

**MANAGEMENT DISCUSSION FOR BIG BAR RESOURCES CORPORATION
FOR THE YEAR ENDED DECEMBER 31, 2014
PREPARED AS OF APRIL 1, 2015**

Contact Information

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BACKGROUND

This discussion and analysis of financial position and results of operations is prepared as at April 1, 2015 and should be read in conjunction with the audited financial statements for the year ended December 31, 2014, of Big Bar Resources Corporation (the “Company”). The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). Except as otherwise disclosed, all dollar figures included therein and the following management discussion and analysis (“MD&A”) are quoted in Canadian dollars. Additional information relevant to the Company’s activities can be found on SEDAR at www.sedar.com.

CAUTIONARY STATEMENT ON FORWARD LOOKING INFORMATION

This Management’s Discussion and Analysis may include forward-looking statements with respect to business plans, activities, prospects, opportunities and events anticipated or being pursued by the Company and the Company’s future results. Although the Company believes the assumptions underlying such statements to be reasonable, any of the assumptions may prove to be incorrect. The anticipated results or events upon which current expectations are based may differ materially from actual results or events. Therefore, undue reliance should not be placed on such forward-looking information. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions in North America and internationally, (2) the inherent uncertainties and speculative nature associated with mineral exploration and production, (3) a decreased demand for minerals, (4) the risk that the Company does not execute its business plan, (5) inability to retain key employees, (6) inability to finance operations and growth, and (7) other factors beyond the Company's control.

Forward looking statements speak only as of the date of this MD&A and actual results could differ materially from those anticipated in the forward-looking statements as a result of a number of factors. Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based may not occur. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Big Bar Resources Corporation's principal business is the acquisition, exploration and development of mineral properties. Big Bar previously held interests in 52 mining claims situated in La Paz County, Arizona, known as the Yuma King property and 152 unpatented lode mining claims in Gila and Pinal counties of Arizona known as the Troy property.

During the year ended December 31, 2008, the Company wrote off all its capitalized mineral properties expenditures for a total loss on write-off of mineral properties in the amount of \$3,679,133. The Company ceased its exploration program in Arizona during the year.

The Company assigned ownership of its mineral property assets in the Troy Property to a private company owned by the Company's previous geologist and director as agreed upon on a signed proposal and resignation letter dated July 8, 2008. The property's assets include a reclamation bond in the amount of \$33,937, all drill core and assay data reports and all other data related to the properties. In exchange, the private company forgave the Company's outstanding debt in the amount of \$81,410 and assigned the Company a 5% net profit carried interest in the Troy Property. The reclamation bond and the forgiveness of debt were netted against the loss on write-off of mineral properties. Based on the proposal and resignation letter, the private company will assume all maintenance costs for the Troy Property.

The Company allowed its option in the Yuma King Property to lapse and therefore has written off all capitalized mineral property expenditures.

On May 10, 2010, the Company entered into an option agreement with three arm's length individuals whereby Big Bar can acquire a 100% interest, subject to a 3% net smelter returns royalty, in 88 claim units located in the Thunder Bay Mining Division, Ontario, known collectively as the Hemlo North property. In order to exercise the option, the Company must issue 625,000 common shares and make cash payments of \$180,000 over three years, as well as fund exploration expenditures of \$250,000 over two years.

In December 2010, the Company completed a magnetometer survey over a portion of the Hemlo North claims. Big Bar originally intended to complete additional exploration on the property commencing in March 2011 consisting of grid emplacement, a walkmag survey and an electromagnetic survey over areas of magnetic concentration. However, subsequent to December 31, 2010, the Company decided not to pursue exploration of its property and is currently searching for other properties to pursue. Thus, all related expenditures in the amount of \$37,094 were written off during the year ended December 31, 2010.

On November 30, 2011, British Columbia Securities Commission ("BCSC") and Alberta Securities Commission ("ASC") both granted a full revocation of the cease trade orders issued by the BCSC and ASC against the Company. On October 19, 2012, the Company reinstated the trading of its common shares on NEX.

On June 1, 2013, the Company entered into a purchase agreement with Goldzone Exploration Inc. ("Goldzone") in which the Company agreed to sell Goldzone 100% of a 2% Net Smelter Returns Royalty ("NSR") on the Las Lajas claims, located in Sonora, Mexico. As consideration for the NSR, Goldzone has agreed to pay \$75,000, of which \$10,000 is due within 30 days of the agreement (received), \$15,000 is due within 75 days of the agreement (received) and the final \$50,000 is due within 24 months of the agreement.

