim plat maps and Certificates of Location on file at the Townsend County Recorder's Office in Townsend Montana along with the Claim status with the BLM using the online LR2000 system were checked by Capps Geoscience, LLC. The claims are recorded properly.

Winston Property, Montana, USA

On July 15, 2014, the Company entered into a five-year Mining Lease Agreement ("W Lease") with Winston Realty L.L.C. ("Winston", a limited liability company), an arm's length party, whereby Winston leased sixteen (16) patented lode mining claims located in Broadwater County, Montana U.S.A. to the Company for exploration. Per the terms of the agreement, the Company will keep the minerals extracted except oil and gas. To explore the property the Company paid Winston an advance royalty payment of $10,729 ($10,000US) and issued 2,000,000 common shares in the Company valued at $200,000.

In addition to assuming all underlying payment obligations including governmental taxes, levies and fees, the Company will pay additional advance royalty payments of $1,000US monthly from August to October 2014 [Paid $3,300 ($3,000US)] and $2,500US monthly from November 2014 to July 2019 [Paid $8,552 ($7,500US) to December 31, 2014] based on minimum quarterly expenditures on the property of $50,000US or $200,000US annually [Paid $397,405 ($345,543US)].

The W Lease is renewable at $20,000US per renewal for additional 5 year terms with an advanced royalty payment of $5,000US monthly.

The Company will pay Winston a production royalty of 3% NSR if the price of gold is $2,000US or less and 4% NSR if the price of gold exceeds $2,000US. Advance royalty payments are credited towards the 3% or 4% NSR payable on production.

The Company has the option to terminate the W Lease at any time by providing 30 days written notice to Winston.

Holmes Property, Montana, USA

On May 14, 2014, the Company entered into a five-year Mining Lease Agreement ("H Lease") with Marcus P. Holmes ("Holmes"), an arm's length party, whereby Holmes leased five (5) unpatented mining claims located in Broadwater County, Montana, USA to the Company for exploration. Per the terms of the agreement, the Company will keep the minerals extracted except oil and gas. To explore the property, the Company paid Holmes an advance royalty payment of $11,191 ($10,000US) and issued 1,000,000 common shares valued at $100,000.

In addition to assuming all underlying payment obligations including governmental taxes, levies and fees, the Company will pay additional advance royalty payments of $1,000US monthly from June 2014 to May 2019 [Paid - $8,870 (8,000US) to December 31, 2014]. The H Lease is renewable at $20,000US per renewal for additional 5 year terms with an advanced royalty payment of $2,000US monthly.

The Company will pay Holmes a production royalty of 2% of Net Smelter Returns (NSR). Advance royalty payments are credited towards the 2% NSR payable on production. The Company has the option to purchase the 2% NSR from Holmes for a payment of $2,500,000US.

The Company has the option to terminate the H Lease at any time by providing 30 days written notice to Holmes.

The following are the Winston 2014 Drill Intercepts:

Drill #	From	To	Feet	Gold opt
W-1402	175	178.5	3.5	0.17
	212	213	1	0.852
	219.5	221.5	2	0.257
W 1403	112	117.5	5.5	0.163
	318	320	2	0.79
W 1404	119	119.5	0.5	2.53
	238	240	2	3.14
W 1405	226.2	227.5	1.3	0.207
W 1406	172	173.9	1.9	0.176
W 1407	71	76	5	0.105
	83	85.2	2.3	0.305
W 1408	85	89	4	0.336
	253	255	2	0.486
W 1409	168.2	170	1.8	0.44
	290	293	2	0.173
W 1410	168	175	7	0.193

On April 27, 2015 an NI43-101 Technical Report was completed by Capps Geoscience, LLC, signed by Richard C. Capps, Ph.D., a Qualified Person, on the Winston and Holmes properties under the title of "NI43-101 Technical Report on Exploration at the Winston District Gold Project, Broadwater County, Montana, USA.

