

OTTERBURN RESOURCES CORP.
Management Discussion and Analysis (“MD&A”)
for the nine months ended May 31, 2014

The following discussion and analysis of the operations, results, and financial position of Otterburn Resources Corp. (“the Company”) for the nine months ended May 31, 2014 should be read in conjunction with the Company’s unaudited financial statements and related notes for the nine months ended May 31, 2014 and the audited financial statements for the year ended August 31, 2013, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The effective date of this report is July 30, 2014. All figures are presented in Canadian dollars, unless otherwise indicated.

COMPANY OVERVIEW

The Company was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) on March 22, 2010. On January 5, 2011, the Company completed an initial public offering (“IPO”) on the TSX Venture Exchange (“TSX-V”) and commenced trading under the symbol OBN. The Company is in the business of exploration, development and exploitation of mineral resources in Canada. The Company’s primary objective is to explore mineral properties to a stage where they can be developed profitably or sold to a third party. The Company has an option to acquire a 100% interest in the Adams Plateau Property (hereinafter, the “Adams Plateau Property” or the “Property”) located in south central British Columbia.

MINERAL PROPERTY EXPLORATIONS

The Company is investigating, evaluating and conducting exploration activities in Canada. The Company has an option to acquire a 100% interest in several claim groups covering approximately 5,099 hectares called the Adams Plateau Property located approximately 75 kilometres northeast of Kamloops in south central British Columbia. The summary of accumulated costs is as follows:

a) Acquisition Costs

Accumulated acquisition costs as of May 31, 2014 and August 31, 2013 are as follows:

Adams Plateau Property, BC, Canada	May 31, 2014	August 31, 2013
Acquisition costs	\$ 15,000	\$ 15,000

The Company did not incur any new acquisition costs during the nine months ended May 31, 2014 and the year ended August 31, 2013.

b) Exploration and Evaluation Costs

Details of the cumulative exploration expenditures as of May 31, 2014 and 2013 and for the nine months then ended are as follows:

Adams Plateau Property, BC, Canada	May 31, 2014	May 31, 2013
Opening cumulative expenditure	\$ 195,305	\$ 187,814
Exploration costs:		
Equipment rental	-	2,502
Geological	-	6,545
Total exploration costs	-	9,047
Ending cumulative expenditure	\$ 195,305	\$ 196,861

c) Adams Plateau Property, BC, Canada - Details of the option agreement:

By option agreement dated April 1, 2010, and amended on June 8, 2010, June 1, 2012 and October 31, 2013, the Company has an option to acquire a 100% interest in several claim groups covering approximately 5,099 hectares called the Adams Plateau Property located approximately 75 kilometers northeast of Kamloops in south central British Columbia by making cash payments, issuing common shares and incurring exploration costs as follows:

	Option Payments	Share Issuances	Exploration Expenditures*
On execution of the option agreement (paid)	\$ 15,000	- \$	-
On or before December 31, 2010**	-	-	100,000
On or before December 31, 2014	-	-	200,000
On or before December 31, 2015	85,000	100,000	250,000
On or before December 31, 2016	100,000	100,000	350,000
Total	\$ 200,000	200,000 \$	900,000

* Not cumulative

** Achieved

The Adams Plateau Property is subject to a 2% net smelter return royalty ("NSR royalty"). The Company can purchase one-half of the NSR royalty, being 1%, for \$1,000,000.

In order to keep the Adams Plateau property option agreement in good standing, the Company needs to incur \$85,678 of additional exploration expenditures by December 31, 2014 (accumulated exploration costs of \$195,305 are net of \$19,017 of BC METC).

d) Adams Plateau Property, BC, Canada – Operations update:

The Adams Plateau Property is an amalgamation of several historic claim groups located approximately 75 kilometres northeast of Kamloops that have been intermittently explored for both volcanogenic massive sulfide (VMS) and vein type base and precious metal deposits since the early 1900's. The Property consists of a staircase shaped block of ground (5,099 hectares / roughly 12 kilometres in length and four kilometres in width) covering parts of the east shore and most of the upland area to the east of Adams Lake that is accessible either by logging roads from the community of Scotch Creek or by boat from the community of Sqwaam Bay on the west side of Adams Lake. The Property covers strike extensions of the Eagle Bay Formation volcanic rocks which host several former producing, high precious metal content volcanogenic massive sulfide ("VMS") occurrences located west of Adams Lake. Preliminary exploration work completed during 2010 defined four main target areas referred to as the Beca / South West Extension Area, the AXL-A2 Area, the WAD Extension Area and the Elsie – Lucky Coon Area.

