ETHOS GOLD CORP.

(formerly Ethos Capital Corp.)

Management's Discussion & Analysis

FOR THE YEAR ENDED DECEMBER 31, 2014

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INTRODUCTION

This Management's Discussion and Analysis ("MD&A") includes financial information from, and should be read in conjunction with, the audited financial statements of Ethos Gold Corp., previously known as Ethos Capital Corp., ("the Company") for the years ended December 31, 2014 and 2013. This MD&A, for the year ended December 31, 2014, reflects the Company's adoption of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A was prepared with information available as of April 9, 2015. Additional information and disclosure relating to the Company can be found on SEDAR at **www.sedar.com**

FORWARD LOOKING STATEMENTS

This MD&A contains "forward-looking statements" within the meaning of applicable Canadian securities legislation, which include all statements, other than statements of historical fact that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future. These include, without limitation:

- the Company's anticipated results and developments in the Company's operations in future periods
- planned exploration and development of its mineral properties
- planned expenditures and budgets
- evaluation of the potential impact of future accounting changes
- estimates concerning share-based compensation and carrying value of properties
- other matters that may occur in the future.

These statements relate to analyses and other information that are based on expectations of future performance and planned work programs.

Statements concerning mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the related property is developed.

With respect to forward-looking statements and information contained herein, the Company has made a number of assumptions with respect to, including among other things, the price of gold and other metals, economic and political conditions, and continuity of operations. Although the Company believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that forward-looking statements or information contained or incorporated by reference herein will prove to be accurate.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ materially from those expressed or implied by the forward-looking statements, including, without limitation:

- fluctuations in mineral prices;
- the Company's dependence on a limited number of mineral projects;
- the nature of mineral exploration and mining and the uncertain commercial viability of certain mineral deposits;
- the Company's lack of operating revenues;
- the Company's ability to obtain necessary financing to fund the development of its mineral properties or the completion of further exploration programs;

- jurisdiction operating risks which can over time include changes in political, economic, regulatory and taxation regimes;
- governmental regulations and specifically the ability to obtain necessary licenses and permits;
- risks related to the Company's mineral properties being subject to prior unregistered agreements, transfers, or claims and other defects in title;
- fluctuations in the currency markets;
- changes in environmental laws and regulations which may increase costs of doing business and restrict the Company's operations;
- risks related to the Company's dependence on key personnel; and
- estimates used in the Company's financial statements proving to be incorrect.

This is not an exhaustive list of the factors that may affect the Company's forward-looking statements. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements. The Company's forward-looking statements are based on beliefs, expectations and opinions of management on the date the statements are made. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

OVERVIEW

The Company was incorporated on March 12, 2007 under the British Columbia Business Corporations Act. In 2007, the Company completed an initial public offering ("IPO") and was publicly listed as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange ("the TSX-V"). In 2008, the Company announced a proposed Qualifying Transaction. In July 2009, the TSX-V accepted the Company's Qualifying Transaction and filing statement, and the Company began trading on the TSX-V as a Tier 2 company under the symbol ECC. In March 2011, the Company began trading on the OTCQX under the symbol ETHOF. The Company's principal business activities are the identification, exploration and development of economically viable mineral properties.

HIGHLIGHTS DURING 2014

The Company is actively seeking other business opportunities in favorable jurisdictions that have the ability to add value to the Company.

As at December 31, 2014, the Company had cash and a working capital balance of $8.0 million.

EXPLORATION UPDATE

Betty, Wolf and Bridget Mineral Properties, Yukon

In the first quarter of 2013, the Company terminated its option to acquire a 100% interest in the Betty, Wolf, Bridget and Hen properties. The Company had spent a cumulative amount of $2,828,000 in cash and share option payments for these properties, and the entire amount was written off as at December 31, 2012.

WC Property, Yukon

The Company staked a 44 claim property in 2012. This property is surrounded by Western Copper's advanced Casino copper-gold project where a positive feasibility was completed in 2012. During 2012, the Company completed reconnaissance ridge-and-spur soil sampling which identified nine sample sites with

anomalous gold and pathfinder elements. This property will remain in good standing until to 2018 with no further expenditures.