More recently, the Company was evaluating a possible entry into the growing Canadian medical marijuana market due to the recently implemented Marijuana for Medical Purposes Regulations (Canada) ("MMPR"), issued pursuant to the Controlled Drugs and Substances Act (Canada), replacing government

supply and homegrown medical marijuana existing under the prior Marihuana Medical Access Regulations (Canada) with highly secure and regulated commercial operations. It allows for licensed production of marijuana by participants in the private sector. However, the Company has been unable to conclude a transaction in the medical marihuana sector and is therefore now evaluating other opportunities in the mineral resource as well as other industry sectors.

As at December 31, 2014, the Company has no current operating income or cash flow. The Company incurred a net loss of \$147,015 for the year ended December 31, 2014, as compared to net loss of \$136,814 for the comparative period in 2013.

At December 31, 2014, Big Bar held assets recorded at \$6,112 consisting of \$894 in cash, and taxes recoverable of \$5,218.

SUMMARY OF ANNUAL INFORMATION

The following table sets forth selected financial information of the Company for the last three fiscal years. This financial information is derived from the audited financial statements of the Company:

Item	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
Total Revenue	Nil	Nil	Nil
Total Loss from Continuing Operations	\$147,015	\$161,814	\$213,632
Operating Loss per Share	\$0.01	\$0.01	\$0.02
Net Loss in Total	\$147,015	\$136,814	\$202,192
Net Loss on a per Share Basis	\$0.01	\$0.00	\$0.02
Total Assets	\$6,112	\$15,103	\$130,828
Total Long Term Financial Liabilities	Nil	Nil	Nil
Cash Dividends Declared per Share	Nil	Nil	Nil

Loss from continuing operations was substantially the same during the year ended December 31, 2013 as it was in December 31, 2012. The decrease in net loss in 2013 was mainly due to the decrease in consulting fees, professional fees and transfer agent and filing fees. The decrease in total assets was a result of a decrease in cash.

Loss from continuing operations and net loss were substantially the same during the year ended December 31, 2014 as it was in December 31, 2013. The decrease in total assets was a result of a decrease in taxes recoverable.

SUMMARY OF QUARTERLY RESULTS

The following is selected financial information from the Company's eight most recently completed fiscal quarters:

	4th Qtr Ended 12-31-14	3rd Qtr Ended 9-30-14	2nd Qtr Ended 6-30-14	1st Qtr Ended 3-31-14	4th Qtr Ended 12-31-13	3rd Qtr Ended 9-30-13	2nd Qtr Ended 6-30-13	1st Qtr Ended 3-31-13
Total Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Operating Income (Loss)	(\$39,380)	(\$37,900)	(\$42,093)	(\$27,642)	(\$40,868)	(\$37,513)	(\$47,031)	(\$36,402)
Operating Income (Loss) Per Share	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	\$0.00	(\$0.00)
Total Net Income (Loss)	(\$39,380)	(\$37,900)	(\$42,093)	(\$27,642)	(\$34,930)	(\$37,513)	(\$27,969)	(\$36,402)
Total Net Income (Loss) Per Share	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	\$0.00	(\$0.00)

Factors causing significant variations in quarterly results are as follows:

The increase in total net loss for the quarter ended June 30, 2013, was mainly comprised of proceeds of \$75,000 upon the sale of a 2% Net Smelter Return Royalty ("NSR") pursuant to the NSR purchase agreement dated June 1, 2013, offset by consulting fees incurred to directors and officers of the Company.

The increase in total loss for the quarter ended December 31, 2013 was mainly comprised of an allowance of \$50,000 for the sale of a 2% NSR. The increase in total loss for the quarter ended June 30, 2014 was mainly comprised of an increase in professional fees.

Fourth Quarter Results

During the three months ended December 31, 2014, the Company recorded an operating and net loss of \$39,380 compared to the three months ended December 31, 2013, where the Company recorded an operating loss of \$40,868 and net loss of \$34,930. The net loss is comparable to the prior year.

LIQUIDITY

Big Bar Resources Corporation is a mining exploration and development company with no producing resource properties, and consequently, no current operating income or cash flow.

The acquisition and development of future mineral property interests that Big Bar acquires will depend on the Company's ability to obtain additional financing through the sale of its securities or from third party loans. There is no assurance that such financing will be available when required by or under terms favorable to the Company.