During the year ended August 31, 2011, the Company incurred \$77,871 of costs relating to Phase 1 exploration program consisting primarily of soil geochemical surveys in the Beca / Southwest Area. The objectives of the exploration work in the Beca / Southwest Area were to assess potential extensions of the stratigraphic horizons that host VMS mineralization identified at the Beca Prospect. Two areas of elevated lead and zinc values were identified between one and two kilometers along strike from the Beca Prospect and confirmed that the strike extensions of the rock units that host the Beca Prospect are prospective for the discovery of VMS type mineralization. However, it is important to note that the topography of the Southwest Target Area is steep and that the apparent thickness of the stratigraphic units which host VMS mineralization may be exaggerated due to downslope dispersal of mineralization contained within narrower stratigraphic units.

During the year ended August 31, 2012, the Company incurred \$17,461 of costs for exploration work on the Beca – Southwest Area and for work in the Elsie – Lucky Coon Area related to \$220,000 Phase 1 exploration program.

Results of the work in the Beca / Southwest Target Area are considered encouraging. Although the actual width of the stratigraphic units that host the elevated lead and zinc values have not yet been determined it is highly probable that these units are at least several tens of meters in thickness. The observed thicknesses of the favourable stratigraphic horizons are consistent with the thicknesses of similar stratigraphic horizons observed at the AXL-A2 Area (located approximately five kilometers to the east of SW Zone 2) and it can be concluded that the western part of the Adams Plateau Property has potential to host significant VMS type occurrences.

The Elsie – Lucky Coon Target Area is located in the north eastern part of the Adams Plateau Property and was the focus of extensive previous exploration work in the 1970's and early 1980's. Petrographic and analytical work on samples collected from the Beca / Southwest Target Area and from the Elsie – Lucky Coon Area is in progress to confirm geological similarities with the high precious metal content VMS type occurrences located to the west of Adams Lake.

During the year ended August 31, 2013, an additional \$9,047 in geological work was completed in the Elsie – Lucky Coon area. The location of several historic drill holes and trenches were verified and additional samples were collected from known VMS type mineral occurrences.

There was no exploration work done in the nine months ended May 31, 2014.

LOANS PAYABLE

During the nine months ended May 31, 2014, the Company entered into three loan agreements to borrow \$14,500 from each lender. The loans are unsecured, bear interest of 8% per annum and are due and payable on March 31, 2015. Out of \$43,500 of loan advances received, \$14,500 was borrowed from a company partially owned and controlled by two directors of the Company.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's quarterly results for the last eight quarters:

	31 May 2014 (i)	28 Feb 2014 (i)	30 Nov 2013 (i)	31 Aug 2013 (i)	31 May 2013 (i)(ii)	28 Feb 2013 (i)	30 Nov 2012 (i)(iii)	31 Aug 2012 (i)(iii)
Expenses	\$18,863	\$19,431	\$23,210	\$35,966	\$23,945	\$32,019	\$45,310	\$40,283
Loss for the period	\$18,863	\$19,431	\$23,210	\$35,966	\$23,945	\$32,019	\$45,310	\$40,283
Weighted average shares outstanding in 1'000s	13,219	13,219	13,219	13,219	13,219	13,085	12,951	12,951
Loss per common share	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Mineral property expenditures (recovery)	-	-	-	(2,714)	-	-	\$9,047	(\$3,009)

- (i) The Company's operating losses are due to mineral exploration activities and general and administrative costs, such as management, consulting, legal, accounting and audit incurred during the process of managing the Company's operations and to ensure regulatory compliance and can fluctuate from quarter to quarter based on such factors as recommended exploration costs and cash resource management. Net loss for the quarters represents normal level of business activity.
- (ii) Net loss for the quarter ended August 31, 2013 is higher than in the quarters immediately before and after August 31, 2013 due to annual audit costs.
- (iii) Net loss for the quarters ended February 28, 2013, November 30, 2013, August 31, 2012 are higher due to incurring exploration costs.