SELECTED FINANCIAL INFORMATION

Fiscal Year ended	December 31, 2014	December 31, 2013	December 31, 2012
Total Revenue	Nil	Nil	Nil
Net Loss and Comprehensive Loss for the Year	$426,836	$898,369	$8,284,529
Net Loss Per Common Share	$0.01	$0.02	$0.19
Total Assets	$8,094,474	$8,483,750	$9,291,691
Total Liabilities	$32,452	$23,220	$92,098
Cash Dividends per Common Share	Nil	Nil	Nil
Number of Common Shares Issued and Outstanding	43,458,911	43,458,911	43,458,911

RESULTS OF OPERATIONS

Year ended December 31, 2014, compared to the Year ended December 31, 2013

The Company recorded a net loss of $426,836 for the year ended December 31, 2014 ("Current Year") ($0.01 loss per common share) compared to a net loss of $898,369 ($0.02 loss per common share) for the year ended December 31, 2013 ("Comparative Year"), a decrease of $471,533.

In the Comparative Year, the Company completed the remaining work required to close down the exploration activities on the previously optioned Yukon properties and incurred $96,777 in exploration expenditures compared to nil in the Current Year.

In the Comparative Year, the Company incurred salaries of $133,448 compared to $17,679 in the Current Year, which relates to the Company reducing the number of employees in the Current Year.

In the Comparative Year, the Company incurred share-based payments, a non-cash expense, of $159,306 compared to $28,328 in the Current Year, which is the result of fewer share purchase options vesting in the Current Year.

In the Comparative Year, the Company incurred consulting fees of $268,776 compared to $224,195 in the Current Year, which is a result of the Company reducing fees paid to consultants while the Company seeks other business opportunities that have the ability to add value to the Company.

In the Comparative Year, the Company incurred travel and expenses of $54,872 compared to $20,942 in the Current Year, which is the result of the Company reducing travel in the Current Year in an effort to reduce travel and expenses until such time the Company can identify other business opportunities for acquisition.

The Company reduced its overall administrative expenses to preserve cash as it continues to actively seek other business opportunities in favorable jurisdictions that have the ability to add value to the Company.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected financial information from the Company's unaudited financial statements for the last eight quarters.

Quarter Ended	Revenue	Net Loss	Loss Per Common Share	Loss Per Common Diluted Share
31-Dec-14	$0.00	$ 71,562	$0.00	$0.00
30-Sep-14	$0.00	$115,512	$0.00	$0.00
30-Jun-14	$0.00	$118,208	$0.00	$0.00
31-Mar-14	$0.00	$121,554	$0.01	$0.01
31-Dec-13	$0.00	$187,780	$0.00	$0.00
30-Sep-13	$0.00	$253,120	$0.01	$0.01
30-Jun-13	$0.00	$213,390	$0.00	$0.00
31-Mar-13	$0.00	$244,079	$0.01	$0.01

There are no systematic identifiable factors that cause variations in the selected quarterly financial information.

FOURTH QUARTER 2014

Three months ended December 31, 2014, compared to the three months ended December 31, 2013

The Company recorded a net loss of $71,562 for the three months ended December 31, 2014 ("Current Period") ($0.00 loss per common share) compared to a net loss of $187,780 ($0.00 loss per common share) for the three months ended December 31, 2013 ("Comparative Year"), a decrease of $116,218.

In the Comparative Period, the Company completed the remaining work required to close down the exploration activities on the previously optioned Yukon properties and incurred $33,670 in exploration expenditures compared to nil in the Current Period.

In the Comparative Period, the Company incurred salaries of $27,502 compared to $2,258 in the Current Period, which relates to the Company reducing the number of employees in the Current Period.

In the Comparative Period, the Company incurred share-based payments, a non-cash expense, of $31,452 compared to $(5,935) in the Current Period, which is the result of fewer share purchase options vesting in the Current Period and an adjustment in the Current Period for excess share-based payment expense that was recorded earlier in the year.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The material component of general and administration expenses are:

	2014	2013
Courier	$ 107	$ 789
Directors Fees	53,200	56,200
Dues and subscriptions	3,268	4,460
Insurance	14,670	23,642
IT Services	3,815	7,180
Office	9,173	14,181
Printing	164	537
Telephone	16,280	22,558
	$ 100,677	$ 129,547

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2014, the Company had a cash and cash equivalent balance of $8,046,537 compared to a cash and cash equivalent balance of $8,405,049 at December 31, 2013, a decrease of $358,512. Working capital at December 31, 2014 was $8,041,072 compared to working capital of $8,433,445 at December 31, 2013, a decrease in working capital of $392,373.

