EXPLOR Resources inc.

Annual Management Discussion and Analysis Report

For the Year Ended April 30, 2014

This annual management's discussion and analysis report ("MD&A") provides an analysis of our financial position and results of operations to enable a reader to assess material changes for the year ended April 30, 2014, in comparison with the same period of last year. This annual MD&A report was prepared as at August 27, 2014 to complement our audited annual financial statements. This annual MD&A and our audited annual financial statements are intended to provide investors with reasonable basis for assessing our results of operations and our financial performance. Since the consolidation of its shares, the trading symbol of the Corporation on the Frankfurt and Berlin Stock Exchanges is E1H1 and on the USA OTCQX International, is now EXSFD. Since November 2013, the Corporation is trading under these trading symbols. The trading symbol (EXS) on the TSX Stock Exchange has not changed however.

Explor Resources Inc. ("Explor") was continued under the *Canada Business Corporations Act (Alberta)*. It is an exploration company operating in Canada. It holds properties in Ontario (Eastford Lake, PG 101, Carnegie, Timmins Porcupine West, and Kidd Township), in Quebec (Launay, East Bay and Destor), and in New Brunswick (Chester).

This annual MD&A contains "forward-looking statements" not based on historical facts. Forward-looking statements express, as at the date of this report, our estimates, forecasts, projections, expectations and opinions as to future events or results. Forward-looking statements herein expressed are reasonable, but involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements, factors could cause results or events to differ materially from current expectations expressed or implied by forward-looking statements include, but are not limited to, fluctuations in the market price of precious metals, mining industry risks, uncertainty as to calculation of mineral reserves and requirements of additional financing and the capacity of the Corporation to obtain financing.

MINING PROPERTIES

EASTFORD LAKE (ONTARIO)

History

In October 2005, the Corporation acquired a 100% interest in 137 units (13 claims) situated in the Kerr, Warden and Milligan Townships, in Ontario, in consideration of an amount of $18,000 and the issuance of 450,000 common shares. The vendors have retained a 2% NSR royalty on these claims. In September 2007, the Corporation acquired 57 additional contiguous claims by staking and the Eastford Lake Property now covers a total area of approximately 3,140 hectares.

Location

The Eastford Lake Property is located in the Rayner Lake area, near the Abitibi Lake, at approximately 100 km to the west of the city of Timmins, Ontario. The property is accessed via a 16 kilometres all weather graver road from highway 101 to the south.

Work by Explor

In July 2009, Explor completed a round of exploratory drilling to determine the location and direction of the «**Lynx Gold Zone**"; seven drill holes for a total of 3,534.2 meters were completed to test a new model. Visible Gold (VG) was observed in two of the holes that were drilled. A total pulp metallic assay has been conducted on those areas where VG was observed. Only one hole had anomalous values less than 500ppb.

Explor completed a structural analysis of the geology using the holes drilled to date and incorporated the results into the current geological model. Nine parallel shear zones were defined in a 400 meter wide shear zone corridor. The shear zone corridor appears to have been bisected by a major fault trending north-north-east. Gold has been found in several of the shears. Two drill holes were completed to intersect where six SGH gold anomalies were coincident with the shear zones. Of these only one resulted with anomalous gold mineralization.

In 2010, Explor completed a series of four holes for a total of 3,029 meters of diamond drilling. This program focused on intersecting the gold bearing shear zones that are intersected by a major fault structure that is trending in a north north easterly direction and through the Lynx Gold Zone. Diamond Drill Hole #EG-10-24 (787m in length) and #EG-10-25 (743m in length) were drilled north of the Lynx Gold Zone to test the possibility that a gold bearing, crosscutting fault zone (hole # EG-09-23: 2.3 g/t, 2.0 g/t, 1.4 g/t, 4.6 g/t, 3.6 g/t, 2.4 g/t, 1.0 g/t, 1.6 g/t Au) may be the NNE trending extension of the Lynx Gold Zone. The best assay from Hole EG-10-24 was 512 ppb, and from Hole EG-10-25 was 414 ppb. Diamond Drill Hole #EG-10-27 (750m in length) was designed to test the crosscutting fault zone south of the Lynx Gold Zone. Best assay was 153 ppb. Diamond Drill Hole EG-10-26 (749m in length) tested the 400m wide main shear zone about 200m northwest of the Lynx Gold Zone.

The results of the 2010 diamond drill program suggest the following:

1. The cluster of gold assays in Hole EG-10-26 occurs along structural, lithological and alteration that strike northwest of the Lynx Gold Zone. This suggests that the strongest known Au mineralization in the immediate area (including the Lynx Gold Zone) occurs within and is controlled by the northwest trending Eastford Lake Fault Zone.
2. The multiple Au intersections grading up to 4.6 gpt in previously drilled hole EG-09-23 may indicate a separate gold zone parallel to the Lynx Gold Zone, or, it may be controlled by the cross fault.

The discovery of the Lynx Gold Zone in this largely unexplored area represents a major technical success. As a possible new gold camp associated with the regional Destor-Porcupine Fault, it requires further systematic drilling to test and improve the proposed geological model, extend the known gold zones and search for new mineralized zones elsewhere on the property. Explor has incorporated the drill results into the Eastford Lake Model and is evaluating its significance. During the year ended April 30, 2014, the Corporation has impaired part of the exploration work because Explor dedicates its financial resources to other projects.

CARNEGIE (ONTARIO)

History

From 2007 to 2008, the Corporation entered into five different agreements for the acquisition of 18 claims (86 units) located in the Carnegie and Kidd Townships, Mining Division of Porcupine, in Ontario, forming the Carnegie Property, which covers approximately 1,003 hectares. To acquire these claims, the Corporation paid a total of $53,000 and issued a total of 750,000 common shares. The vendors have retained a 2% NSR royalty on these claims.

Location

The Carnegie Property is located approximately 1.5 kilometre north of the Kidd Creek mine site and approximately 20 km north of the city of Timmins, Ontario. Excellent access is provided by Highway 655.

Work by Explor

A 2,500 meters drill program consisting of ten holes was completed by Explor in the winter of 2010 on the Carnegie Property. Rhyolite was observed in one of the holes. The drilling that was completed tested max/min as well as IP targets there were found during the 2009 winter/spring geophysical program.

A detailed examination of the core has permitted to observe lithologies, textures, alterations and mineralization in many of the holes that were drilled that indicate a strong potential for the localization of a volcanogenic massive sulfide deposit. This has necessitated a second phase of geochemical sampling to determine alteration indexes and also samples have also been submitted for Cu-Zn (copper-zinc) and gold analysis. During the year ended April 30, 2014, the Corporation has impaired part of the exploration work because Explor dedicates its financial resources to other projects.

<u>KIDD TOWNSHIP (ONTARIO)</u>

History

From 2007 to 2008, the Corporation entered into six different agreements for the acquisition of 21 claims and one patented claim (105 units) located in the Kidd, Wark, Prosser and Murphy Townships, Mining Division of Porcupine, in Ontario, forming part of the Kidd Township Property. The Corporation paid a total amount of $62,000 and issued a total of 690,000 common shares to acquire these claims and the vendors have retained a 2% NSR royalty on these claims.

On September 10, 2009, the Corporation entered into an option agreement for the acquisition of a 100 % interest in 2 additional claims (16 units) located in the Kidd Township. To acquire this interest, the Corporation paid $6,000 and issued 80,000 common shares. The vendor has retained a 2% NSR royalty on these claims.

On March 24, 2010, the Corporation entered into an option agreement for the acquisition of a 100 % interest in 4 additional claims (16 units) located in the Kidd Township. To acquire this interest, the Corporation paid $20,000 and issued 200,000 common shares. The vendor has retained a 2% NSR royalty on these claims. Also, in the event that a kimberlite pipe is discovered and placed into commercial production, a royalty of $1.00 per tonne shall be paid to the vendor for every tonne of ore that is mined.

On July 14, 2014, the Corporation entered into an option agreement for the acquisition of a 100% interest in four units located in the Kidd Township. To acquire this interest, the Corporation issued 200,000 common shares. The vendors retained a 2% NSR royalty on these claims.

Location

The Kidd Township Property now covers an area of approximately 2,466 hectares which is located 1.5 kilometre south east of the Kidd Creek mine site and approximately 20 km north of the city of Timmins, Ontario. Excellent access is provided by Hwy 655 which passes through the middle of the property.

Work by Explor

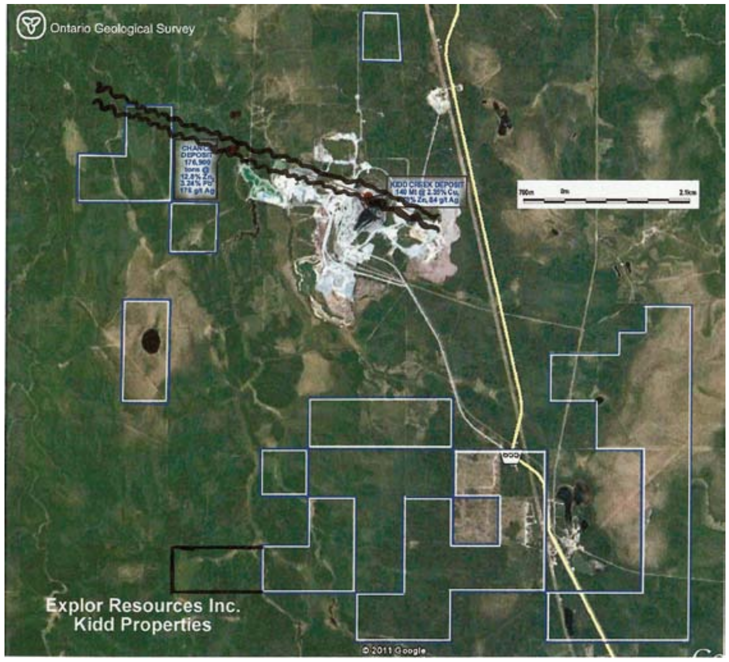
A first phase of a diamond drilling program was completed by Explor in the fall of 2008, consisting of four diamond drill holes to test geophysical targets south of the Kidd Creek Mine, in an area believed to be predominantly a sedimentary environment. Felsic and metasediments were intersected in all those holes. Highlights include a 1.1 meter section of massive to semi-massive pyrite intersected in Hole #3 down hole at 339.0 to 340.1 meters. Anomalous values of Cu, Zn and Pb were intersected in three of the four holes ranging from 100 to 200 ppm Cu, 330 ppm Zn and 780 ppm Pb in Hole #2. Hole #3 intersected 175 ppm Cu and 906 ppm Zn over 1.5 m. Three EM targets remain to be tested by diamond drilling.

Ground geophysics consisting of Max/Min have also been completed. Four targets in the Burrows Benedict fault area south east of the mine have been drilled and the results are currently being evaluated. In the north eastern part of the property, four drill targets have also been drilled. No economic sulphide mineralization was observed.

A series of untested VTEM anomalies have been observed on the claims acquired in spring 2010. These claims are approximately 0.5 km to the west of the Chance deposit (Zn-Pb-Ag) (zinc-lead, silver) and to the west of Kidd Creek deposit. These claims may be on the same synvolcanic collapsed structure as the Kidd Mine and the Chance deposit. Some of the EM targets occur along magnetic boundaries suggestive of a rhyolite/basalt contacts. The Kidd Creek Mine located to the east of the property is known for Cu-Zn-Pb-Ag (copper-zinc-lead-silver) production. The Kidd Creek Mine has produced 130,000,000 tonnes of base metal ore since it started production in 1966. The presence of mafic and felsic rocks with anomalous zinc and copper make this an exploration property of merit.