DISCLOSURE OF OUTSTANDING SHARE DATA

The following table summarizes maximum number of common shares outstanding as at May 31, 2014 and as of the date of this MD&A if all outstanding options and warrants were converted to shares:

	As of the date of this MD&A	May 31, 2014
Common shares	13,219,334	13,219,334
Warrants to purchase common shares	7,350,000	7,350,000
Options to purchase common shares	900,000	900,000
	21,469,334	21,469,334

Escrow Shares

Pursuant to an escrow agreement dated October 1, 2010, 3,850,001 common shares and 2,000,000 common share purchase warrants were placed in escrow. 10% of the escrowed common shares (385,000 common shares) and warrants (200,000 common share purchase warrants) were released from escrow upon completion of the IPO on January 5, 2011, and 15% of the common shares (577,500 common shares) and common share purchase warrants (300,000 common share purchase warrants) are released from escrow every 6 months thereafter. As at the date of the MD&A, all common shares and share purchase warrants were released from escrow.

RESULTS OF OPERATIONS

Nine months ended May 31, 2014 compared with nine months ended May 31, 2013

The loss for the nine months ended May 31, 2014 was \$61,504, compared with \$101,274 for the nine months ended May 31, 2013. The \$39,770 decrease in loss in current period is mainly due to a decrease in audit and accounting fees, exploration and evaluation costs, and filing and transfer agent fees. Detailed discussion of the major differences is as follows:

- Audit and accounting costs in the amount of \$22,850 were incurred in accounting for business transactions in nine months ended May 31, 2014, as compared with \$42,840 incurred in nine months ended May 31, 2013. The \$19,990 decrease was due to higher audit fees in nine months ended May 31, 2013 for the transition of the Company's financial reporting from Canadian GAAP to International Financial Reporting Standards, and the fact the accounting fees was not charged by the Company's Chief Financial Officer effective December 1, 2013 in efforts to preserve cash;
- Exploration and evaluation costs of \$9,047 were incurred during nine months ended May 31, 2013 compared to \$nil in nine months ended May 31, 2014 for geological work completed in the Elsie – Lucky Coon area of the Adam Plateau project. There were no exploration activities incurred in nine months ended May 31, 2014; and
- Filing and transfer agent fees of \$20,399 were incurred in nine months ended May 31, 2013 to maintain records of the Company's shares and to maintain listing on the TSX-V, as compared to \$11,692 in nine months ended May 31, 2014. The decrease of \$8,707 was due to higher fees paid in nine months ended May 31, 2013 for review of additional materials submitted to TSX-V.

Three months ended May 31, 2014 ("Q3 2014") compared with three months ended May 31, 2013 ("Q3 2013")

The loss for the quarter ended May 31, 2014 was \$18,863, compared with \$23,945 for the quarter ended May 31, 2013. The \$5,082 decrease in loss in current quarter is mainly due to a decrease in audit and accounting fees and insurance expenses. Detailed discussion of the major differences is as follows:

- Audit and accounting costs in the amount of \$5,300 were incurred in accounting for business transactions in Q3 2014, as compared with \$13,300 incurred in Q3 2013. The \$8,000 decrease was due to the fact the accounting fees was not charged by the Company's Chief Financial Officer effective December 1, 2013 in efforts to preserve cash;
- Insurance expense was \$1,625 during Q3 2014 as compared with \$2,725 in Q3 2013. The decrease of \$1,100 was due to a discount received on the Company's insurance policy during the current year; and
- Legal fees of \$2,744 were incurred in Q3 2014 as compared with \$374 in Q3 2013. The \$2,370 increase was due to legal fees incurred during Q3 2014 relating to the Company's annual general meeting.

LIQUIDITY AND CAPITAL RESOURCES

The Company's ability to meet its obligations and its ability to finance exploration and development activities depends on its ability to generate cash flow through the issuance of common shares pursuant to private placements, the exercise of warrants and stock options. Capital markets may not always be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings. This may be further complicated by the limited liquidity for the Company's shares, restricting access to some institutional investors. The Company's growth and success is dependent on additional external sources of financing which may not be available on acceptable terms.

Working Capital

As of May 31, 2014, the Company's working capital deficit was \$55,677, compared with a \$5,827 working capital as of August 31, 2013. The \$61,504 decrease in working capital is mainly due to incurring general and administrative expenses paid and borrowing loans during the nine months ended May 31, 2014.