The Company is in the exploration stage and its source of working capital to date has been solely from the sale of its common shares. The Company has sufficient funds to fund its future administrative costs, acquisition, exploration or development costs if it is able to find a suitable project. Depending on the type of project it acquires, the Company will likely need to raise additional working capital from the sale of additional common shares to meet its future exploration, development and administrative requirements.

The Company's financial liabilities, comprised of accounts payable, accrued liabilities, and amounts due to related parties, are all due on demand.

CONTRACTUAL OBLIGATIONS

None

OFF-BALANCE SHEET ARRANGEMENTS

None

TRANSACTIONS WITH RELATED PARTIES

Related party transactions are recorded at the exchange amount as agreed to by the parties. Related party transactions not otherwise disclosed in these financial statements are:

(a) The Company paid $197,338 (2013 - $261,100) in consulting fees to private companies controlled by certain directors and officers of the Company.

(b) $2,800 in director fees were payable at December 31, 2014 (2013 – Nil).

Key management personnel compensation

	For the year ended	
	December 31, 2014	**December 31, 2013**
Consulting fees	$ 197,338	$ 261,100
Directors fees	53,200	56,200
Share-based compensation	27,757	144,281
	$ 278,295	$ 461,581

PROPOSED TRANSACTIONS

None

RISKS AND UNCERTAINTIES

The Company was only recently incorporated, has not commenced commercial operations and has no assets other than cash and mineral property agreements under option. It has no history of earnings, and it is not expected to generate earnings or pay dividends in the foreseeable future.

Precious and Base Metal Price Fluctuations

The profitability of the precious and base metal operations in which the Company has an interest will be significantly affected by changes in the market prices of precious and base metals. Prices for precious and base metals fluctuate on a daily basis, have historically been subject to wide fluctuations and are affected by numerous factors beyond the control of the Company such as the level of interest rates, the rate of inflation, central bank transactions, world supply of the precious and base metals, foreign currency exchange rates, international investments, monetary systems, speculative activities, international economic conditions and political developments. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving adequate returns on invested capital or the investments retaining their respective values. Declining market prices for these metals could materially adversely affect the Company's operations and profitability.

Fluctuations in the Price of Consumed Commodities

Prices and availability of commodities consumed or used in connection with exploration, development and mining, such as natural gas, diesel, oil, electricity, cyanide and other reagents fluctuate affecting the costs of exploration in our operational areas. These fluctuations can be unpredictable, can occur over short periods of time and may have a materially adverse impact on our operating costs or the timing and costs of various projects.

Foreign Exchange Rate Fluctuations
Operations may be subject to foreign currency exchange fluctuations. The Company to-date has raised its funds through equity issuances which are priced in Canadian dollars, and until recently the majority of the exploration costs of the Company were denominated in United States dollars and Mexican pesos. Its Yukon expenditures are currently primarily in Canadian dollars. The Company may suffer losses due to adverse foreign currency fluctuations.

Competitive Conditions
Significant competition exists for natural resource acquisition opportunities. As a result of this competition, some of which is with large, well established mining companies with substantial capabilities and significant financial and technical resources, the Company may be unable to either compete for or acquire rights to exploit additional attractive mining properties on terms it considers acceptable. Accordingly, there can be no assurance that the Company will be able to acquire any interest in additional projects that would yield reserves or results for commercial mining operations.

Operating Hazards and Risks
Exploration activities may generally involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include, but are not limited to, the following: environmental hazards, industrial accidents, third party accidents, unusual or unexpected geological structures or formations, fires, power outages, labour disruptions, floods, explosions, cave-ins, land-slides, acts of God, periodic interruptions due to inclement or hazardous weather conditions, earthquakes, war, rebellion, revolution, delays in transportation, inaccessibility to property, restrictions of courts and/or government authorities, other restrictive matters beyond the reasonable control of the Company, and the inability to obtain suitable or adequate machinery, equipment or labour and other risks involved in the normal course of exploration activities.

Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of precious and base metals, any of which could result in work stoppages, delayed production and resultant losses, increased production costs, asset write downs, damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damages. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. Any compensation for such liabilities may have a material, adverse effect on the Company's financial position.

Infrastructure
Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. The lack of availability of acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploitation or development of the Company's projects. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploitation or development of the Company's projects will be commenced or completed on a timely basis, if at all.