In February 2011, Explor started a 4,000 meters diamond drill program on the Kidd Township Property, focusing on a 500 hectare portion of ground located approximately two kilometers east of the Kidd Creek open pit. Nine, (9) diamond drill holes were completed for a total of 4,814 meters of diamond drilling on its 100% owned Kidd Township Property.

The analysis of the 2011 drill results, the MEGATEM survey, the VTEM survey and previous historical drill results has confirmed that a major fault structure crosses the Northeastern corner of claim block 4211459. This fault structure and Explor's claims are shown on the attached plan. The claims are outlined in white and black. Both the Kidd Creek and the Chance deposits are located within this fault structure that crossed the Northern part of the claim block. The drill holes completed by Explor did not detect alteration patterns indicating proximity to hydrothermal venting, however Explor did core sulfide rich flow breccias and coarse pyroclastics, which are indicative of a volcanic mound and nearby venting, favourable area for the deposition of massive sulfides.



Geological modelling for the deposition of marine volcanogenic massive sulphides proposes that hydrothermal venting usually occurs along a deeply rooted fault "growth fault"**.** Hydrothermal venting and sulphide deposition can occur in multiple locations over many kilometres along such faults, resulting in a "string" of massive sulphide deposits (i.e. Noranda and Mattagami mining camps). Assuming that the Kidd Creek and Chance deposits lie along such a growth fault, the projection of this fault crosses the northern portion of claim 4211459 in the area of VTEM anomalies C1 and C2, as well as the isolated MEGATEM anomaly which lies nestled in between.

A review of the existing information on the property has revealed an area in the above referenced growth fault that is 800 meters in length and 300 meters in width that has not yet been drill tested. This area is approximately 1.0 km to the west of the Chance (Zn-Pb-Ag) deposit and lies with the same interpreted growth fault the Kidd and Chance deposit are found. The area appears to be located on the same synvolcanic collapsed structure as the Kidd Mine and the Chance Deposit. The EM targets occur along magnetic boundaries suggestive of a rhyolite/basalt contact.

In January 2013, the Corporation started a 3,000 meter diamond drill program on the property. The drill program tested targets on an area 800 meters in length and 300 meters in width that had not yet been drill tested. The results of the winter 2013 drill program are currently being evaluated.

<u>PROSSER (ONTARIO)</u>

History

In March 2009, the Corporation entered into an agreement to acquire a 100% interest in one patented claim (4 units) situated in the Prosser Township, in the Porcupine Mining Division, District of Cochrane, Province of Ontario. Explor paid $6,000 and issued 60,000 common shares to acquire this claim. The vendors retained a 2% NSR royalty on this claim.

Location

The Prosser Property is located to the North East of the Kidd Creek mine site. The most obvious topographical feature in the area is the Kidd Creek open pit approximately 12 km to the south east of the property. The property is approximately 20 km north of the city of Timmins, Ontario, with excellent access provided by Hwy 655. The four units are in proximity to the Carnegie Property. This has increased Explor's land position in the Carnegie area to 1056.8hectares. The property is located in a greenstone belt composed mainly of sequences of meta-volcanic rocks cut by faults and deformation zones. During the year ended April 30, 2014, this property as well as its exploration and evaluation work have been impaired because the Corporation dedicates its financial resources to other projects.

PG 101 (ONTARIO)

History

In December 2008, the Corporation entered into an option agreement to acquire a 50% interest in a 101 mineral claims package totalling 1,626 hectares, situated in Holloway and Marriott Townships in the Larder Lake mining division, district of Cochrane, Province of Ontario. To acquire this 50 % interest, the Corporation has paid $300,000 and issued 1,000,000 common shares over the three-year option period. Explor has the right at any time to increase its interest to 70% by the payment of $1,000,000. The Optionor has retained a 2% NSR royalty on these claims.

In May 2009, the Corporation entered into an option agreement to acquire a 100 % interest in 25 additional units (2 claims) situated in the Marriott Township. In consideration of this acquisition, the Corporation paid $30,000 and issued 400,000 common shares over the two-year option period.

In May 2009, the Corporation entered into another option agreement to acquire a 100 % interest in 22 additional units (2 claims) situated in the Holloway Township. In consideration for this acquisition, the Corporation has paid $10,000 and issued 300,000 common shares. The vendors have retained a 2% NSR royalty on these claims.

Location

The PG 101 Property is adjacent to the eastern boundary of St. Andrew Goldfields' former producing Holt Mine property and only a few kilometers east of their Holloway Mine property.

The PG 101 Property is underlain by the same succession of mafic volcanic flows, breccias, and tuffs that host the known gold deposits of the area. These volcanic rocks are cut by ENE trending faults that splay from the Destor-Porcupine fault zone ("DPFZ"). The DPFZ is a major deformation zone that crosses along the north boundary of the PG 101 claims in Marriott Township. Proximity to the DPFZ, the Kirkland-Lake - Larder-Lake Break and other similar regional faults are characteristic of significant gold deposits of the Eastern Abitibi greenstone belt.

Work by Explor

In 2008-2009, Explor completed a drilling program on the PG101 Property. Hole PG101-09-01 tested a strong IP anomaly in the area of a regional east northeast trending graphitic shear. Hole PG101-09-02 was drilled on the same structure 400 meters to the southwest.

Hole PG101-09-01returned an intersection of 52.01 g/tonne gold over a core length of three meters (equivalent to 1.843 oz/ton over 9.84 feet) in an altered high iron basalt with quartz-carbonate veining as well as several other intersections presented in the following table. Hole PG101-09-02 did not return any significant assays.

The results from the drilling indicate that the strike-slip structures that are at or near the contact between Iron-Rich and Magnesium-Rich basalts and contain graphitic material have a high potential for gold mineralization. Located along strike to the southwest are several other areas where a cross fault intersects the southwest trending structure. Within the northern area of the property, there are numerous reported strike-slip fault structures that are along strike from the Holt Mine of St. Andrew Goldfields that would constitute an area of interest.

The Corporation has completed 80 kilometers of line cutting and geophysics (mag and VLF) on the southwestern portion of the property, in hilly and mountainous area where it appears that cross faults intersect the southwest trending geological structure. The Corporation has completed a geophysical program to determine potential drill targets on the PG 101 Property. Some targets have been identified but no work is presently planned. During the year ended April 30, 2014, part of this property has been impaired because the Corporation dedicates its financial resources to other projects.

GOLDEN HARKER (ONTARIO)

History

In December 2010, the Corporation entered into an option agreement pursuant to which it acquired a 100% interest in a 15 mineral claims package located in Harker Township, in the Larder Lake mining division, district of Cochrane, Ontario. Explor paid $25,000 and issued 400,000 common shares to acquire these claims. The vendors have retained a 2% NSR royalty on these claims.

In February 2012, the Corporation entered into an agreement pursuant to which it acquired a 100% interest in one additional claim (one unit) in the Golden Harker Property. Explor paid $8,000 to acquire this claim. The vendor has retained a 2% NSR royalty on this claim.

Location

The Golden Harker Property is located south west of the St. Andrew Goldfield's Holt McDermott Mine property and their Holloway Mine property. Several other smaller deposits in the Harker-Holloway gold camp and in the vicinity of the Golden Harker Property include the Buffonta, Mattawasaga and East Zone deposits.

The Golden Harker Property is underlain by the same succession of mafic volcanic flows, breccias, and tuffs that host the known gold deposits of the area. These volcanic rocks are cut by ENE trending faults (including the Ghost Mountain fault) that splay from the Porcupine-Destor-Fault Zone ("PDFZ"). The PDFZ is a major deformation zone that crosses to the north of the claims through Harker Township. Proximity to the PDFZ, the Kirkland-Lake - Larder Lake Break and other similar regional faults are characteristic of significant gold deposits of the Eastern Abitibi greenstone belt. As at April 2014, the exploration and evaluation expenditures on this property have been impaired because at short term, no exploration work is planned on the property.

TIMMINS PORCUPINE WEST (ONTARIO)

History

In July 2009, the Corporation entered into an option agreement pursuant to which it could acquire a 100% interest in 106 claims situated in the Bristol and Ogden Townships located in the famous Timmins-Porcupine mining camp within proximity to past and existing producers. Explor paid $50,000 at signature and issued 1,000,000 common shares and the Corporation had to pay a total of $60,000 CDN and issue 4,000,000 common shares over a 2 year period for an Option to acquire a 100% interest in the Timmins Porcupine West Gold Property. These conditions have already been fulfilled. These claims are subject to a 3% NSR.

In May 2010, the Corporation entered into an option agreement pursuant to which it acquired a 100% interest in one (1) claim (4 units) situated in the Ogden Township. To acquire a 100% interest in the additional claim in the Timmins Porcupine Property, Explor paid CDN $5,000 at signature and issued 50,000 common shares. The vendors have retained a 2% NSR in these claims.

In September 2010, the Corporation entered into an option agreement pursuant to which it will acquire a 100% interest in 75 additional units (13 claims) located in the Bristol and Ogden Townships. To acquire a 100% interest in the additional claims, Explor paid $100,000 and issued 2,000,000 common shares over a period of two years. These claims are subject to a 2% NSR in favor of a former owner.

In March 2011, the Corporation entered into an option agreement pursuant to which it acquired a 100% interest in 3 patented mining claims located in the Ogden Township in Ontario. To acquire a 100% interest in the additional patented claims in the Timmins Porcupine Township, Explor paid a total of $20,000 and issued 200,000 common shares over a period of one year. The optionors have retained a 2% NSR in these claims. A geophysical program was completed on part of this property and 3 targets were identified.

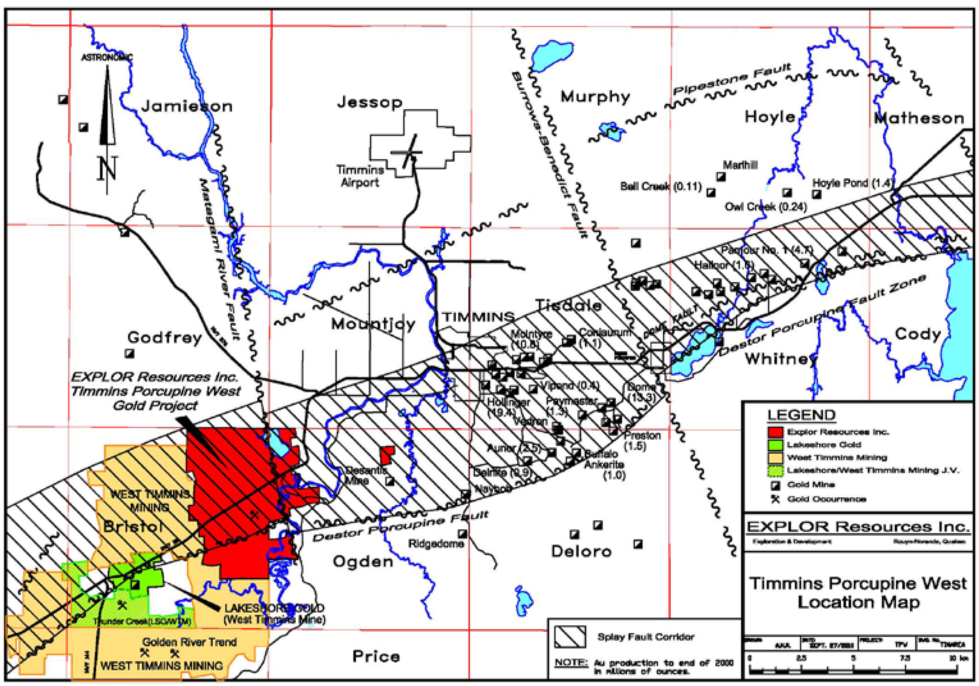
In March 2012, the Corporation entered into a sale agreement pursuant to which it acquired a 100% interest in 3 parcels of mining lands comprising 3 units located in the Bristol Township. To acquire a 100 % interest in the additional units of the Timmins Porcupine Property, Explor paid $60,000 at signature. The vendor has retained a 2% NSR in these units.