At December 31, 2014, the Company had \$894 cash on hand, which is not sufficient to cover expected administrative expenses, or acquisition and exploration expenditures of mineral properties in the coming months. In view of these circumstances the Company still expects to secure funding from several sources in 2015, including from financing through private placements and third party loans, and will continue to explore all available options to secure additional funding including equity financing and strategic partnerships. Nevertheless, it is not possible to determine with any certainty the success or adequacy of these initiatives.

CAPITAL RESOURCES

As of the date of this management discussion, the Company is currently under no contractual obligations to make any mineral property payments nor undertake any further exploration activities and is actively seeking participation in new resource projects of merit.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements that would require disclosure.

MANAGEMENT AND RELATED PARTY TRANSACTIONS

Big Bar's Board of Directors consists of Ron Birch, Bruno Fruscalzo, Earl Abbott and Erwin Wong. Mr. Ron Birch acts as President and Chief Executive Officer and Mr. Erwin Wong acts as Chief Financial Officer.

- i) During the year ended December 31, 2014, the Company incurred \$10,000 (2013 - \$10,000) in consulting fees to the President of the Company. As at December 31, 2014, the Company owed \$75,000 (2013 - \$65,000) to the President of the Company.
- ii) During the year ended December 31, 2014, the Company incurred \$60,000 (2013 - \$60,000) in consulting fees to the Chief Financial Officer ("CFO") of the Company. As at December 31, 2014, the Company owed \$118,407 (2013 - \$49,831) to the CFO of the Company.
- iii) During the year ended December 31, 2014, the Company accrued rent of \$18,000 (2013 - \$18,000) to a private company controlled by the CFO of the Company. As at December 31, 2014, the Company owed the private company \$47,910 (2013 - \$30,660) for rent.
- iv) During the year ended December 31, 2014, the Company incurred \$12,000 (2013 - \$8,000) in consulting fees to a director of the Company. As at December 31, 2014, the Company owed \$20,000 (2013 - \$8,000) for consulting services rendered by the director.
- v) As at December 31, 2014, the Company owed a director \$2,668 (2013 - \$2,668) for expense reimbursements without specific terms of repayment or interest.
- vi) As at December 31, 2014, the Company owed a shareholder of the Company \$17,359 (US\$14,964) (2013 - \$nil) for advances without specific terms of repayment or interest.
- vii) As at December 31, 2014, the Company owed a shareholder of the Company \$18,562 (US\$16,000) (2013 - \$nil) for advances without specific terms of repayment or interest.

The balances owing are unsecured, non interest bearing and have no fixed terms for repayment.

SHARE DATA

No shares were issued during the year ended December 31, 2014. As of the date of this MD&A, the Company has 23,498,618 common shares issued and outstanding, and no stock options or share purchase warrants issued and outstanding.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with International Financial Reporting Standards and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility. Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

INDUSTRY CONDITIONS AND RISKS

The business of exploration, development and acquisition of mineral reserves involves a number of business risks inherent in the minerals industry which may impact The Corporation's results and several of which are beyond control of the Corporation. These business risks are operational, financial or regulatory in nature. The Corporation does not use derivative instruments as a means to manage risk.

The Company has limited financial resources, no source of operating cash flows and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its projects or to fulfill its obligations under the terms of any option or joint venture agreements. If the Company's generative exploration programs are successful, additional funds will be required for development of one or more projects.

RECENT ACCOUNTING PRONOUNCEMENTS

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for annual periods beginning after January 1, 2015 or later periods.

The following new IFRSs that have not been early adopted in the financial statements, will not have a material effect on the Company's future results and financial position:

- i) IFRS 9, *Financial Instruments* (New; to replace IAS 39 and IFRIC 9)

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

CRITICAL ACCOUNTING ESTIMATES

The financial statements of the Company for the year ended December 31, 2014, were prepared in accordance with IFRS applicable to a going concern which assumes that the Company will realize its assets and discharge its liabilities and meet its future obligations in the normal course of business. Accordingly, this annual financial statements do not include any adjustments for the recoverability and

reclassification of recorded assets, or the amounts or classification of liabilities, that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material. However, there is significant doubt as to the appropriateness of the going concern presumption. There is no assurance that the Company's funding initiatives will continue to be successful.

SUBSEQUENT EVENT

As of the date of this management discussion, the Company is currently under no contractual obligations to make any mineral property payments nor undertake any further exploration activities and is actively seeking participation in new resource projects of merit.

DIRECTORS AND OFFICERS

The following table sets forth certain information concerning the Company's directors and officers.