The following chart details exploration and evaluation expenses for the year ended December 31, 2014 compared to the period of January 31 to December 31, 2013:

	2014	2013	Change
Categories	$	$	$
Holmes, Montana, USA			
Shares issued	100,000	-	100,000
Mapping	-	2,101	(2,101)
Geological	7,195		7,195
Camp and field costs	3,553	-	3,553
Advance Royalties	20,061	-	20,061
Totals Holmes	130,809	2,101	128,708

Winston, Montana, USA			
Shares issued	200,000	-	200,000
Mapping	4,182	2,101	2,081
Engineering	758	-	758
Geological	65,959		65,959
Excavation	14,319		14,319
Assays & Sampling	21,810	-	21,810
Camp and field costs	22,248	-	22,248
Drilling	265,846	-	265,846
Legal	181		181
Advance Royalties	22,581	-	22,581
Totals Winston	617,884	2,101	615,783
Total Expenditures	748,693	4,202	744,491

The following chart details exploration and evaluation activities for the three months ended December 31, 2014 compared to the three months ended December 31, 2013:

	2014	2013	Change
Categories	$	$	$
Holmes, Montana, USA			
Acquisition costs	100,000	-	100,000
Mapping	-	2,101	(2,101)
Camp and field costs	3,553	-	3,553
Advance Royalties	3,421	-	3,421
Totals Holmes	106,974	2,101	104,873
Winston, Montana, USA			
Acquisition costs	200,000	-	200,000
Mapping	2,261	2,101	160
Geological	19,805	-	19,805
Excavation	14,319	-	14,319
Assays & Sampling	21,810	-	21,810
Camp and field costs	10,131	-	10,131
Drilling	265,846	-	265,846
Legal	181	-	181
Advance Royalties	8,552	-	8,552
Totals Winston	542,905	2,101	540,804
Total Expenditures	649,879	4,202	645,677

SELECTED ANNUAL INFORMATION

The following table represents selected financial information of the Company for the period from the date of incorporation (January 31, 2013) to December 31, 2013 and the year ended December 31, 2014 and should be read in conjunction with the Company's financial statements:

	December 31, 2014	December 31, 2013
	$	$
Revenue	Nil	Nil
Income (loss) for the year	(809,653)	(5,759)
Net income (loss) for the year	(809,653)	(5,759)
Net income (loss) per share	$(0.20)	$(57.60)
Total assets	124,421	2
Long-term debt	Nil	Nil
Dividends per share	Nil	Nil

RESULTS OF OPERATIONS

For the year ended December 31, 2014 and the period of January 31 to December 31, 2013:

Revenues

Due to the Company's status as an exploration stage mineral resource company and a lack of commercial production from its properties, the Company currently does not have any revenues from its operations.

General and administrative expenses

During the year ended December 31, 2014 the Company recorded a loss of $809,653 ($0.20 per share) compared with a loss of $5,759 ($57.60 per share) for the period of January 31 to December 31, 2013.

Operating expenses were $810,270 (including $748,693 in exploration and evaluation expenses) for year ended December 31, 2014 compared to $5,759 (Including $4,202 in exploration and evaluation expense) for the period of January 31 to December 31, 2013.

The following chart details the operating expenses comparatives for the year ended December 31, 2014 and the period of January 31 to December 31, 2013:

	2014	2013	Change
Expenses	$	$	$
Accounting and audit	40,642	-	40,642
Legal	4,364	1,447	2,917
Travel	2,719	-	2,719
Office and general	9,227	-	9,227
Postage and delivery	296	-	296
Rent	1,800	-	1,800
Bank service charges	2,529	110	2,419
Total operating expenses	61,577	1,557	60,020
Exploration and evaluation	748,693	4,202	744,491
Total expenses	810,270	5,759	804,511
FX translation	(617)	-	(617)
Total Loss	809,653	5,759	803,894

- The increase in expenses is the result of the increase in activity in the Company during the current year. During the previous year, the Company was mainly inactive. The Company incurred accounting and audit expenditures in the amount of $40,642 in the current year compared to $Nil in the previous period. The Company incurred legal expenditures in the amount of $4,364 in the current year compared to $1,447 in the previous period. The Company incurred office and general expenditures in the amount of $9,227 in the current year compared to $Nil in the previous period.

RESULTS OF OPERATIONS

For the three months ended December 31, 2014 and 2013

Revenues

The Company did not earn revenues during the three months ended December 31, 2014 (Oct-Dec, 2013 $Nil).