Location

The Timmins Porcupine West Property consists of 185 unpatented mining units and 3 patented mining claims located in the Bristol and Ogden Townships in the Timmins-Porcupine Mining Camp for a total 3,200 hectares as shown on the attached property map. The property is contiguous with West Timmins Mining Inc. (WTM) where WTM intersected 83.40 meters (273.55 feet) grading 12.75 g/t (0.37 oz/t) on their property. (WTM Press Release June 24, 2009) The highway 101 bisects the property and provides access from the city of Timmins located 13 km to the east.

The property has been explored since 1927 by numerous ground geophysical surveys and diamond drilling of up to 111 holes. In 1984, Dome Exploration discovered and delineated a gold mineralized zone that is approximately 350 meters long and 45 meters wide. The zone strikes east northeast and dips to the north at 70 to 80 degrees. Drill programs by Teck Corporation, Cameco Gold and Tom Exploration Inc., have extended the mineralization to 350 meters of depth. The gold mineralization to date appears to be associated with a major porphyry unit.

The most significant deposits in Timmins are spatially associated with porphyry units that are in proximity to the Porcupine Destor Fault. The deposits appear to be also associated with splay faults that trend off to the north of the Porcupine Destor fault inside an interpreted splay fault corridor as shown on the attached plan.



Work by Explor

The existing historical data has been used to create a 3D litho and mineralization model which has generate high quality deep drill targets from the significant shallow gold mineralization inside the splay fault corridor favourable rock package.

The modelling confirms the association of gold mineralization with Quartz feldspar (QFP) and syenite porphyry, found at both the Lakeshore and West Timmins Properties. The modelling has revealed a geo-synclinal structure with a north and south limb with the majority of the drilling to date has been focused on the south limb of the geo-syncline in two mineralized zones. The "A" Zone identified through modelling strikes east northeast and dips to the north at 70 to 80 degrees. The drilling has confirms the association of gold mineralization with Quartz feldspar (QFP) and syenite porphyry, found at both the Lakeshore and West Timmins Properties. Five mineralized zones designated "A" thru "E" have been identified. The larger zones of mineralization display a strong spatial relationship with proximity to syenite intrusive rocks and high Fe-tholeitic volcanic rocks. The model may be viewed on our website: www.explorresources.com.

The most recent drill results on the TPW property are as follows. For earlier drill results, please refer to the annual MD&A:

Hole #	**From**	**To**	**Interval**		**Gold**	
	(m)	(m)	(m)	(ft)	(g/tonne)	(oz/ton)
Hole #99			**No significant values**			
Hole #100	**297.0**	**298.0**	**1.00**	**3.28**	**2.091**	**0.061**
	469.5	**471.0**	**1.50**	**4.92**	**1.441**	**0.042**
	534.0	**540.0**	**6.00**	**19.69**	**9.072**	**0.265**
Hole #101	**242.5**	**249.0**	**6.50**	**21.33**	**6.896**	**0.201**
	255.5	**258.0**	**2.50**	**8.20**	**2.816**	**0.082**
	297.5	**298.5**	**1.00**	**3.28**	**4.834**	**0.141**
Hole #102	**84.0**	**85.5**	**1.50**	**4.92**	**1.326**	**0.039**
	317.0	**324.5**	**7.50**	**24.61**	**1.119**	**0.033**
Hole #103	**300.0**	**303.0**	**3.00**	**9.84**	**2.110**	**0.062**
Hole #104	**163.5**	**165.0**	**1.50**	**3.28**	**2.335**	**0.061**
	192.0	**193.5**	**1.50**	**4.92**	**6.293**	**0.184**
	207.5	**211.5**	**4.00**	**13.12**	**1.769**	**0.052**
	220.0	**221.5**	**1.50**	**4.92**	**7.244**	**0.211**
	256.5	**258.0**	**1.50**	**4.92**	**2.654**	**0.077**
	393.0	**394.5**	**1.50**	**4.92**	**1.657**	**0.048**
Hole #105			**No significant values**			
Hole #106	**79.5**	**81.5**	**2.00**	**6.56**	**5.000**	**0.146**
	126.0	**127.5**	**1.50**	**4.92**	**1.093**	**0.032**
	228.0	**229.5**	**1.50**	**4.92**	**2.109**	**0.062**
	316.5	**321.0**	**4.50**	**14.76**	**5.100**	**0.149**
	375.0	**378.0**	**3.00**	**9.84**	**1.228**	**0.036**
	379.5	**382.5**	**3.00**	**6.56**	**1.435**	**0.042**
	393.0	**394.5**	**1.50**	**4.92**	**2.183**	**0.064**
	403.5	**405.0**	**1.50**	**4.92**	**1.222**	**0.036**
Hole #107	**98.0**	**101.5**	**3.50**	**11.48**	**1.168**	**0.034**
	199.5	**201.0**	**1.50**	**4.92**	**2.160**	**0.063**
	208.5	**210.0**	**1.50**	**4.92**	**1.000**	**0.029**
	226.5	**228.0**	**1.50**	**4.92**	**1.384**	**0.040**
	423.0	**424.5**	**1.50**	**4.92**	**1.141**	**0.033**
Hole #108	**189.0**	**190.5**	**1.50**	**4.92**	**2.740**	**0.080**
	222.0	**223.5**	**1.50**	**4.92**	**1.377**	**0.040**
	315.0	**316.5**	**1.50**	**4.92**	**1.740**	**0.051**
	322.5	**324.0**	**1.50**	**4.92**	**1.470**	**0.043**
	327.0	**328.5**	**1.50**	**4.92**	**2.090**	**0.061**
	373.5	**379.5**	**6.00**	**19.68**	**3.094**	**0.090**
Hole # 109	**36.0**	**37.5**	**1.50**	**4.92**	**12.96**	**0.378**
	54.0	**55.5**	**1.50**	**4.92**	**2.710**	**0.079**
	121.5	**123.0**	**1.50**	**4.92**	**3.671**	**0.107**
	142.5	**144.0**	**1.50**	**4.92**	**2.043**	**0.060**
	160.5	**162.0**	**1.50**	**4.92**	**1.225**	**0.036**
	172.5	**174.0**	**1.50**	**4.92**	**2.557**	**0.075**

Hole #	From	To	Interval		Gold	
	(m)	(m)	(m)	(ft)	(g/tonne)	(oz/ton)
	192.0	**193.5**	**1.50**	**4.92**	**1.347**	**0.039**
	327.0	**333.0**	**6.00**	**19.68**	**3.645**	**0.106**
	358.5	**360.0**	**1.50**	**4.92**	**1.974**	**0.058**
Hole #110	**160.5**	**162.0**	**1.50**	**4.92**	**1.593**	**0.046**
	198.0	**204.0**	**6.00**	**19.68**	**1.276**	**0.037**
	372.0	**373.5**	**1.50**	**4.92**	**1.454**	**0.042**
	373.5	**375.0**	**1.50**	**4.92**	**1.790**	**0.052**
Hole #111	**112.5**	**114.0**	**1.50**	**4.92**	**1.747**	**0.051**
	303.0	**309.0**	**6.00**	**19.68**	**1.771**	**0.052**
	439.5	**441.0**	**1.50**	**4.92**	**10.050**	**0.293**
Hole #112B	**129.0**	**130.5**	**1.50**	**4.92**	**1.205**	**0.035**
	226.5	**228.0**	**1.50**	**4.92**	**5.466**	**0.159**
	570.0	**571.5**	**1.50**	**4.92**	**1.138**	**0.033**
Hole #113	**140.0**	**142.5**	**2.50**	**8.20**	**1.484**	**0.043**
	225.0	**226.5**	**1.50**	**4.92**	**2.773**	**0.081**
	441.0	**442.5**	**1.50**	**4.92**	**1.589**	**0.046**
	451.5	**453.0**	**1.50**	**4.92**	**2.091**	**0.061**
Hole #114	**321.5**	**322.5**	**1.50**	**4.92**	**2.820**	**0.082**
Hole #115	**90.0**	**91.5**	**1.50**	**4.92**	**3.630**	**0.106**
	93.0	**96.0**	**3.00**	**9.84**	**2.391**	**0.070**
	163.5	**166.0**	**2.50**	**8.20**	**3.195**	**0.093**
	196.5	**198.0**	**1.50**	**4.92**	**1.230**	**0.036**
	226.5	**232.5**	**6.00**	**19.68**	**3.229**	**0.094**
	244.5	**246.0**	**1.50**	**4.92**	**1.270**	**0.037**
	400.5	**402.0**	**1.50**	**4.92**	**2.420**	**0.071**
	420.0	**421.5**	**1.50**	**4.92**	**1.320**	**0.039**
	442.5	**444.0**	**1.50**	**4.92**	**1.490**	**0.043**
Hole #117	**117.0**	**120.0**	**3.00**	**9.84**	**11.168**	**0.326**
	238.5	**241.5**	**3.00**	**9.84**	**2.377**	**0.069**
	418.5	**421.5**	**3.00**	**9.84**	**8.986**	**0.262**
Hole #118	**88.5**	**90.0**	**1.50**	**4.92**	**4.810**	**0.140**
	241.5	**243.0**	**1.50**	**4.92**	**3.017**	**0.088**
	483.0	**484.5**	**1.50**	**4.92**	**15.980**	**0.466**
Hole #119	**416.1**	**417.1**	**1.00**	**3.28**	**3.940**	**0.115**

Assays are conducted on NQ sized half core sections. The diamond drill core is logged and sampled following general industry practices whereby logged and sample marked core is sawn in half, with one-half bagged and tagged for shipment to the assay laboratory and the remaining half of the sawn core returned to the core box for storage and future reference. Blanks and assay standards are inserted at regular intervals in each sample batch. Assays are conducted using a standard fire assay technique on a 30 gram sample with a gravimetric finish by Laboratoire Expert Inc., of Rouyn-Noranda, Quebec or Activations Laboratories Ltd., of Timmins Ontario. Routine duplicates are completed by Laboratoire Expert Inc. and or Activations Laboratories Ltd. Pulps and rejects are returned and stored in secure containers. Intersections are reported using drilled widths unless specified otherwise, with assay values.

Phase I Drilling (November 2009 – February 2010):
In November 2009, Explor initiated a nine (9) hole, NQ-sized, diamond-drill program totalling 12,065.9 metres that was completed in February 2010. This drilling program is referred to herein as Phase I.

The Phase I program targeted the so-called "A Zone" mineralization, one of five mineralized zones identified on the Property, and located on the south limb of the Porcupine Geosyncline.

The Phase I program helped to substantiate the deposit model and outlined the "A" Zone over 900 m of strike and to a depth of between 400 m and 600 m.

Phase II Drilling (April 2010 – July 2010):
Drilling by Explor in 2010 continued with Phase II diamond-drilling program, consisting of 19 holes (TPW-10-10 to TPW-10-27; including TPW-10-11A) comprising 12,658 m of NQ core. The Phase II drilling program tested the projected down-dip continuation of the "A" Zone to 800 m to 1000 m depths, as well as the other identified mineralized zones on the Property; namely zones "B", "C", "D" and "E".

Phase II drilling helped to further delineate the "A" Zone to 1875 m along strike and to a depth of between 400 m and 1000 m.