Exploration and Development
There is no assurance given by the Company that its exploration and development programs and properties will result in the discovery, development or production of a commercially viable ore body or yield new reserves to replace or expand current reserves.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At this time, none of the Company's properties have any defined ore-bodies with proven reserves.

The economics of developing silver, gold and other mineral properties are affected by many factors including capital and operating costs, variations of the tonnage and grade of ore mined, fluctuating mineral markets, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Depending on the prices of silver, gold or other minerals produced, the Company may determine that it is impractical to commence or continue commercial production. Substantial expenditures are required to discover an ore-body, to establish reserves, to identify the appropriate metallurgical processes to extract metal from ore, and to develop the mining and processing facilities and infrastructure. The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be accurately foreseen or predicted, such as market fluctuations, conditions for precious and base metals, the proximity and capacity of milling and smelting facilities, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection. In order to commence exploitation of certain properties presently held under exploration concessions, it is necessary for the Company to apply for an exploitation concession. There can be no guarantee that such a concession will be granted. Unsuccessful exploration or development programs could have a material adverse impact on the Company's operations and profitability.

Business Strategy

As part of the Company's business strategy, it has sought and will continue to seek new exploration and development opportunities in the mining industry. In pursuit of such opportunities, it may fail to select appropriate acquisition candidates, negotiate appropriate acquisition terms, conduct sufficient due diligence to determine all related liabilities or to negotiate favourable financing terms. The Company may encounter difficulties in transitioning the business, including issues with the integration of the acquired businesses or its personnel into the Company. The Company cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit its business.

Environmental Factors

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that any future changes in environmental regulation, will not adversely affect the Company's operations. The costs of compliance with changes in government regulations have the potential to reduce the profitability of future operations. Environmental hazards that may have been caused by previous or existing owners or operators may exist on the Company's mineral properties, but are unknown to the Company at the present.

Title to Assets

Although the Company has or will receive title opinions for any properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company has not conducted surveys of the claims in which it holds direct or indirect interests and, therefore, the precise area and location of such claims may be in doubt. The Company's claims may be subject to prior unregistered agreements or transfers, or native land claims, and title may be affected by unidentified or unknown defects. The Company has conducted as thorough an investigation as possible on the title of properties that it has acquired or will be acquiring to be certain that there are no other claims or agreements that could affect its title to the concessions or claims. If title to the Company's properties is disputed, it may result in the

Company paying substantial costs to settle the dispute or clear title and could result in the loss of the property, which events may affect the economic viability of the Company.

Uncertainty of Funding
The Company has limited financial resources, and the mineral claims in which the Company has an interest or an option to acquire an interest require financial expenditures to be made by the Company. There can be no assurance that adequate funding will be available to the Company so as to exercise its option or to maintain its interests once those options have been exercised. Further exploration work and development of the properties in which the Company has an interest or option to acquire depend upon the Company's ability to obtain financing through joint venturing of projects, debt financing or equity financing or other means. Failure to obtain financing on a timely basis could cause the Company to forfeit all or parts of its interests in mineral properties or reduce or terminate its operations.

Agreements with Other Parties
The Company has entered into agreements with other parties relating to the exploration, development and production of its properties. The Company may in the future, be unable to meet its share of costs incurred under agreements to which it is a party, and the Company may have its interest in the properties subject to such agreements reduced as a result. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the costs required to complete recommended programs.

Potential Conflicts of Interest
The directors and officers of the Company may serve as directors and/or officers of other public and private companies, and may devote a portion of their time to manage other business interests. This may result in certain conflicts of interest. To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers of the Company may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company's participation. The laws of British Columbia, Canada, require the directors and officers to act honestly, in good faith, and in the best interests of the Company and its shareholders. However, in conflict of interest situations, directors and officers of the Company may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions.

There is no assurance that the needs of the Company will receive priority in all cases. From time to time, several companies may participate together in the acquisition, exploration and development of natural resource properties, thereby allowing these companies to: (i) participate in larger properties and programs; (ii) acquire an interest in a greater number of properties and programs; and (iii) reduce their financial exposure to any one property or program. A particular company may assign, at its cost, all or a portion of its interests in a particular program to another affiliated company due to the financial position of the company making the assignment. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, it is expected that the directors and officers of the Company will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Third Party Reliance
The Company's rights to acquire interests in certain mineral properties have been granted by third parties who themselves may hold only an option to acquire such properties. As a result, the Company may have no direct contractual relationship with the underlying property holder.