Name, Province and Country of Residence	Principal Occupation	Director Since	Current Position with Company	Number of Shares beneficially owned (1)
Erwin Wong ⁽²⁾ Vancouver, BC	Chief Financial Officer of Company	September 18, 2006	Chief Financial Officer	2,200,000
Ron Birch Vernon, BC	Chief Executive Officer of Company	November 14, 2008	Chief Executive Officer	492,600
Earl Abbott ⁽²⁾ Reno, Nevada, USA	Certified Professional Geologist	November 10, 2003	Director	133,333
Bruno Fruscalzo ⁽²⁾ Burnaby, BC	Independent contractor in quality assurance	December 15, 2009	Director	2,000,000

(1) The information as to Shares beneficially owned, not being within the knowledge of the Corporation, has been obtained from SEDI or furnished by the proposed directors individually. Does not include shares issuable upon exercise of options or warrants.

(2) Member of the Audit Committee

No director of the Company is, or within the 10 years prior to the date of this MD&A, has been, other than as it relates to the Company, a director or executive officer of any company that while that person was acting in that capacity:

- (a) was the subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or an order that denied the relevant company access to any exemption under securities legislation, for more than 30 consecutive days;
- (c) or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (d) has individually, within the 10 years prior to this MD&A, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or shareholder.

AUDIT COMMITTEE

National Instrument 52-110 of the Canadian Securities Administrators (“NI 52-110”) requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following.

Composition of the Audit Committee

The Company’s audit committee is comprised of three directors: Dr. Earl Abbott, Bruno Fruscalzo, and Erwin Wong. As defined in NI 52-110, Erwin Wong is not "independent"; Dr. Earl Abbott and Bruno Fruscalzo are both "independent". Also as defined in NI 52-110, all of the audit committee members are “financially literate”.

Relevant Education and Experience

Each member of the Company's present Audit Committee has adequate education and experience that is relevant to his performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

Dr. Earl Abbott – Dr. Abbott received his Ph.D. in geology from Rice University in 1972. He is a member in good standing of the Society of Mining Engineers of the American Institute of Mining, Metallurgical and Petroleum Engineers and is a past president of the Nevada chapter of the American Institute of Professional Geologists, the Geological Society of Nevada and the Nevada Petroleum Society. For the past 32 years, Dr. Abbott has been self-employed as a consulting geologist. Dr. Abbott currently serves as President and CEO of Coyote Resources Inc., a US reporting issuer and director of Uranium 308 Corp, a US reporting issuer. Dr. Abbott also has acted as President and Chief Executive Officer for a number of other publicly traded and fully reporting companies, including Uranium 308, AAA Energy Ltd., and Tornado Gold, all junior exploration companies. During his time with these companies, as well as our Company, Dr. Abbott worked intimately with the accounting staff, CFOs and auditors in order to prepare, review, and understand financial statements as well as internal controls and procedures.

Erwin Wong – Mr. Wong earned his Bachelor’s of Commerce at the University of British Columbia in 1990. After articling with Cooper’s & Lybrand, Mr. Wong attained his Chartered Accountant designation in 1994. Mr. Wong has previously worked as the director of Asian operations for a national institutional brokerage house focused on the small to mid-cap market, acted as the Vice-President of Finance for a publicly-listed Asian based group with interests in real estate and telecommunications and also acted as a director for a China-based shipping group.

Bruno Fruscalzo – Mr. Fruscalzo has worked as a business & technical analyst, in banking, and has been a Director and CFO of various reporting issuers in Canada and the U.S, including acting as a director of August Metal Corporation, a TSX-listed issuer. Mr. Fruscalzo also acted as CFO of Gulf United Energy, an SEC reporting company. As CFO of August Metal Corporation and Gulf United Energy, Mr. Fruscalzo oversaw the preparation, review and auditing of the company’s financial statements as well as internal controls and procedures. Since March 2001, Mr. Fruscalzo has been working as an independent contractor acting in the capacity of a quality assurance, business and technical support analyst/consultant. He was previously employed as a quality assurance analyst with the British Columbia Liquor Distribution Branch where he was responsible for designing, testing and implementing retail management software and networks, as well as providing procedural and technical support. He holds a CSC diploma and studied economics at UBC and Computer Information Systems at Langara College.

Audit Committee Oversight

Since the commencement of the Company’s most recently completed financial year, the Company’s Board of Directors has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the effective date of NI 52-110, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company’s Board of Directors, and where applicable the audit committee, on a case-by-case basis.