Phase III Drilling (October 2010 – August 2011):
In October 2010, a proposed 10,000 metre diamond-drilling program (Phase IIIa) was initiated. It comprised 11,976.5 m of NQ core from 15 holes (TPW-10-28 to TPW-10-36A), including five (5) wedge-holes off of hole TPW-10-30; namely holes TPW-10-30W1, TPW-10-30W2, TPW-10-30W2A, TPW-10-30W3, and TPW-10-30W3A.

In February 2011, it was announced that the drilling program would be expanded a further 20,000 metres based on promising early results. The expanded program (Phase IIIb), which began in May 2011, included an additional 25 holes (TPW-11-37 to TPW-11-55A) and 31 wedge-holes. The expanded program comprised 26,884.8 m.

The Phase III program concluded in August 2011, having completed 38,861.3 m of drilling.

The Phase III drilling program continued to delineate the "A" zone, increasing its defined strike-length to at least 1975 metres. The main mineralization was reported to be concentrated between 550 m and 850 m below surface.

Phase IV Drilling (October 2011 – March 2012):

The Phase IV drilling program on the Property comprises an announced 30,000 metre program was announced in a Press Release dated October 4, 2011 and was designed to continue to expand the extent of the known mineralization of the "A" Zone. The program began in October 2011 with Hole TPW-11-56 to Hole 12-73 and has comprised a total of fifteen (17) holes and 26 wedge holes. The Phase IV program ended in March 2012 with a total of 30,000 metres having been completed.

Phase V Drilling (March 2012-December 2012):

The 2012 drilling program on the Property comprised an announced 30,000 metre program (Press Release of March 27, 2012) designed to continue to expand the extent of the known mineralization of the "A" Zone and to test the North limb of the synclinal. The program began in March 2012 with Hole TPW-12-74 and has comprised a total of 24 holes (TPW-12-74 to TPW-12-98) and 12 wedge holes.

Phase VI Drilling (January 2013 –up to date):

In January 2013, the Corporation announced a 10,000 meter drill program (Press Release of January 10, 2013) designed to test and to expand the known near the surface gold mineralization in order to determine the open pit resource potential of the property.

On August 27, 2013, the Corporation released a new estimate of the mineral resources on the TPW property:

Open Pit Mineral Resources at a 0.30 g/t Au cut-off grade are as follows:

Indicated:	**213,000 oz (4,283,000 tonnes at 1.55 g/t Au)**
Inferred:	**77,000 oz (1,140,000 tonnes at 2.09 g/t Au)**

Underground Mineral Resources at a 1.70 g/t Au cut-off grade are as follows:

Indicated:	**396,000 oz (4,420,000 tonnes at 2.79 g/t Au)**
Inferred:	**393,000 oz (5,185,000 tonnes at 2.36 g/t Au)**

It should be noted that the drilling to June 30, 2013 has yielded **an increase of 104% in Indicated ounces and 190% increase in Indicated tonnes over the December 2012 resource**. Additional near surface planned drilling is expected to further increase the potential open pit-able resource.

Explor retained P&E Mining Consultants Inc., ("**P&E**") being an independent firm in respect of the Company, to prepare a technical report (the "**Technical Report**") on the Timmins Porcupine West Property, entitled "Technical Report, Explor Resources Inc., Timmins Porcupine West Property, Bristol & Ogden Townships, Ontario", in accordance with National Instrument 43-101 — Standards of Disclosure for Mineral Projects ("**NI-43-101**"). Eugene Puritch, P.Eng., Richard Sutcliffe, P. Geo., Tracy Armstrong, P.Geo. and Antoine Yassa, P.Geo. of P&E Mining Consultants Inc., ("**Authors**") all being qualified persons under NI-43-101, are the co-authors of the Technical Report dated July 1, 2013. The Technical Report was filed on August 29, 2013 under the Company's profile on the SEDAR web site at www.sedar.com.

As of the date of this MD&A, the Corporation is of the opinion that there has been no material change in the information concerning the Timmins Porcupine West Property since the date of the Technical Report. The Technical Report was prepared in compliance with Form 43-101F1 —Technical Report of the Canadian Securities Administrators and is subject to certain assumptions, qualifications and procedures described therein. Reference should be made to the full text of the Technical Report, which is available for review under Explor's profile on SEDAR at www.sedar.com.

Caution: The Technical Report was prepared using certain pricing assumptions and certain historical information which may not reflect current market prices for commodities, and in particular the Technical Report is based on a gold price of US$1,638/oz (24 month trailing average price as of June 30, 2013). The Corporation has extrapolated information from the Technical Report to provide investors with a sensitivity analysis in the event the price of gold goes to: (a) US$1,300/oz; and/or (b) US$1,000/oz.

The resource estimate was derived from applying an Au cut-off grade to the block model and reporting the resulting tonnes and grade for potentially mineable resources. Near-surface resources are constrained within an optimized conceptual pit-shell that utilized Inferred and Indicated mineral resources. Underground mineral resources are reported outside of the pit shell.

The following calculation demonstrates the rationale supporting the Au cut-off grade that determines theunderground and open pit potentially economic portions of the mineralization.

Mineral Resource Estimate Au Cut-Off Grade Calculation CDN$

Au Price	US$1,638/oz (24 month trailing average price June 30, 2013)
$US/$CDN Exchange Rate	1:1
Au Recovery	95%
UG (underground) Mining Cost	$70/tonne mined
OP (open pit) Mining Cost	$2.00/tonne mined
Process Cost (2,000 tpd)	$10.00/tonne
milled General & Administration	
$5.00/tonne milled	

Therefore, the Au cut-off grade for the underground resource estimate is calculated as follows:
Operating costs per ore tonne = ($70 + $10+ $5) = $85/tonne
[($85)/[($1,638/oz/31.1035 x 95% Recovery)] = 1.70 g/t
[($85)/[($1,300/oz/31.1035 x 95% Recovery)] = 2.14 g/t ***[This calculation was not in the Technical Report][5]***
[($85)/[($1,000/oz/31.1035 x 95% Recovery)] = 2.78 g/t ***[This calculation was not in the Technical Report][5]***

The Au cut-off grade for the open pit resource estimate is calculated as follows: *Operating costs per ore tonne = ($10+ $5) = $15/tonne*
[($15)/[($1,638/oz/31.1035 x 95% Recovery)] = 0.30 g/t
[($15)/[($1,300/oz/31.1035 x 95% Recovery)] = 0.38 g/t ***[This calculation was not in the Technical Report][5]***
[($15)/[($1,000/oz/31.1035 x 95% Recovery)] = 0.49 g/t ***[This calculation was not in the Technical Report][5]***

TPW MINERAL RESOURCE ESTIMATE (1-4) $US 1 638/OZ				**SENSITIVITY ANALYSIS ASSUMING $US 1,000/OZ**			
These calculations were included in the Technical Report				These calculations were not included in the Technical Report but have been extrapolated for the purpose of disclosure in this MD&A (5)			
Open Pit. Cutoff = 0.30 g/t Au	**Tonnes**	**Grade**	**Au ozs**	**Open Pit. Cutoff = 0.49 g/t Au**	**Tonnes**	**Grade**	**Au ozs**
Indicated	4,283,000	1.55	213,000	Indicated	4,133,200	1.59	211,300
Inferred	1,140,000	2.09	77,000	Inferred	1,139,900	2.09	76,800
Underground. Cutoff = 1.70 g/t Au				**Underground. Cutoff = 2.78 g/t Au**			
Indicated	4,420,000	2.79	396,000	Indicated	1,268,400	4.22	172,100
Inferred	5,185,000	2.36	393,000	Inferred	737,300	3.29	83,300
Open Pit + Underground				**Open Pit + Underground**			
Indicated	8,703,000	2.17	609,000	Indicated	5,401,600	2.21	383,400
Inferred	6,325,000	2.31	470,000	Inferred	1,927,200	2.58	160,100

1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues, although Explor is not aware of any such issues.
(2) The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.
(3) The mineral resources were estimated using the CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.
(4) Values in the table may differ due to rounding.
(5) Calculations were prepared by Eugene Puritch, P.Eng. of P&E Mining Consultants Inc., a qualified person,using information collected for the Technical Report and using the same methodology as the Technical Report.

The following tables summarize the sensitivity to the Mineral Resource Estimate in the Indicated and Inferred resource categories at various cut-off grades. Explor reported the open pit resource at a 0.30 g/t Au cut-off grade and the underground resource at a 1.70 g/t Au cut-off grade, as follows:

SENSITIVITY TO RESOURCE ESTIMATE

Open Pit Sensitivity					Open Pit Sensitivity				
Class	Cutoff Au g/t	Tonnes	Au g/t	Au oz	Class	Cutoff Au g/t	Tonnes	Au g/t	Au oz
Indicated	1.50	2,140,100	2.11	145,400	Inferred	1.50	962,600	2.26	69,900
Indicated	1.40	2,287,500	2.07	152,200	Inferred	1.40	968,400	2.25	70,200
Indicated	1.30	2,602,700	1.98	165,900	Inferred	1.30	977,400	2.25	70,600
Indicated	1.20	2,896,500	1.91	177,600	Inferred	1.20	1,105,300	2.13	75,600
Indicated	1.10	3,084,700	1.86	184,600	Inferred	1.10	1,127,400	2.11	76,400
Indicated	1.00	3,263,900	1.82	190,600	Inferred	1.00	1,133,700	2.10	76,600
Indicated	0.90	3,443,000	1.77	196,100	Inferred	0.90	1,135,300	2.10	76,700
Indicated	0.80	3,577,200	1.74	199,800	Inferred	0.80	1,135,700	2.10	76,700
Indicated	0.70	3,737,500	1.69	203,700	Inferred	0.70	1,136,000	2.10	76,700
Indicated	0.60	3,895,300	1.65	207,000	Inferred	0.60	1,136,200	2.10	76,700
Indicated	0.50	4,091,700	1.60	210,400	Inferred	0.50	1,139,900	2.09	76,800
Indicated	0.49(1)	4,133,200	1.59	211,300	Inferred	0.49(1)	1,139,900	2.09	76,800
Indicated	0.40	4,220,900	1.56	212,300	Inferred	0.40	1,139,900	2.09	76,800
Indicated	0.38(1)	4,235,300	1.56	212,400	Inferred	0.38(1)	1,139,900	2.09	76,800
Indicated	0.30	4,283,200	1.55	213,000	Inferred	0.30	1,139,900	2.09	76,800
Indicated	0.25	4,291,800	1.54	213,100	Inferred	0.25	1,140,100	2.09	76,800
Indicated	0.20	4,305,100	1.54	213,200	Inferred	0.20	1,140,100	2.09	76,800

SENSITIVITY TO RESOURCE ESTIMATE

Underground Sensitivity					Underground Sensitivity				
Class	Cutoff Au g/t	Tonnes	Au g/t	Au oz	Class	Cutoff Au g/t	Tonnes	Au g/t	Au oz
Indicated	2.78 (1)	1,268,400	4.22	172,100	Inferred	2,78(1)	787,300	3.29	83,300
Indicated	2.14(1)	2,789,700	3.13	280,700	Inferred	2.14(1)	3,566,900	2.56	293,600
Indicated	2.00	3,313,900	3.10	329,800	Inferred	2.00	4,193,000	2.48	334,400
Indicated	1.90	3,792,100	2.95	359,600	Inferred	1.90	4,570,900	2.44	357,900
Indicated	1.80	4,069,800	2.88	376,200	Inferred	1.80	4,835,800	2.40	373,600
Indicated	1.70	4,420,200	2.79	395,900	Inferred	1.70	5,185,200	2.36	393,300
Indicated	1.60	4,709,300	2.72	411,200	Inferred	1.60	5,520,700	2.32	411,100
Indicated	1.50	5,003,900	2.65	425,900	Inferred	1.50	5,772,000	2.28	423,700
Indicated	1.40	5,337,600	2.57	441,400	Inferred	1.40	6,343,500	2.21	450,000
Indicated	1.30	5,835,600	2.47	462,900	Inferred	1.30	6,580,900	2.18	460,300
Indicated	1.20	6,451,600	2.35	487,600	Inferred	1.20	7,204,500	2.09	485,000
Indicated	1.10	7,077,500	2.24	510,800	Inferred	1.10	7,555,100	2.05	497,900
Indicated	1.00	7,583,200	2.17	528,000	Inferred	1.00	7,959,600	2.00	511,600
Indicated	0.90	8,051,900	2.09	542,300	Inferred	0.90	8,455,700	1.94	526,700
Indicated	0.80	8,501,500	2.03	554,700	Inferred	0.80	9,097,000	1.86	544,300
Indicated	0.70	9,120,800	1.94	569,700	Inferred	0.70	9,665,400	1.80	558,000
Indicated	0.60	9,797,600	1.85	583,800	Inferred	0.60	10,176,200	1.74	568,600

Note: (1) These calculations were not part of the Technical Report but have been extrapolated for the purpose of the disclosure in this MD&A. Calculations were prepared by Eugene Puritch, P.Eng. of P&E Mining Consultants Inc., a qualified person, using information collected for the Technical Report and using the same methodology as the Technical Report.