Assurance on Financial Statements
We prepare our financial reports in accordance with accounting policies and methods prescribed by IFRS and previously under Canadian GAAP. In the preparation of financial reports, management may need to rely upon assumptions, make estimates or use their best judgment in determining the financial condition of the

Company. Significant accounting policies and practices are described in more detail in the notes to our audited annual financial statements for the year ended December 31, 2014. In order to have a reasonable level of assurance that financial transactions are properly authorized, assets are safeguarded against unauthorized or improper use and transactions are properly recorded and reported, we have implemented and continue to analyze our internal control systems for financial reporting. Although we believe our financial reporting and financial statements are prepared with reasonable safeguards to ensure reliability, we cannot provide absolute assurance in that regard.

General Economic Conditions

The unprecedented events in global financial markets during the last few years have had a profound effect on the global economy. Many industries, including the gold and silver mining industry, are affected by these market conditions. Some of the key effects of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's growth and profitability.

Substantial Volatility of Share Price

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the securities of many mineral exploration companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The price of the Company's common shares is also likely to be significantly affected by short-term changes in mineral prices or in the Company's financial condition or results of operations as reflected in its quarterly financial reports.

Potential dilution of present and prospective shareholdings

In order to finance future operations and development efforts, the Company may raise funds through the issue of common shares or the issue of securities convertible into common shares. The Company cannot predict the size of future issues of common shares or the issue of securities convertible into common shares or the effect, if any, that future issues and sales of the Company's common shares will have on the market price of its common shares. Any transaction involving the issue of shares, or securities convertible into shares, could result in dilution, possibly substantial, to present and prospective holders of shares.

CRITICAL ACCOUNTING POLICIES AND MANAGEMENT ESTIMATES

The preparation of financial statements requires management to make estimates and judgments and form assumptions that affect the reported amounts and other disclosures in the financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical estimates used in the preparation of these financial statements include, among others, the recoverability of amounts

receivable and deferred tax assets, impairment of assets, measurement of share-based payments and valuation of reclamation obligations.

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. Critical accounting judgments include the expected economic lives of and the estimated future operating results and net cash flows from property and equipment.

Mineral interests and other assets owned are recorded at cost less accumulated depreciation and accumulated impairment losses. All direct costs related to the acquisition of mineral properties are capitalized until the properties to which they relate are ready for their intended use, sold, abandoned or management has determined there to be impairment. On the commencement of commercial production, net capitalized costs are charged to operations on a unit-of-production basis, by property, using estimated proven and probable recoverable reserves as the depletion base.

Although the Company has taken steps to verify title to the mineral properties in which it has an interest, in accordance with industry standards for properties in the exploration stage, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and noncompliance with regulatory requirements.

Exploration and evaluation expenditures, inclusive of exploration programs required under option agreements, net of incidental revenues, are charged to operations in the period incurred, until such time as it has been determined that a property has economically recoverable reserves and a decision to commence commercial production has occurred, in which case subsequent exploration expenditures and the costs incurred to develop a property are capitalized. Exploration and evaluation expenditures include value-added taxes and presumptive income taxes incurred in foreign jurisdictions when recoverability of these taxes is uncertain.

From time to time, the Company grants common share purchase options to directors, officers, employees and non-employees. The Company uses the fair value method of accounting for options granted under its share purchase option plan. Options granted to directors, officers and employees are measured at fair value, which is charged to operations over the applicable vesting period, with an offsetting credit to share option reserves. Options granted to non-employees are measured at fair value of goods and services received, which is charged to operations at the date the options are fully vested, with an offsetting credit to share option reserves. The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. Cash received on the exercise of share options is recorded in share capital and the related compensation included in share option reserves is transferred to share capital to recognize the total consideration for the shares issued.

FUTURE ACCOUNTING STANDARDS

Changes to Accounting Policies

The following accounting standards and amendments to existing standards were adopted effective January 1, 2014:

(i) *IAS 32, Financial Instruments: Presentation ("IAS 32") – amendments*

In December 2011, the IASB issued amendments to IAS 32. The amendments clarify that an entity currently has a legally enforceable right to set-off financial assets and liabilities if that right is (1) not contingent on a future event; and (2) enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties. These amendments are effective for annual periods beginning on or after January 1, 2014 with early application permitted and are to be applied retrospectively. The application of this amendment did not have any significant impact on the financial statements presented.