External Auditor Service Fees

In the following table, “audit fees” are fees billed by the Company’s external auditor for services provided in auditing the Company’s annual financial statements for the subject year. “Audit-related fees” are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Company to its auditor in each of the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
December 31, 2014	7,500	0	0	0
December 31, 2013	8,500	0	0	0

Exemption

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with part 3 (Composition of the Audit Committee) and part 5 (Reporting Obligations) of NI 52-110.

STATEMENT OF CORPORATE GOVERNANCE PRACTICE

The British Columbia Securities Commission has issued guidelines on corporate governance disclosure for venture issuers as set out in Form 58-101F2 (the “Disclosure”). The Disclosure addresses matters relating to constitution and independence of directors, the functions to be performed by the directors of a company and their committees and effectiveness and evaluation of proposed corporate governance guidelines and best practices specified by the Canadian securities regulators. The Company’s approach to corporate governance in the context of the 8 specific Disclosure issues outlined in Form 58-101F2 is set out in the attached Schedule “A”.

INVESTOR RELATIONS

Big Bar retains Bircress Corporate Relations Inc., a private company controlled by Ron F. Birch, to provide investor relations services.

ADDITIONAL INFORMATION

Additional information relating to Big Bar is located at www.sedar.com.

Schedule “A”

Statement of Corporate Governance Disclosure (Venture Issuers)

The following description of the governance practices of the Company is provided in accordance with the guidelines of National Instrument 58-101, as set out in Form 58-101F2 (the “Form 58-101F2 Guidelines”). The Form 58-101F2 Guidelines address matters relating to constitution and independence of directors, the functions to be performed by the directors of a company and their committees and effectiveness and evaluation of proposed corporate governance guidelines and best practices specified by the Canadian securities regulators. The directors of the Company will continue to monitor the developments and the various changes to the proposed corporate governance guidelines and best practices and where applicable will amend its corporate governance guidelines accordingly.

Form 58-101F2 Guideline

1. *Board of Directors*

Disclose how the Board of Directors (the “Board”) facilitates its exercise of independent supervision over management, including:

- (i) the identity of directors that are independent, and
- (ii) the identity of directors who are not independent, and the basis for that determination.

2. *Directorships*

If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

3. *Orientation and Continuing Education*

Describe what steps, if any, the Board takes to orient new Board members, and describe any measures the Board takes to provide continuing education for directors.

4. *Ethical Business Conduct*

Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct.

5. *Nomination of Directors*

Disclose what steps, if any, are taken to identify

The Governance Disclosure of the Company

The Board consists of four directors, of whom two are independent. None of the four unrelated directors has any direct or indirect material relationship with the Company (other than shareholdings) which could, in the view of the Company’s Board, reasonably interfere with the exercise of a director’s independent judgment. Dr. Earl Abbott and Bruno Fruscalzo are independent directors. Ron Birch is the President and Chief Executive Officer, Erwin Wong is the Chief Financial Officer of the Company and they are both not independent.

The directors of the Company are directors of the following reporting issuers set opposite their names:

Dr. Earl Abbott – Coyote Resources Inc. and Uranium 308 Corp.

Ron Birch – N/A

Bruno Fruscalzo – August Metal Inc.

Erwin Wong –N/A

Orientation and education of new members of the Board is conducted informally by management and members of the Board. The orientation provides background information on the Company’s history, performance and strategic plans.

The Board has not adopted a formal written code of ethics. The Board is of the view that the requirements of the audit committee charter and Board members’ ability to reference outside professional advisors, facilitate the Company meeting ethical business standards.

Given the size of the Board and nature of development of the Company’s business the Board has not appointed a nomination committee or put in

new candidates for Board nomination, including:

- (i) who identifies new candidates, and
- (ii) the process of identifying new candidates.

6. Compensation

Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including:

- (i) who determines compensation, and
- (ii) the process of determining compensation.

7. Other Board Committees

If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

8. Assessments

Disclose what steps, if any, that the Board takes to satisfy itself that the Board, its committees, and its individual directors are performing effectively.

place formal procedures for the identification of new Board member candidates.

Members of the Board are not compensated for acting as directors, save for being granted incentive stock options pursuant to the policies of the Exchange and the Company's stock option plan. The Board as a whole determines the stock option grants for each director. The independent Board members review on an ongoing basis, the compensation of the senior officers to ensure that it is competitive.

The Board is satisfied that in view of the size and composition of the Board, it is more efficient and cost effective for the full board to perform the duties that would be required by standing committees, other than the audit committee.

The Board considers individual director performance assessments are not warranted, given the Company's stage of development, the directors shareholdings and the required time commitment to the affairs of the Company.