It is important to note that the strike length of the gold mineralization is greater than 2,000 meters. It should be noted that additional drilling will in all likelihood increase the size of the resource. The continuity of mineralization continues to be confirmed, and the structure remains open on strike and at depth. Explor has intersected gold mineralization in 113 out of 118 holes drilled to date and 64 out of 65 wedges. Explor has concentrated its efforts on the south limb of the syncline and very little work has been completed on the north limb of the syncline.

Additional near surface planned drilling is expected to further increase the potential open pit able resource.

EAST BAY (QUEBEC)

History

In 2007, the Corporation entered into two agreements for the acquisition of 33 claims of the East Bay Property, situated in the Duparquet Township, in the Rouyn-Noranda mining camp, Province of Quebec, for a consideration of $15,360 and the issuance of 51,429 common shares. The vendors have retained respectively a 1% NSR royalty and a 2% NSR royalty on these claims.

In January 2008, the Corporation acquired 20 additional claims located in the Duparquet Township in consideration of a payment of $12,000 and the issuance of 125,000 common shares. The vendor has retained a 2% NSR royalty on these claims.

In July 2009, the Corporation acquired 38 additional claims situated in the Duparquet Township in consideration of $20,000.

In October 2010, the Corporation acquired 14 additional claims located in the Duparquet and Hebecourt Townships for a consideration of $33,500. The vendor has retained a 2% NSR royalty on these claims.

In March 2014, the Corporation acquired 15 additional claims located in the Duparquet Township for a consideration of the issuance of 500,000 common shares. The vendors have retained a 1% NSR in the property.

In April 2014, the Corporation acquired one additional claim located in the Duparquet Township for a consideration of the issuance of 50,000 shares. The vendor has retained a 1% NSR in the property.

Location

The East Bay Property is located in the western central part of Duparquet Township approximately one kilometer west of the town of Duparquet, Quebec. Excellent access is provided by a paved road that connects Highway 101 from Matheson, Ontario to Rouyn-Noranda, Quebec to the property at approximately two kilometres off the highway. The property covers an area of approximately 3,203.71 hectares along the Porcupine-Destor Fault zone.

Work by Explor

Explor has completed a study and a complete compilation of work executed in the past, followed by line cutting, magnetic survey and VLF to determine the localization of structural targets on the property. In July 2013, the Corporation started a drill program on the property. Drilling was aimed at two targets along the prolific fault zone, respectively in Duparquet and Hébécourt Townships, consisted of 5 drill holes aggregating 1,224.0 metres.

Beattie West Target Area (Duparquet Twp) consisted of a 1988 drill hole which had cored sheared-altered rocks hosting a 0.93 metre-long quartz-rich interval grading 6.4 g/t Au.

The four holes drilled in 2013 on this target (EXS-13-01 to EXS-13-04) were laid out according to the follow-up drill program proposed in 1988, through a tighter spacing. With an aggregate total of 879 metres, all four drill holes encountered a sequence of highly sheared and altered felsic tuffs and quartz porphyries, with subordinate felsic and mafic volcanics and ultramafics.

Quartz flooding occurs through each drill hole; with fine pyrite reaching 1% locally in the first three holes and 1-3% locally in the fourth hole, the deepest of the drill program.

Weak gold mineralization was cored in drill hole EXS-13-01, which returned 356 ppb over 1.5 m and in EXS-13-02 which returned 575 ppb over 1.5 m, in a 4.5 metre-long interval grading 301 ppb. Because of folding, core angle measurements on the tectonic fabric are quite variable throughout the drill sections, but dips are commonly at 20-30 degrees, indicating southwestward dip.

Stronger gold mineralization was cored in drill hole EXS-13-04, which returned 1.68 g/t Au over a 2.0 interval. The host rock is rhyolite-looking, weakly pyritized (1-3% pyrite) and wedged between strongly sheared to mylonitic quartz-floored felsic tuffs and ultramafics.

The Wettring target Area (Hébécourt Twp) consisted of a cluster of 5 drill holes completed in 1945, in which numerous metre-long quartz-bearing intersections returned 1.0 to 4.0 g/t Au. Quartz veining was reported to be associated with a WNW- trending shear, a possible low-angle splay fault off the east-west Destor Porcupine fault zone to the south. The program proposed in 2013 consisted of locating and testing the proposed WNW-trending gold-bearing splay fault.

The 345.0 meter-long drill hole (EXS-13-05) completed on this target returned very encouraging results at depth and near the end of the hole, including two narrow gold-bearing intersections similar to those reported in 1945 and a very long intersection of anomalous gold mineralization.

The two narrow intersections consist of 2.61 g/t Au over 1.2 m in strong silicified, quartz-dolomite (ankerite) tourmaline flooded, strongly sheared felsic tuffs; and 2.0 g/t Au over 2.0 m intermittently quartz-dolomite (ankerite) flooded strongly sheared quartz porphyry marked by strong sericite alteration and 1-10% fine disseminated pyrite.

The long interval of anomalous gold mineralization was cored over 19.5 m (64ft), returning assays ranging 122 to 809 ppb (0.12 to 0.81 g/t). This interval included 12.0 m (39.3 ft) grading 540 ppb (0.54 g/t) Au, which in turn included a 7.5 m (24.6 ft) interval in which gold assays range 515 to 809 ppb (0.51 to 0.81 g/t), averaging 692 ppb (0.69 g/t).

This thick anomalous zone is hosted by strongly sheared and sericitic quartz porphyry, marked by 10-40% quartz-dolomite (ankerite) flooding with fuchsite and locally, tourmaline and epidote; fine disseminated pyrite occurring in traces to 1-2% locally. Core angle measurements on the tectonic fabric indicate a vertical to very steep southern dip.

All casings were left in place and capped. Based on the presence of geochemically anomalous gold down to the end of drill hole EXS-13-05, deepening on this hole will be required in the future. Altogether, 672 cores samples were collected and submitted for analysis for gold during this program.

DESTOR (QUEBEC)

History

In February 2007, Explor entered into an agreement to acquire 10 claims situated in the Destor Township in the Rouyn-Noranda mining camp, Province of Quebec. As a consideration for this property, the Corporation paid $5,000 and issued 100,000 common shares and committed itself to realized work for $200,000 prior to December 31, 2009. The Corporation has been granted an extension by the vendor of the property to incur $220,000 in exploration expenses prior to December 2010. In December 2010, the Corporation obtained a second extension of one year to complete the exploration work, i.e. until December 31, 2011. To obtain this extension, the Corporation issued 50,000 common shares and 50,000 Common Share purchase warrants, valid for a period of 24 months at a price of $0.60 per share. The vendors have retained a 2.5% NSR royalty on these claims. Explor has fulfilled its work commitment and now owns a 100% interest in the Destor Property.

Location

The Destor Property is located in the central part of the Destor Township approximately 42 km north of Rouyn-Noranda, Quebec. Excellent access is provided by Highway 393 that crosses the northern part of the property and connects to the town of Duparquet, Quebec. It covers approximately 279 hectares.

Work by Explor

Explor completed a VTEM survey, compilation and analysis of all existing geological information on the property. In January 2011, a 2,500 drill program was completed.Drill Holes EXS-D-11-02, 03 and 05 were directed under or within 100 metres of historic holes which had returned encouraging gold intersections. Drill Hole EXS-D-11-04 was drilled 200 m along the geological projection of an historic drill hole which had returned anomalous gold mineralization. Drill Holes EXS-D-11-01, 06 and 07 were drilled on untested targets.

Drilling was successful in uncovering gold in wide-ranging concentrations from decametre-wide geochemically anomalous zones, to metre-scale intervals of higher grade material.

Though anomalous gold was encountered in all seven drill holes of the program, Drill Holes EXS-D-11-01, 03, 04 and 06 were particularly enriched. In the short term, the Corporation does not planned to do additional work on this property and this is the reason why Explor impaired part of the exploration and evaluation expenditures.

LAUNAY (QUEBEC)

History

In September 2006, the Corporation entered into an option agreement to acquire a 100% interest in five claims located in the Launay Township, Province of Québec. To acquire this interest, the Corporation paid $30,000 and issued 250,000 common shares over a three-year period. The vendor has retained a 2% NSR royalty on these claims.

In April 2007, the Corporation entered into a second option agreement to obtain a 100 % interest in 48 additional claims situated in Launay Township in consideration of a payment of $10,000 and the issuance of 500,000 common shares. The vendor has retained a 2% NSR on these claims.

Location

The Launay Property is located in the northern part of the Launay Township, approximately six kilometers from the town of Launay, Quebec. It covers an area of approximately 2,249.46 hectares. Excellent access is provided by a logging road that connects the Launay-Guyenne road to the property approximately 4.5 km from the town of Launay.

Work by Explor

As at April 30, 2011, the Corporation had impaired this property as well as its exploration and evaluation expenditures in order to concentrate on other projects. Explor announced in May 2014, the start of an exploration program on the Launay Nickel Property. Phase I which consisted of 60 kilometers of line cutting and geophysics to determine targets has been completed. Phase ll which consists of a 1000 meter diamond drill program is currently underway.

SAUVÉ (QUEBEC)

History

In December 2010, the Corporation acquired 30 claims totalling 1,905 hectares, situated in the northwest corner of the Sauvé Township, 6 km east of the old mining town of Joutel, Quebec and some 50 km southwest of the mining town of Matagami, Quebec. The Corporation paid $25,000 and issued 250,000 common shares over a two-year period to acquire a 100% interest in these claims. The vendors have retained a 2% NSR royalty on these claims.

Location

The property is easily accessible via the paved provincial highway which links these two localities with the town of Amos to the south and then by a network of forestry roads. The property overlies a geological environment which offers potential for gold and base metals. It lies on the eastern fringe of the Joutel mining camp, where both gold and base metals were mined in the 1970s to the 1990s. During the year ended April 30, 2014, this property as well as its exploration and evaluation expenditures have been impaired During the year ended April 30, 2014, this property as well as its exploration and evaluation work have been impaired because the Corporation dedicates its financial resources to other projects.