General and administrative expenses

During the three months ended December 31, 2014 the Company recorded a loss of $705,242 ($0.04 per share) compared to a loss of $5,685 ($56.85 per share) for the three months ended December 31, 2013.

Operating expenses were $705,811 (including $649,879 in exploration and evaluation expenses) for the three months ended December 31, 2014 compared to $5,685 (including $4,202 in exploration and evaluation expenses) for the three months ended December 31, 2013.

The following chart details the operating expenses comparatives for the three months ended December 31, 2014 and December 31, 2013:

	2014	2013	Change
Expenses	$	$	$
Accounting and audit	39,142	-	39,142
Legal	671	1,447	(776)
Travel	2,719	-	2,719
Office and general	9,227	-	9,227
Postage and delivery	296	-	296
Rent	1,800	-	1,800
Bank service charges	2,077	36	2,041
Total operating expenses	55,932	1,483	54,449
Exploration and evaluation	649,879	4,202	645,677
Total expenses	705,811	5,685	700,126
FX translation	(569)	-	(569)
Total Loss	705,242	5,685	699,557

- The increase in expenses is the result of the increase in activity in the Company during the current three month period. During the previous three month period, the Company was mainly inactive. The Company incurred accounting and audit expenditures in the amount of $39,142 in the current period compared to $Nil in the previous period. The Company incurred office and general expenditures in the amount of $9,227 in the current period compared to $Nil in the previous period.

SUMMARY OF QUARTERLY RESULTS

	December 31, 2014	September 30, 2014	June 30, 2014	March 31, 2014
Revenue	$ Nil	$ Nil	$ Nil	$ Nil
Earnings(loss) for the period	(705,242)	(92,974)	(11,387)	(50)
LPS (Basic & Diluted)	(0.04)	(0.21)	(113.87)	(0.50)
Fixed assets	-	-	-	-
Total assets	124,421	100,253	10,866	2

	December 31, 2013	September 30, 2013	June 30, 2013	Jan31-Mar31 2013
Revenue	$ Nil	$ Nil	$ Nil	$ Nil
Earnings(loss) for the period	(5,685)	(31)	(31)	(12)
LPS (Basic & Diluted)	(56.85)	(0.31)	(0.31)	(0.12)
Fixed assets	-	-	-	-
Total assets	2	2	2	2

As at December 31, 2014 the Company had 18,470,100 shares ($537,502) issued and outstanding.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2014, the Company had a working capital deficit of $197,910 and an accumulated deficit of $815,412. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on an ongoing basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The continuation of the Company is dependent upon the financial support of creditors and stockholders, refinancing debts payable, obtaining additional long term debt or equity financing, as well as achieving and maintaining a profitable level of operations. The Company believes it will require additional working capital to meet operating and exploration costs for the upcoming year.

Subsequent to the year ended December 31, 2014, the Company completed the following transactions:

a) On February 11, 2015 the Company issued 1,730,000 Class A common shares at a subscription price of $0.10 for each common share for proceeds of $173,000. 700,000 of these shares were in settlement of subscriptions due.

b) On February 25, 2015, the Company issued 270,000 Class A common shares at a subscription price of $0.10 for each common share for gross proceeds of $27,000. As part of the financing, for no cash consideration, the broker received 27,000 Class A common shares valued at $0.10 per share. In addition, broker fees in the amount of $2,700 were paid by the Company.

c) On March 30, 2015, the Company issued 150,000 Class A common shares at a subscription price of $0.10 for each common share for proceeds of $15,000. 100,000 of these shares were in settlement of share subscriptions due.

d) On April 15, 2015, the Company issued 100,000 Class A common shares at a subscription price of $0.10 for each common share for proceeds of $10,000.

RELATED PARTY TRANSACTIONS

Transactions with related parties are incurred in the normal course of business. Related party transactions have been listed below, unless they have been disclosed elsewhere in the consolidated financial statements. During the year ended December 31, 2014, the Company incurred the following charges with related parties that include officers, directors or companies with common directors of the Company:

Included in exploration and evaluation expenses is $41,499 [$36,474 US] (2013 - $Nil) of amounts paid or payable to a director of the Company (B. Porterfield).

Included in accounts payable and accrued liabilities is $33,357 [$28,753 US] (December 31, 2013 - $Nil) due to a director of the Company (B. Porterfield).