(ii) *IAS 36, Impairment of Assets ("IAS 36") – amendments*

The amendments to IAS 36 outline the additional disclosures that will be required with regards to the recoverable amount of impaired assets. These amendments are effective for annual periods beginning on or after January 1, 2014. The application of this amendment did not have any significant impact on the financial statements presented.

Changes in accounting standards not yet adopted

The following is a summary of new standards, amendments and interpretations that have been issued but not yet adopted. The Company is currently evaluating the impact that these changes will have on its financial statements; however, the impact, if any, is not expected to be significant.

(i) *IFRS 2, Share-based Payment ("IFRS 2") – amendments*

The amendment to IFRS 2 re-defines the definition of "vesting condition". The application of the amendment to IFRS 2 did not have any material impact on the financial statements presented. The amendments are effective for annual periods beginning on or after July 1, 2014.

(ii) *IFRS 3, Business Combinations ("IFRS 3") – amendments*

The amendment to IFRS 3 provides further clarification on the accounting treatment for contingent consideration, and provides a scope exception for joint ventures. This amendment is effective for annual periods beginning on or after July 1, 2014.

(iii) *IFRS 7, Financial Instruments: Disclosures ("IFRS 7") – amendments*

The amendments to IFRS 7 outline the disclosures required when initially applying IFRS 9. These amendments are effective for annual periods beginning on or after January 1, 2015.

(iv) *IFRS 8, Operating Segments ("IFRS 8") – amendments*

The amendments to IFRS 8 provide further clarification on the disclosure required for the aggregation of segments and the reconciliation of segment assets. These amendments are effective for annual periods beginning on or after July 1, 2014.

(v) *IFRS 9, Financial Instruments ("IFRS 9"):*

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial impairment methods in IAS 39. The effective date for application of IFRS 9 was revised from annual periods beginning on or after January 1, 2015, to annual periods beginning on or after January 1, 2018, with earlier adoption permitted.

(vi) *IFRS 11, Joint Arrangements ("IFRS 11") – amendments*

The amendments to IFRS 11 provide guidance on the accounting for acquisition of interests in joint operations constituting a business. The amendments require all such transactions to be accounted for using the principles on business combination accounting in *IFRS 3, Business Combinations* and other IFRS standards except where those principles conflict with IFRS 11. These amendments are effective for annual periods beginning on or after January 1, 2016.

(vii) *IFRS 13, Fair Value Measurement ("IFRS 13") – amendments*

The amendment to IFRS 13 provides further details on the scope of the portfolio exception. The application of the amendment to IFRS 13 is effective for annual periods beginning on or after July 1, 2014.

(viii) *IAS 16, Property, Plant and Equipment ("IAS 16")*

The amendment to IAS 16 deals with the proportionate restatement of accumulated depreciation on revaluation. This amendment is effective for annual periods beginning on or after July 1, 2014. Further amendments to IAS 16 provide clarification of acceptable methods of depreciation and amortization. These amendments are effective for annual periods beginning on or after January 1, 2016.

(ix) *IAS 14, Related Party Disclosures ("IAS 24") – amendments*

The amendment to IAS 24 deals with the disclosure required for management entities. This amendment is effective for annual periods beginning on or after July 1, 2014.

(x) *IAS 38, Intangible Assets ("IAS 38") – amendments*

The amendment to IAS 38 deals with the proportionate restatement of accumulated depreciation on revaluation. This amendment is effective for annual periods beginning on or after July 1, 2014. Further amendments to IAS 38 provide clarification of acceptable methods of depreciation and amortization. These amendments are effective for annual periods beginning on or after January 1, 2016.

FINANCIAL INSTRUMENTS

As disclosed in its audited financial statements for the year ended December 31, 2014, the Company has identified several financial instruments that it utilizes in its day-to-day operations. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

INVESTOR RELATIONS

Fred Leigh was the Company's Manager of Investor Relations until October 31, 2013. The Company's current investor relation functions are carried out by management.

DISCLOSURE OF OUTSTANDING SHARE DATA

As at April 9, 2015, the Company had the following common shares and stock options outstanding:

Common shares	43,458,911
Share purchase options	3,278,570
Total Common Shares fully diluted	46,737,481