CHESTER (NEW BRUNSWICK)

History

In February 2013, the Corporation entered into an option agreement to acquire a 100% interest in seventy-five (75) contiguous claim units located in the Northumberland County, in New Brunswick, known locally as the Chester Property. To acquire a 100% interest in this property, the Corporation already paid $50,000 and issued 6,500,000 common shares. At the second anniversary date of the agreement, the Corporation will pay $50,000 and at the third anniversary of the agreement, the Corporation will pay $50,000. The vendor has retained a 1.0% NSR in the property. There is an existing 1% NSR on part of the property in favor of a former owner.

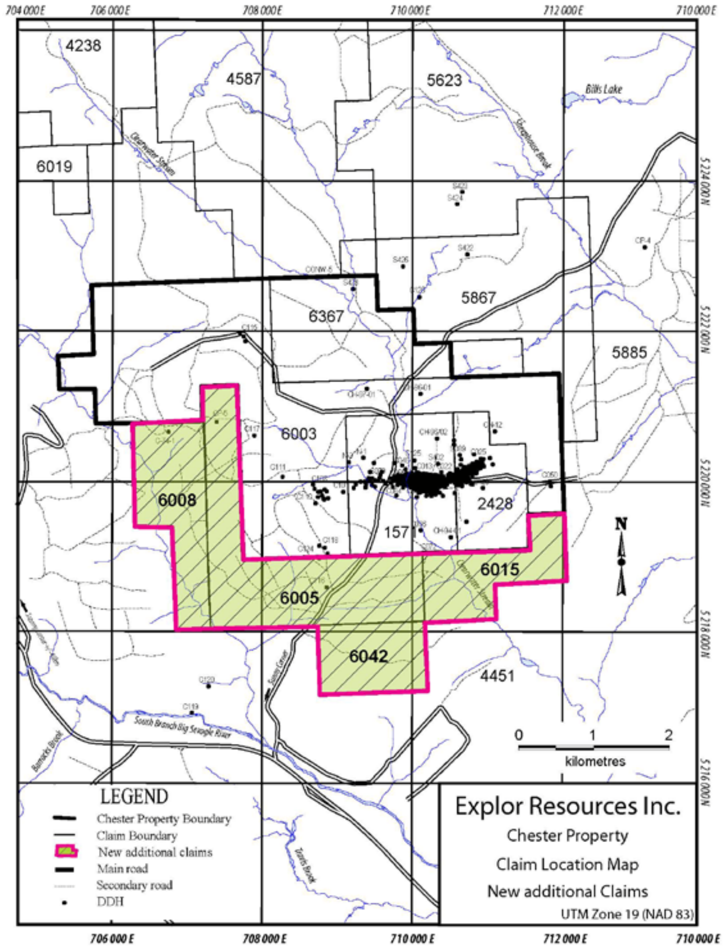
In April 2013, Explor entered into an option agreement to acquire a 100% interest in 39 contiguous mining additional units in the Chester Property. To acquire this 100% interest in the Chester Property, the Corporation paid $30,000 and issued 750,000 common shares. The vendors have retained a 2.0% NSR in the additional claims units.

On April 17, 2014, the Corporation signed a letter of intent with Brunswick Resources Inc. (formerly Z-Gold Exploration Inc.) ("Brunswick") granting Brunswick the option to acquire the Chester Property from Explor. On June 20, 2014, the Corporation and Brunswick amended the letter of intent. Explor shall grant to Brunswick the sole and exclusive right and option, over a three-year period, to acquire 19 claims of the Chester Property for the following considerations: i) payment to Explor of an aggregate of $40,000, of which $10,000 at closing of the transaction; ii) issuance of a total of 5,000,000 common shares of Brunswick, of which 1,000,000 at closing of the transaction; iii) Brunswick shall assume the remaining financial obligation of $100,000 to previous owners; and iv) Brunswick shall complete a work program of $500,000, with a minimum of $100,000 during the first year of the option agreement. Upon the completion of these conditions over a period of three years, Brunswick will have acquired a 100% interest in the Property. There are remaining NSR royalties in favor of previous owners on the Property.

It should be noted that this is a Non-Arm's Length Transaction as Christian Dupont is the president and CEO and Rodrigue Tremblay is the CFO of both Explor and Brunswick and Mario Colontonio and Geoffrey Carter are both directors of Explor and Brunswick. Closing of the transactions contemplated in the Letter is subject to the final approval of the TSX Venture and to the approval of the disinterested shareholders of Brunswick and Explor. The annual and special meeting of shareholders of Brunswick was held on August 12, 2014 and the transaction received the approval of the disinterested shareholders of Brunswick. Explor's annual and special meeting of shareholders will be held in October 2014.

Location

The Chester Property now consists of a total of 114 contiguous mineral Claims units located in the southern edge of the **Bathurst Mining Camp (BMC).** It is located approximately 50 kilometres WNW of Miramichi City and approximately 70 kilometres SW of the City of Bathurst. The property is easily accessible from Bathurst via Highway 134 to Miramichi and an all-weather paved road to the property. The Chester Property now totalizes 2,508 hectares (6,197.40 acres).



Work by Explor

The Chester Property is known to contain a copper deposit and a volcanogenic massive sulphide (VMS) deposit. These are contained within the Clearwater Stream Formation of the Sheephouse Brook Group. Work in the last ten years has determined the age of the Clearwater Formation at 469 +/- 0.3 million years, which is the same time horizon as the Brunswick deposits and other significant deposits in the Bathurst Camp.

Phase I of the 2013 exploration program on the Chester Copper Property consisted of an extensive ground exploration program conducted on the property, concentrating mainly west side of the Clearwater Stream in an area that has not been explored since the late 1950's. The purpose was to explore the possibility of finding additional near surface mineralized zones similar to the known Chester Copper and VMS zones since it has already been confirmed (First Narrows 2004 and Historical drilling in 1967-68) that the main zone Copper Stringer deposit exists for 500 to 700 metres west of the calculated resource as shown on the attached Soil Copper Geochemical Survey Map.

The 2013 work program consisted of a grass roots exploration program briefly described as follows:

1) Line cutting, or grid establishment. A total of 74.7 kilometers of lines were cut and chained;

2) Geological Mapping. The entire grid was walked and mapped in July and August searching for outcrops, boulders and mineralization. Stream sediment samples were also taken as required. The objective was to search for sections of the favorable mineral bearing (or ore bearing) horizons at surface to the west of the known mineralization. The objective of the program was to correlate the underlying rock types with current knowledge and published maps of the Bathurst Mining Camp. During the mapping program a new zone of sericitization was discovered coincident with a very strong lead-in-soil anomaly. Following this anomaly along strike well defined Clearwater Stream rocks, altered and unaltered, were found south of the soil

anomalies on several lines, defining considerable strike length. The identification of this rock type, which hosts the known Chester VMS and Copper stringer deposits, is very important in defining exploration potential of this property;

3) Ground magnetometer and VLF EM surveys were conducted on the grid to be used as a mapping tool for later interpretations of the geological and geochemical results;

4) A program of soil sampling the "A" & "B" horizons was completed on the newly established grid. No record of a soil sampling survey was found in any of the older assessment files, with the exception of the QPX soil survey of about 8-10 years ago.

The soil survey ended up being a 2 phase survey with 1993 soil samples taken in the first phase. The samples were screened to -80 mesh (a standard sieve in the Bathurst Mining Camp) and analyzed by ICP by Activation Laboratories Limited of Ancaster, Ontario. Anomalies for copper, lead and zinc were outlined. An additional 1364 samples were taken on the grid and on compass lines in October to complement as well as to expand on anomalies from the first phase. A total of 19 stream sediment samples and 10 rock samples were also taken during the mapping phase and analyzed.

A quick review of the geochemical data indicates that there is one relatively small soil geochemically anomalous area for copper where 3 old drill holes dating to about 1958 or 1959 have been located. Three (3) other anomalous areas for Copper were identified. In the northwest area of the property, there is a copper anomaly in soils as well as in local seasonal drainage streams. This anomaly is near the center of the grid and at the top of a hill. From the top of the hill it drapes to the west down a west-dipping slope, and then trends to the southeast, also down slope and drainage to the east. To the east it is coincident with a lead anomaly and a zinc anomaly. Lead, being the least mobile of the 3 metals, follows a southeast trend for a strike length of more than 700 meters from west to southeast crossing 5 of the grid lines. This is a possible strike length of up to 900 meters from NW to SE but it is also down-ice direction so it may be stretched out a bit. At the west end of the anomaly, for 1 line, the drainage is down slope to the west but in the middle the drainage, and ice direction is to the southeast. The soil anomaly is also associated with a ground magnetometer survey anomaly and a ground VLF anomaly. Favourable volcanic rocks on the south side with basement rocks on the north side indicating an interpreted major thrust fault. Another coincident copper and lead anomaly occurs in the central southeast zone of the gridded area. It is at about the same elevation as the main anomaly mentioned above but there is a valley between them and it is slightly in the up-ice direction. Favorable alterations of the bedrock have been observed in the area of this anomaly during mapping and there were several historical shallow drill holes from 1956-1959 reported in this area with random copper values. Additional soil sampling has been completed in that area but those results are not yet available. However, even without the additional soils data, there is a significant untested soil anomaly, a scarcity of outcrops, and potentially favorable geology that warrants a few test drill holes.

Explor plans on conducting additional ground geophysical work consisting of a Max/Min survey over the main lead and copper anomalies as well as a few test lines over other soil anomalies, and possibly a gravity survey over the best Max/Min anomalies. The phase 1 exploration program has determined numerous near surface, as well as deep, exploration targets on the Chester claim group west of Clearwater Stream. This area is an area that has not been explored by grass roots methods since about 1959. The soil sampling and modern soil geochemical analytical procedures have proven to be invaluable in this program so far in defining targets in favorable geology which can be further tested and refined by the previously stated geophysical program followed by diamond drilling.

Analysis of the Exploration Expenditures

The Corporation has incurred in the year ended April 30, 2014, exploration and evaluation expenditures totalizing $2,022,119 ($4,369,417 in 2013). The Corporation has impaired exploration expenditures totalizing for $5,263,915 ($642,097 in 2013) on eight mining properties.

	ONTARIO						
	Timmins Porcupine West $	**Golden Harker** $	**Kidd Twp** $	**PG-101** $	**Eastford Lake** $	**Carnegie** $	**Prosser** $
Geology	514,646	-	39,677	-	-	4,852	-
Drilling	663,717	-	-	-	-	-	-
Analyses	28,276	-	138	-	-	-	-
Line Cutting	10,650	-	3,472	-	-	7,155	-
Geophysics	1,820	-	3,000	-	-	27,709	-
Leases	71,420	-	-	-	-	-	-
General Exploration Expenses	58,724	1,087	7,223	854	854	853	854
Total	1,349,253	1,087	53,510	854	854	40,569	854

	QUEBEC		NEW BRUNSWICK
	East Bay $	**Sauvé** $	**Chester** $
Geology	53,749	-	295,398
Drilling	135,270	-	-
Analyses	8,739	-	47,777
Geophysics	-	-	9,450
Leases	257	-	1,956
General Exploration Expenses	10,353	284	11,905
Total	208,368	284	366,486

Analysis of Acquisitions, Impairments and Renewal of Mining Claims

These amounts represent the costs pertaining to the payments in cash or in shares of the Corporation following options agreements for the acquisition of mining properties during the year ended April 30, 2014.