Cash

On May 31, 2014, the Company had \$23,603 of cash, compared with \$32,297 of cash on August 31, 2013. The \$8,694 decrease in cash position is due to spending on general and administrative costs and maintenance of current non-cash working capital, offset by receiving \$43,500 from loans.

Cash Used in Operating Activities

Cash used in the operating activities during the period ended May 31, 2014 was \$52,194, compared with \$94,642 of cash used in operating activities during the comparative period ended May 31, 2013. Cash spent on operating activities during the period ended May 31, 2014 was \$42,448 less than during the comparative period due to decrease in exploration and evaluation and operating costs. Cash spent on operating activities during the current period was mostly spent on audit, accounting, filing and transfer agent, insurance, office and administration, and office rent.

Cash Used in Investing Activities

There were no investing activities during the periods ended May 31, 2014 and 2013.

Cash Generated by Financing Activities

During the nine months ended May 31, 2014, the Company received \$43,500 of loans from three lenders. During the nine months ended May 31, 2013, 268,000 Agent's options were exercised at \$0.15 per share for cash proceeds of \$40,200.

Requirement of Additional Equity and Debt Financing

The Company relies primarily on equity and debt financings for all funds raised to date for its operations. The Company needs more funds to finance its exploration and development programs and ongoing operating costs. As at May 31, 2014, the Company has a working capital deficit of \$55,677 and therefore has made efforts to conserve cash by deferring payments on the Adams Plateau option agreement and certain operating expenses. The Company has re-negotiated the terms of the Adams Plateau option agreement to defer all payments and exploration expenditures by one year. The Company does not plan to incur any significant exploration costs until a sufficient equity financing is completed. To fund its 2014 operations, the Company has raised \$43,500 in debt financing during the nine months ended May 31, 2014. The Company plans to raise additional funds through equity and/or debt financing.

GOING CONCERN

The Company's condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year.

At May 31, 2014, the Company had not achieved profitable operations, had an accumulated deficit of \$893,946 since inception and expects to incur further losses in the exploration of its mineral property interest. In addition, the Company currently has insufficient cash to meet its obligation to incur \$85,678 in exploration expenditures by December 31, 2014 in respect of its Adams Plateau mineral property interest. These conditions are material uncertainties which cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent its ability to obtain the necessary financing to develop its mineral property interest and to meet its corporate overhead needs, keep its property in good standing and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Should the Company not be able to continue as a going concern, realization values may be substantially different from carrying values as recorded in the Company's financial statements. The Company's financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Company's related parties and key management personnel consist of companies owned by the executive officer and directors as follows:

	Relationship	Nature of Transactions
CDM Capital Corp.	Owned and controlled by two directors of the Company	Accounting, Office and Administration, and Rent
ArkOrion Enterprises Inc.	Owned and controlled by the CFO of the Company	Accounting

Total compensation paid to CDM Capital Corp. during the current period was \$31,500 (2013 - \$31,500) and to ArkOrion Enterprises Inc. was \$7,500 (2013 - \$22,500). Details of related party transactions and compensation of key management personnel are as follows:

- (a) During the nine months ended May 31, 2014, the Company paid/accrued \$13,500 (2013 - \$13,500) for accounting fees to CDM Capital Corp.
- (b) During the nine months ended May 31, 2014, the Company accrued \$7,500 (2013 - \$22,500) for accounting fees to ArkOrion Enterprises Inc.
- (c) During the nine months ended May 31, 2014, the Company paid/accrued \$9,000 (2013 - \$9,000) for office and administration fees to CDM Capital Corp.
- (d) During the nine months ended May 31, 2014, the Company paid/accrued \$9,000 (2013 - \$9,000) for office rent to CDM Capital Corp.
- (e) As of May 31, 2014, included in accounts payable and accrued liabilities is \$18,375 owing to ArkOrion Enterprises Inc. and \$7,508 owing to CDM Capital Corp. These liabilities are unsecured, non-interest bearing and are due on demand, and were incurred in the normal course of operations.

PLAN OF OPERATIONS AND FUNDING

The Company's plan of significant operations for the next twelve months is as follows:

- to finance general and administrative costs of running operations and regulatory compliance estimated at \$50,000;
- to investigate other prospective mineral exploration projects or business ventures.