FINANCIAL INSTRUMENTS AND RISKS

Capital risk management

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes shareholders' equity, comprised of issued share capital, contributed surplus and deficit, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to further exploration on its properties. To secure the additional capital necessary to pursue these plans, the Company will attempt to raise additional funds through the issuance of equity, debt or by securing strategic partners.

The Company is not subject to externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the year ended December 31, 2014.

The Company's financial instruments and risk exposures are summarized below.

Currency risk

Foreign exchange risk arises from purchase transactions as well as recognized financial assets and liabilities denominated in foreign currencies. The Company's functional and presentation currency is the Canadian dollar.

As at December 31, 2014 the Company is exposed to currency risk through the following financial assets and liabilities denoted in United States dollars:

	December 31, 2014	December 31, 2013
Cash	**$ 20,062**	$ -
Prepaid expenses and deposits	**$ 60,915**	$ -
Accounts payable and accrued liabilities	**$ 224,899**	$ 3,951

The above balances were translated into US dollars at the year-end rate of $1.1601 (December 31, 2013 - $1.0636) Canadian dollars to every US dollar.

Based on the above net exposures as at December 31, 2014, assuming that all other variables remain constant, a +/- 5% change in the Canadian dollar against the United States dollar would result in an increase/decrease in net loss of approximately $8,300 (2013 - $200).

Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk with respect to its cash. The Company reduces its credit risk by maintaining its primary bank accounts at large financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. Senior management is also actively involved in the review and approval of planned expenditures.

As at December 31, 2014, the Company had a working capital deficiency of $197,910 (December 31, 2013 - $5,757).

As a result, the Company has liquidity risk and is dependent on raising additional capital to fund exploration and operations.

Fair Value risk

Fair value represents the amounts at which a financial instrument could be exchanged between willing parties, based on current markets for instruments with the same risk, principal and remaining maturity. Fair value estimates are based on quoted market values and other valuation methods.

The carrying values of cash, reclamation bonds, bank overdraft and accounts payable and accrued liabilities approximate fair values due to the relatively short term maturities of these instruments.

Fair value hierarchy

The three levels of the fair value hierarchy are:

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

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair values of cash are measured based on level 1 inputs of the fair value hierarchy.

RISKS AND UNCERTAINTIES

The Company is engaged in the acquisition and exploration of mining claims. These activities involve significant risks which careful evaluation, experience and knowledge may not, in some cases eliminate the risk involved. The commercial viability of any material deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure. Government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit.

The preparation of financial statements in conformity with IFRS 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.

Annual losses are expected to continue until the Company has an interest in a mineral property that produces revenues. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the

continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The Company's accompanying financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the consolidated financial statements.

Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Company and other factors.

OUTSTANDING SHARES, STOCK OPTIONS, AND WARRANTS

Common Shares:		
Issued and outstanding:	December 31, 2013	100
Issued and outstanding:	December 31, 2014	18,470,100
Issued and outstanding:	June 5, 2015	20,747,100

Warrants:		
Issued and outstanding:	December 31, 2013	Nil
Issued and outstanding:	December 31, 2014	Nil
Issued and outstanding:	June 5, 2015	Nil

Stock Options:		
Issued and outstanding:	December 31, 2013	Nil
Outstanding:	December 31, 2014	Nil
Outstanding:	June 5, 2015	Nil

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company is anticipating an Initial Public Offering with the Canadian Stock Exchange in fiscal 2015.

SIGNIFICANT ACCOUNTING POLICIES

Restoration liabilities

The Company recognizes the fair value of restoration liabilities related to statutory, contractual or legal obligations associated with the retirement of mining claims in the year in which it is incurred when a reasonable estimate of fair value can be made, in which case the carrying amount of the related mining claim is increased by the same amount as the net present value of the restoration liability. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. The Company's estimates of such costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures and changes in the net present value.

Acquisition, exploration and evaluation expenditures

The Company is in the exploration stage with respect to its investment in exploration properties and follows the practice of capitalizing all costs relating to the acquisition of its interest in properties excluding mining lease agreements. All exploration and development expenditures are expensed in the period incurred. Such costs include, but are not

exclusive to, geological, geophysical studies, exploratory drilling and sampling. The aggregate acquisition costs related to abandoned mineral properties are charged to income at the time of any abandonment or when it has been determined that there is evidence of permanent impairment.