Properties	**Payments in Cash** $	**Payments in Shares** $
Chester	25,000	240,000
Sauvé	-	-
Timmins Porcupine West	-	40,000
Prosser	-	-
PG-101	-	-
East Bay	-	37,500
	25,000	317,500

Royalties on the mining properties are as follows:

PROJECT NAME	ROYALTY	PROJECT NAME	ROYALTY
Sauvé	2%	Prosser	2%
East Bay	1% and 2%	Destor	2.5%
Carnegie	2%	Timmins Porcupine West	3% and 2%
Eastford Lake	2%	PG-101	2%
Chester	1% and 2%	Golden Harker	2%
Kidd Township	2%	Launay	2%

Person responsible of the technical information
The qualified person pursuant to National Instrument 43-101, responsible of the technical information of the Corporation is Mr. Christian Dupont, P.Eng.

GLOBAL PERFORMANCE OF THE YEAR

Following analyses realized during the year 2014, the Corporation has impaired part of the PG-101 and Chester properties and the totality of the Prosser and Sauvé properties. Explor has also impaired the exploration and evaluation expenditures on the Eastford Lake, Carnegie, Golden Harker, Kidd Township, Prosser, Destor, Sauvé and Chester properties, in order to reflect the direction of the Corporation to dedicate its financial resources on other higher priority mining projects. In connection with its mining projects, the Corporation has incurred for $2,022,119 in exploration and evaluation expenditures.

The Corporation has issued 200,000 shares for an amount of $40,000 pursuant to an agreement signed pertaining to The Timmins Porcupine West Property.

Explor has issued 550,000 shares for an amount of $37,500 pursuant to new agreements signed pertaining to the East Bay property.

Explor has paid $25,000 in cash and has issued 1,200,000 shares for an amount of $240,000 pertaining to an agreement signed for the Chester Property. The Corporation has also signed a letter of intent with Brunswick Resources pertaining to the sale of certain claims of the Chester Property.

During the year ended April 30, 2014, the Corporation closed three private placements and a right offering totalizing $35,631 is in common shares and $1,211,100 is in flow-through shares.

During the year ended April 30, 2014, the Corporation granted 2,020,000 stock options to consultants, investor relations consultants, officers and directors of Explor.

In November 2013, the Corporation has consolidated its shares on the basis of one new share for each five shares issued.

SELECTED ANNUAL INFORMATION

The financial statements for the year ended April 30, 2014 were prepared in accordance with the IFRS. All monetary values contained in this MD&A are expressed in Canadian currency.

Significant Financial Data (Audited)

The following table summarizes some financial data presented in the statements of financial position of the Corporation:

YEARS ENDED APRIL 30	2014 $	2013 $	2012 $
Total Assets	32,952,044	38,819,882	37,615,731
Total Liabilities	1,188,689	2,275,771	3,004,379
Revenue	14,871	32,834	21,574
Net Loss	6,302,834	1,138,226	2,747,498
Net loss per share on a diluted basis	0.15	0.04	0.02

As at April 30, 2014, our total assets amounts to $32,952,044 compared to $38,819,882 as April 30, 2013. The main difference between these periods is mainly the exploration and evaluation assets as well as the term deposits reserved for exploration and evaluation. Total liabilities are $1,188,689 ($2,275,771 in 2013) and are composed of $174,041 ($104,663 in 2013) for accounts payable and accrued liabilities, of $330 ($104,872 in 2013) for its bank overdraft, of $887,435 ($1,016,899 in 2013) for its income taxes and deferred taxes and of $126,883 ($1,049,337 in 2013) for other liability, representing the commitment of the Corporation following flow-through financings completed. As at April 30, 2014, total equity is $31,763,355 compared to $36,544,111 as at April 30, 2013. As at April 30, 2014, the liquidities that the Corporation has on hand are $152,123 and its working capital is about $132,000. The Corporation has guaranteed term deposits for an amount of 152,123 in two financial institutions bearing interest at a rate between 1.3%, and 0.8%.

Summary of Quarterly Results (Non-Audited)

	April 30 2014 $	January 31 2013 $	October 31 2013 $	July 31 2013 $	April 30 2013 $	January 31 2012 $	October 31 2012 $	July 31 2012 $
Total Assets	32,952,044	33,443,709	39,051,550	39,373,873	38,819,882	38,431,513	36,503,425	37,918,438
Total Liabilities	1,188,689	390,259	2,240,785	2,417,672	2,275,771	3,175,667	2,432,025	3,384,643
Interest revenue	14,871	13,168	6,400	1,946	12,608	4,015	13,127	3,084
Net loss and comprehensive loss	837,138	4,694,762	563,561	207,373	369,060	224,564	464,720	79,882
Net loss per share on a diluted basis	0.02	0.12	0.00	0.00	0.00	0.00	0.00	0.00

Summary of the administrative expenses for the last fourth quarters

	April 30, 2014 $	January 31, 2014 $	October 31, 2013 $	July 31, 2013 $
Maintenance and repairs	305	246	297	280
Taxes and permits	5,252	2,050	2,671	4,629
Rent expenses	9,763	8,107	8,021	7,914
Office expenses	11,389	6,948	12,353	7,039
Directors' insurances	3,188	3,189	3,188	3,188
Compensation paid in relation with good standing of mining claims	2,400	17,931	-	36,450
Travelling, promotion and entertainment expenses	84,002	33,163	39,991	15,917
Registration, listing fees and shareholders' information	42,192	44,376	60,271	19,383
Consultant fees	92,349	114,970	92,150	109,236
Professional fees	35,789	77,569	123,883	37,966
Amortization of property, plant and equipment	4,089	2,776	2,776	2,776
Share-based compensation	375	2,125	218,125	14,625
Interests and bank expenses	8,850	4,138	4,496	1,304
Impairment of exploration and evaluation assets	347,508	5,644,586	-	-
Part XII.6 taxes	88,229	-	-	-
Compensation to investors	34,035	-	-	-
Write-off of obligations related to flow-through financings	-	(777,918)	-	-
Future taxes	(465,195)	-	-	-

a) During the three-month period ended April 30, 2014, the Corporation has recorded travel and promotion expenses for participating in conferences in Canada, in Europe and in the United States.

b) During the three-month period ended October 31, 2013, the professional fees have increased compared to the other quarters because management has incurred legal fees of $56,760 for the preparation of the annual and special meeting of shareholders held on October 22, 2013, of the consolidation of the capital stock of the Corporation as well as for the preparation of a simplified prospectus. Also, for the same period, the Corporation has incurred an amount of $41,055 for audit fees.

c) Compensations in relation with good standing of mineral claims have been paid to the Ministère des Ressources Naturelles of Québec for work that the Corporation had to realize.

d) During the quarter ended October 31, 2013, the Corporation recorded a share-based compensation of an amount of $216,000 for the grant of 1,800,000 stock options to its directors, officers and consultants.

e) During the quarter ended January 31, 2014, the Corporation has impaired an amount of $566,250 for the PG-101 located in Ontario and Chester, located in New Brunswick mining properties and an amount of $5,078,336 as exploration and evaluation assets for five mining properties.

f) As at April 30, 2014, the Corporation has recorded a Part XII.6 taxes in connection with flow-through financings of $88,229 as well as a compensation to investors of $34,035.

g) As at January 31, 2014, the Corporation has written-off obligations related to flow-through financings of and amount of $777,918 because Explor has not realized the statutory work in the prescribed time limits.

Statements of Net Loss and Comprehensive Loss for Years ended April 30

Being a mining exploration company, Explor does not generate any regular earnings so in order to survive, the Corporation has to issue capital stock.

Revenues
The recorded revenues are interests received.

The following table summarizes some of financial data presented in the statement of the net loss and comprehensive loss ended for the years ended April 30:

	2014 $	2013 $
Maintenance and repairs	1,128	1,859
Taxes and permits	14,602	6,983
Rent expenses	38,805	49,768
Office rent	37,729	58,186
Directors' insurances	12,753	12,459
Compensation paid in relation with good standing of mining claims	56,781	102,200
Travelling and entertainment expenses	173,073	334,466
Registration, listing fees and shareholder's information	166,222	162,567
Consultants fees	408,705	433,626
Professional fees	275,207	183,112
Amortization of property, plant and equipment	12,417	13,093
Share-based compensation	235,250	11,050
Interest and bank expenses	18,788	8,596
Impairment of exploration and evaluation assets	5,992,094	795,796
Part XII.6 taxes	88,229	12,666
Write-off of obligations related to flow-through financings	(777,918)	-
Compensation to investors	34,035	-
Future Taxes	(465,195)	-

Expenses

During the year ended April 30, 2014, the loss before tax of the Corporation is at $6,768,029 compared to $2,153,593 as at April 30, 2013. The main changes are:

- The office and rent expenses have all decreased as well as the travelling and entertainment fees because the operations of the Corporation have slow down compared to the year ended April 30, 2013 to take into account the liquidities of the Corporation.

- During the year 2014, amounts totalizing $56,781 were paid to the Ministère des Ressources naturelles to comply with good standing of mining claims on its mining properties in Québec. These amounts can change according the work realized.

- The Corporation has recorded $126,022 as legal fees while $47,820 is linked to audit fees. Additional Professional fees are linked to secretarial fees, translation, receptionist, accounting fees as well as management of the different regulatory authorities.

- The Corporation has recorded an amount of $235,250 for the granting of 2,020,000 options to investors relation consultants, consultants, officers and directors of the Corporation. This represent an increased compared to last year because the Corporation had not granted new stock options to its directors and officers during the year ended April 30, 2013.

- An increase of $5,196,298 is seen for the impairment of exploration and evaluation assets and in this case, the change is not relevant because this pertains to different mining properties and we cannot compared work realized on them or the cost of acquisition of a mining property.

CASH FLOWS

The cash movements linked to operating activities amounted to $1,037,859. An amount of $119,038 was used as investments activities. The Corporation incurred $2,047,119 as exploration and evaluation expenditures and in mining claims. Also, the Corporation has acquired computer equipment for $4,776.

During the year ended April 30, 2014, the Corporation recorded $1,067,731 following three private placements and one right offering. The related share issuance expenses amounted to $86,208. As at April 30, 2014, the Corporation has one guaranteed term deposit of $75,905 that bear interest at a rate of 1.3%, maturing in August 2014. Explor also has other term deposits for a total amount of $76,218 bearing interest at a rate of 0.08% and maturing in January 2015, redeemable at any time.

These financing activities are directly linked to the sector of activity of Explor and are in accordance with the plans of management.

FOURTH QUARTER

The fourth quarter closed with a net loss of $837,138. This can be explained by the impairment of exploration and evaluation assets for a total amount of $347,508, by travelling, promotion and entertainment expenses for an amount of $84,002, by Part XII.6 Taxes and by the compensation to investors. During the last quarter, the Corporation has realized $244,774 in exploration and evaluation work.

During the fourth quarter ended April 30, 2014, the Corporation has acquired mining claims for the East Bay property for an amount of $37,500 by issuing shares. Explor has focused on making known the Corporation by participating in conventions and in different meetings with investors abroad.

SOURCE OF FINANCING

In June 2013, the Corporation closed a private placement representing $750,000 in flow-through shares that will be allocated in exploration and evaluation work in Québec and Explor will have until December 31, 2014 to fulfill its obligations.

In December 2013, the Corporation closed a private placement representing $300,000 in flow-through shares that will be allocated in exploration and evaluation work in Québec and Explor will have until December 31, 2014 to fulfill its obligations.