As of the date of this MD&A, the Company does not have adequate working capital on hand to fund operations for the next twelve months. The Company has raised \$43,500 in debt financing during the nine months ended May 31, 2014 and is planning to raise additional funds for operations via equity or debt financing.

FINANCIAL INSTRUMENTS

The Company accounts for its financial instruments as follows:

Cash, accounts receivable, and tax credit receivable	Loans and receivables
Accounts payable and accrued liabilities	Financial liabilities measured at amortized cost
Loans payable	

The classification of the financial instruments as well as their carrying values is shown in the table below:

Loans and receivables	\$	27,812
Other financial liabilities	\$	84,572

The fair value of cash and cash equivalents, accounts receivable, tax receivable, accounts payables and accrued liabilities, interest payable and loans payable approximates their carrying value due to their short-term maturity.

The Company is exposed to potential loss from various risks including commodity price risk, exploration and development risk, environmental risk, credit risk, liquidity risk and interest rate risk. These risks are described in more details in Risk and Uncertainties section of this MD&A.

The exploration and development of mineral properties are highly speculative activities and are subject to significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The Company's ability to realize on its investments in exploration

projects is dependent upon a number of factors: management's ability to continue to raise the financing necessary to complete the exploration and development of those projects and the existence of economically-recoverable reserves within the projects.

At the present time the Company does not hold any interest in a mining property in commercial production. The Company has incurred net losses since inception, and has limited financial resources and no positive mineral operating cash flow. No assurance can be given that additional funding will be available for further exploration and development of the Company's projects or to fulfill the Company's obligations under any applicable agreements. Other risks and uncertainties include:

Competitive industry

Mining industry is intensely competitive and the company will compete with other companies that have far greater resources.

Exploration risks

Mineral exploration is highly speculative in nature. The Company's exploration projects involve many risks, and success in exploration is dependent upon a number of factors including, but not limited to, quality of management, quality and availability of geological expertise and availability of exploration capital. The Company cannot give any assurance that its future exploration efforts will result in the discovery of mineral resources or mineral reserves.

Fluctuating metal and share prices

Factors beyond the control of the Company may affect the marketability of precious any other metals or minerals discovered. Commodity prices fluctuate widely and are affected by numerous factors beyond the Company's control whose effect cannot accurately be predicted.

In recent years, the securities markets in the United States and Canada have experience a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploratory and development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying assets values or prospects of such companies. There can be no assurance that continual and extreme fluctuations in price will not occur.

Ability to continue as a going concern

The audited financial statements of the Company for the period ended May 31, 2014 were prepared in accordance with IFRS on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business. As noted in the "Liquidity and Capital Resources" section, there are number of conditions that raise doubt about the Company's ability to continue as a going concern in the longer term.

The ability of the Company to continue as a going concern is dependent upon the existence of economically recoverable mineral reserves and the ability to raise adequate financing from lenders, shareholders and other investors to support such business activities. It is anticipated that the Company will rely on the equity markets in the upcoming fiscal year to meet its financing needs, including funding future exploration activity.

Given the current economic environment, there can be no assurance that such financing will be available to the Company on acceptable terms, or at all. Failure to continue as a going concern would require the Company's assets and liabilities to be presented on a liquidation basis, which would differ materially from the going concern basis.

The following are risks related to the Company's financial instruments:

(i) **Credit Risk** – Credit risk is the risk that one party to a financial instrument will fail to fulfill an obligation and cause the other party to incur a financial loss. The Company's credit risk consists primarily of cash and accounts receivable. The credit risk is minimized by placing cash with major Canadian financial institutions. The Company does not invest in asset-backed commercial papers.

(ii) **Liquidity Risk** – Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company ensures that sufficient funds are raised from private placements to meet its operating requirements, after taking into account existing cash and expected exercise of share purchase warrants. The Company's cash is held in business accounts which are available on demand for the Company's programs and are not invested in any asset backed deposits or investments.

(iii) **Interest Rate Risk** - Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. If interest rates decrease, the Company will generate smaller interest revenue. Presently the Company is not at risk of realizing a loss as a result of a decline in the fair value of its financial instruments because of the short-term nature of the investments.

(iv) **Commodity Price Risk** - The Company's future success is linked to the price of minerals, because the value of mineral resources is tied to prices of minerals. Worldwide production levels also affect the prices. The prices of minerals are occasionally subject to rapid short-term changes due to speculative activities.

CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, and to bring its resource properties to commercial production.

The Company depends on external financing to fund its activities. The capital structure of the Company currently consists of common shares and share purchase warrants. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets, being resource properties. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, or sell assets to fund operations. Management reviews its capital management approach on regular basis. The Company is not subject to externally imposed capital requirements.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly-rated financial instruments, such as cash and other short-term guaranteed deposits, all held with major financial institutions.

CHANGES IN ACCOUNTING POLICIES

The accounting policies followed in these condensed interim financial statements are consistent with those for the year ended August 31, 2013, except as described below. The Company has adopted the following new and revised standard effective September 1, 2013. The changes were made in accordance with the applicable transitional provisions. The adoption of these standards did not result in significant changes to the Company's financial statements

IFRS 10 Consolidated Financial Statements ("IFRS 10") provides a single model to be applied in the control analysis for all investees, including entities that currently are special purpose entities in the scope of SIC 12. In addition, the consolidation procedures are carried forward substantially unmodified from IAS 27 Consolidated and Separate Financial Statements.

IFRS 12 Disclosure of Interests in Other Entities (“IFRS 12”) sets out the disclosure requirements for entities reporting under IFRS 10 and IFRS 11, and replaces the disclosure requirements currently found in IAS 28 Investments in Associates (“IAS 28”). The objective of IFRS 12 is to require the disclosure of information that enables users of financial statements to evaluate: (a) the nature of, and risks associated with, its interests in other entities; and (b) the effects of those interests on its financial position, financial performance and cash flows.

IFRS 13 Fair Value Measurement (“IFRS 13”) converges IFRS and US GAAP on how to measure fair value and the related fair value disclosures. The new standard creates a single source of guidance for fair value measurements, where fair value is required or permitted under IFRS, by not changing how fair value is used but how it is measured. The focus is on an exit price.

IAS 1 Presentation of Financial Statements (“IAS 1”) was amended by the IASB in June 2011 in order to align the presentation of items in other comprehensive income with US GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this MD&A contains forward-looking statements, pertaining to the following: capital expenditure programs, development of resources, treatment under governmental regulatory and taxation regimes, expectations regarding the Company's ability to raise capital, expenditures to be made by the Company to meet certain work commitments, and work plans to be conducted by the Company.

With respect to forward-looking statements listed above and contained in this MD&A, the Company has made assumptions regarding, among other things: the legislative and regulatory environment, the impact of increasing competition, unpredictable changes to the market prices for minerals, that costs related to development of mineral properties will remain consistent with historical experiences, anticipated results of exploration activities, and the Company's ability to obtain additional financing on satisfactory terms.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth in this MD&A: volatility in the market prices of minerals, uncertainties associated with estimating resources, geological problems, technical problems, exploration problems, processing problems, liabilities and risks including environmental liabilities and risks inherent in the exploration and mining, fluctuations in currency and interest rates, incorrect assessments of the value of acquisitions, unanticipated results of exploration activities, competition for capital, competition for acquisitions of reserves, competition for undeveloped lands, competition for skilled personnel, political risks and unpredictable weather conditions.

ADDITIONAL INFORMATION

For further detail, see the Company's interim financial statements for the period ended May 31, 2014 and the audited financial statements for the year ended August 31, 2013. Additional information about the Company can also be found on www.sedar.com.

CORPORATE DIRECTORY

Trading Symbol – OBN

Exchange - TSX-V

Head Office

Otterburn Resources Corp.
Suite 800 - 789 West Pender Street
Vancouver, BC V6C 1H2, Canada

Tel: 604-569-2963

Fax: 604-568-0945

Officers and Directors

Brian Lueck (President, CEO, Secretary and Director)

Darren Devine (Director)

Darryl Cardey (Director)

Adam Kniec (Chief Financial Officer)

Members of the Audit Committee

Darryl Cardey (Chair)

Darren Devine

Brian Lueck

Members of the Compensation Committee

Darren Devine (Chair)

Darryl Cardey

Legal Counsel

DuMoulin Black LLP
10th Floor 595 Howe St
Vancouver, BC, V6C 2T5

Auditors

KPMG LLP
777 Dunsmuir Street
Vancouver, BC, V7Y 1K3

Transfer Agent

Equity Financial Trust Company
Suite 2700 - 650 West Georgia St.
Vancouver, BC, V6B 4N9