An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farmout of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for interest in exploration properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company recognizes in income costs recovered on exploration properties when amounts received or receivable are in excess of the carrying amount.

All capitalized acquisition costs of interests in properties are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that the capitalized acquisition cost is not expected to be recovered, it is charged to the results of operations. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Income/Loss per share

The Company presents basic and diluted income/loss per share data for its common shares, calculated by dividing the income/loss attributed to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted income/loss per share does not adjust the income/loss attributed to the common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Provisions

A provision is recognized in the statements of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The Company has recorded no provisions at December 31, 2014 and at December 31, 2013 other than restoration liabilities.

Income Taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Financial instruments

Financial assets:

All financial assets are recognized and derecognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following categories: financial assets 'at fair value through profit or loss' ("FVTPL"), 'held-to-maturity investments', 'available-for-sale' financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets classified as FVTPL are measured at fair value with any resultant gain or loss recognized in profit or loss. Financial assets classified as available-for-sale are measured at fair value with any resultant gain or loss being recognized directly under other comprehensive income.

Investments in equity instruments classified as available-for-sale that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. When available-for-sale financial assets are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in profit or loss. Financial assets classified as loans and receivables and held to maturity, are measured at amortized cost using the effective interest rate method.

Financial liabilities

All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs. Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Other financial liabilities including borrowings are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

De-recognition of financial liabilities:

The Company derecognizes financial liabilities when the obligations are discharged, cancelled or expire.

The Company's financial instruments are classified as follows:

Financial assets:		Classification:
Cash	-	FVTPL
Reclamation bond	-	Loans and receivables
Financial liabilities:		Classification:
Bank overdraft	-	FVTPL
Accounts payable and accrued liabilities	-	Other financial liabilities

Impairment of financial assets:

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; or default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization.

With the exception of Available-For-Sale ("AFS") financial assets, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of AFS financial assets, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the statements 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 financial instrument measured at fair value on the statement of financial position consists of cash, which is measured at level 1 of the fair value hierarchy.

Foreign currency translation

Foreign currency transactions are initially recorded in the functional currency at the transaction date exchange rate. At closing date, monetary assets and monetary liabilities denominated in a foreign currency are translated into the functional currency at the closing date exchange rate.

Non-monetary items measured at historical cost are translated using the historical exchange rate. Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

Related Party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. 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.

RECENT ACCOUNTING PRONOUNCEMENTS

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its consolidated financial statements.

Accounting Standards Effective for annual periods beginning on or after January 1, 2018

- New standard IFRS 9, Financial Instruments

  IFRS 9 is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement. This standard simplifies the current measurement model for financial instruments under IFRS and establishes two measurement categories for financial assets: amortized cost and fair value. The existing IAS 39 categories of loans and receivables, held to maturity investments, and available for sale financial assets will be eliminated.

- Amendments to IFRS 7, Financial Instruments: Disclosure

  Amendment to require additional disclosures on transition from IAS 39 to IFRS 9.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS 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 revenue and expenses during the reporting period. Actual reports could differ from management’s estimates.

Information regarding significant areas of estimation, uncertainty and critical judgements made in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are the following:

Share-based payments

Judgment is applied in determining the share price to be assigned to shares issued to enter into mining lease agreements.

Recovery of deferred tax assets
Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the probability that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

Determination of functional currency
In accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*, management determined that the functional currency of the Company and its subsidiary is the Canadian dollar.

Other significant accounting estimates include the amounts accrued for restoration liabilities.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Changes in Internal Control over Financial Reporting ("ICFR")

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the consolidated financial statements, is the responsibility of management. In the preparation of consolidated financial 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 consolidated financial statements.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are Collins Barrow Toronto, LLP Licensed Public Accountants of Toronto, Ontario. The Transfer Agent and Registrar for the Common Shares of the Corporation is Computershare Trust Company of Canada of Vancouver, British Columbia.

DIRECTORS AND OFFICERS

Max Polinsky, *President, Chief Financial Officer and Director*
Murray Nye, *Chief Executive Officer and Director*
Ben Porterfield, *Director*
Megan Francis, *Corporate Secretary*