In December 2013, the Corporation filed a final short form prospectus with the securities commissions of the following provinces of Canada: British Columbia, Alberta, Saskatchewan, Ontario and Quebec, in respect of a rights offering to raise gross proceeds of $8,193,298 (the "Rights Offering"). The receipt for the final short-form prospectus was received on December 20, 2013. Each holder of record of Explor common shares ("Common Shares"), as at January 7, 2014 (the “record date”) received two rights (a "Right") for each Common Share held. Each Right entitled the holder thereof to acquire one Common Share at a subscription price of $0.10 per Common Share (the "Subscription Price") until February 7, 2014. The Rights Offering included an additional subscription privilege under which holders of Rights who fully exercise their Rights were entitled to subscribe for additional Common Shares, if available, that had not been otherwise subscribed for in the Rights Offering. As at the closing date of the rights offering, 160,398 rights have been exercised and 16,912 rights have been exercised according to the Additional Subscription Privilege for a total of 177,310 rights representing an amount of $17,731.

In April 2014, the Corporation closed a private placement representing $17,900 in common shares and $161,100 in flow-through shares that will be allocated in exploration and evaluation work in Québec and Explor will have until December 31, 2015 to fulfill its obligations.

Since some of its financings completed are composed of flow-through units, the Corporation is obligated to allocate the expenditures as exploration and evaluation expenses. Furthermore, the Corporation realizes common shares financings to pay for its current expenditures. Management is aware that it will have to continue its efforts in order to realize others financings to pursue its projects. Exploration and development of the properties of the Corporation might need in the future more financial resources. In the past, the Corporation has been able to finance itself by private placements and public placements. However, there is no guarantee that it will be able to do it in the future.

OBLIGATION AND CONTRACTUAL COMMITMENTS

As at April 30, 2014, pursuant to flow-through shares agreements, the Corporation had to incur an amount of $718,790 in exploration and evaluation expenses at the latest on December 31, 2014 and $161,100 at the latest on December 31, 2015. As the Corporation does not have sufficient liquidity to meet these statutory obligations, this fact brings additional financial risk for the Corporation. In addition, the Corporation is still in exploration stage and, as such, no revenue has been yet generated from its operating activities. Accordingly, the Corporation depends on its ability to raise financing in order to discharge its commitments and liabilities in the normal course of business. Management periodically seeks additional forms of financing through the issuance of shares and the exercise of warrants and share purchase options to continue its operations, and despite the fact it has been successful in the past, there is no guarantee of success for the future. Actually, the Corporation's management is optimistic to raise sufficient funds to meet its actual financial liabilities from its commitments for a period of twelve months.

Chester Property
In February 2013, the Corporation entered into an option agreement to acquire the Chester Property. To acquire a 100% interest in 75 contiguous claims units situated in the Northumberland County, in the Province of New Brunswick, the Corporation already paid $50,000 and issued 3,500,000 common shares. At the second anniversary date of the agreement, the Corporation will pay $50,000 and at the third anniversary of the agreement, the Corporation will pay $50,000. The vendor has retained a 1% NSR royalty on the property and there is an existing 1% NSR royalty on some of the claims in favor of a former owner.

Agreement with Burns Figa & Will P.C.
In May 2013, the Corporation entered into a representation with the lawyer firm Burns Figa & Will P.C. of Colorado in order that this firm act as Principal American Liaison (PAL) to assist Explor with the American Exchange OTCQX. The Corporation will pay an annual amount of US$5,000 so Burns Figa & Will will act as PAL for Explor.

Agreement with First Nations
In June 2013, the Corporation has entered into Memorandum of Understanding ("MOU") with the first nations Flying Post and Mattagami (the "First Nations") pertaining to the exploration of the Timmins Porcupine West Property. This agreement was required in order to comply with the new laws in Ontario concerning the exploration of lands in which the First Nations have ancestral rights. In connection with this agreement, the Corporation has issued a total of 1,000,000 to the First Nations. The Corporation will pay 2% of the all direct costs of exploration incurred on the Timmins Porcupine West Property after the signature date of the agreement with the First Nations. Finally, the Corporation paid an amount of $2,000 in 2013 to the First Nations as negotiation fees.

Letter of Intent with Brunswick Resources Inc. on Chester Property
In June 2014, Explor Resources Inc. (Explor) and Brunswick Resources Inc. (Brunswick) amended the letter of intent of April 17, 2014 concerning the Chester property. According to the amended option agreement, Brunswick could acquire a 100% interest in 19 mineral claims units of the Chester property for the following consideration: payment of an amount of $10,000 in cash and the issuance of 1,000,000 shares to Explor at the signature of the agreement; payment of $10,000 in cash and issuance of 1,333,333 shares to Explor at the first anniversary of the agreement and payment of $50,000 in cash to the previous owners before February 26, 2015 and incur exploration and evaluation works on the property for an amount of $100,000; payment of $10,000 in cash and issuance of 1,333,333 shares to Explor at the second anniversary of the agreement and payment of $50,000 in cash to the previous owners before February 26, 2016 and incur exploration and evaluation works on the property for an amount of $200,000; payment of $10,000 in cash and issuance of 1,333,334 shares to Explor and incur exploration and evaluation works on the property for an amount of $200,000. This transaction is subject to the approval of the disinterested shareholders of Brunswick and Explor as well as to the final approval of the TSX Venture Exchange.

Contingent Liabilities
The Corporation is partly financed by the issuance of flow-through shares. However, there is no guarantee that the funds spent by the Corporation will qualify as Canadian exploration expenses (CEE), even if the Corporation has committed to take all the necessary measures for this purpose. Refusals of certain expenses by tax authorities would have negative tax consequences for investors. By virtue of past flow-through shares agreements, as at April 30, 2014, the shortfall of CEE is amounting approximately to $2,625,000. These amounts had to be spent by the statutory date of December 31, 2013. As the exploration and evaluation expenses were not completed within the prescribed deadlines, there is an important financial risk for the Corporation and also an important fiscal risk for the

investors. The maximum potential penalty for the Corporation in relation with the non-respect of its obligations with the investors is approximately $990,000. The Corporation has until December 2014 to file new statements to invertors relating to the amount of $2,625,000 in CEE and which have not been incurred before December 31, 2013. If the Corporation fails to file these statements, each of the tax authorities (Federal and Quebec) may impose a penalty of up to 25% of the amount which the Corporation has renounced and that has not been incurred in CEE. In the event, any amounts in relation with that regulatory non-respect will be accrued to the earnings at this time.

Long-Term Debt

The Corporation has no long-term debt.

RELATED PARTY TRANSACTIONS AND COMMERCIAL GOALS

Company Controlled by the President of Explor Resources Inc.
During the year ended April 30, 2014, the Corporation incurred administrative consultant fees amounting to $116,400 ($143,250 in 2013), general administrative expenses amounting to $23,630 ($25,279 in 2013), exploration and evaluation expenses amounting to $403,489 ($337,524 in 2013) and rent fees of an amount of $18,000 ($36,000 in 2013). The balance to be paid to this related company is $36,346 (37,174 in 2013).

Company Controlled by a Director of Explor Resources Inc.
The Corporation has incurred exploration and evaluation expenses amounting to $45,000 ($10,500 in 2013). The balance to be paid to this company is nil.

Members of the Board of Directors and Chief Financial Officer
During the year ended April 30, 2014, the Corporation has incurred administrative consultant fees of an amount of $4,500 ($0 in 2013), general administrative fees of an amount of $666 ($0 in 2013), professional fees of an amount of $12,260 ($0 in 2013) and share issuance fees of an amount of $5,000 ($0 in 2013).

These transactions are concluded in the normal course of business and are measured at the amount of consideration established and agreed by the parties.

During the year ended April 30, 2014, the Corporation recorded a share-based compensation amounting to $199,700 for members of the board of directors and main officers of the Corporation ($0 in 2013).

SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance
These financial statements of Explor Resources Inc. were prepared by management in accordance with IFRS. The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

Functional Currency
The reporting currency and the currency of all operations of the Corporation is the Canadian dollar, since it represents the currency of the primary economic environment in which the Corporation operates.

Currency Conversion
The financial statements of the Corporation are reported in Canadian currency, which is the functional currency. Transactions in foreign currencies are translated at the exchange rates prevailing at the time they are made. At each closing date, assets and liabilities denominated in foreign currencies are converted at closing. Exchange differences resulting from transactions are recorded in the income statement for the period. Exchange differences relating to operating activities are recorded in operating income for the period; exchange differences related to financing transactions are recognized in loss or in equity.

Cash and Cash Equivalents
The Corporation presents cash (bank overdraft) and term deposits with original maturities of three months or less from acquisition date in cash and cash equivalents.

Tax Credit Related to Resources and Mining Tax Credit
The Corporation is entitled to a tax credit related to resources of 35% on eligible exploration expenses incurred in the province of Quebec. In addition, the Corporation is entitled to a mining tax credit equal to 16% of 50% of eligible exploration expenditures, reduced of tax credit related to resources. These amounts are based on estimates made by management and provided that the Corporation is reasonably certain that they will be received. At that time, tax credit related to resources and mining tax credit are recorded as a reduction of exploration and evaluation expenses.

Term Deposits Reserved for Exploration and Evaluation
Term deposits reserved for exploration and evaluation represent proceeds from flow-through financings not yet incurred in exploration. According to the requirements of those financings, the Corporation has to apply the funds received to mining exploration and evaluation activities. Following flow-through shares agreements, as at April 30, 2014, the Corporation has to incur exploration and evaluation expenses amounting to approximately $879,890 ($4,311,255 in 2013). Subscriptions receivable and term deposits reserved for exploration and evaluation amount to $331,123 as at April 30, 2014. Therefore, at that date, the Corporation does not have necessary liquidities in order to fulfill its financial commitments that have to be met by December 31, 2014. This increases the risk that funds may not be spent in exploration and evaluation expenses.

Exploration and Evaluation Assets
Expenditures incurred before the entity has obtained the legal rights to explore a specific area are recognized as expenses. Expenditures related to the development of mineral resources are not recognized as exploration and evaluation assets. Expenditures related to the development are accounted as an asset only when the technical feasibility and commercial viability of a specific area are demonstrated and when recognition criteria of IAS 16 *Property, Plant and Equipment* or IAS 38 *Intangible Assets* are fulfilled.

All costs associated with property acquisition and exploration and evaluation activities are capitalized as exploration and evaluation assets. Costs that are capitalized are limited to costs related to acquisition and exploration and evaluation activities that can be associated with the discovery of specific mineral resources, and are not include costs related to production (extraction costs), and administrative expenses and other general indirect costs. Exploration and evaluation expenditures are capitalized when the following criteria are satisfied:

- they are held for use in the production of mineral resources ;
- the properties have been acquired and expenses have been incurred with the intention of being used on a continuing basis; and
- they are not intended for sale in the ordinary course of business.

Costs related to the acquisition of mining properties and to exploration and evaluation expenditures are capitalized by property until the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. When the technical feasibility and commercial viability of extracting a mineral resource are demonstrated, exploration and evaluation assets are reclassified as mining assets under development. Exploration and evaluation assets are assessed for impairment before reclassification, and any impairment loss recognized. Until now, no technical feasibility and no commercial viability of extracting a mineral resource has been demonstrated.

The Corporation reconsiders periodically facts and circumstances in IFRS 6 that require testing exploration and evaluation assets for impairment. When facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, the asset is test for impairment. The recoverable amount is the higher of fair value less costs for sale and value in use of the asset (present value of the future cash flows expected). When the recoverable amount of an exploration and evaluation asset is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount by recording an impairment loss. The carrying amount of exploration and evaluation assets do not necessarily represents present-time or future value.

The prior years recognized impairment for exploration and evaluation asset is reversed if there is an increase of the economic potential of asset, resulting from its use or sale since the last time an impairment has been recorded for this asset. If any, the carrying value of this asset is increased up to its recoverable amount, without being higher than it would have been recorded like if the impairment had never been recognized for this asset in the prior years.

Impairment of Long-lived Assets
Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The recoverable amount is the higher of its fair value less costs for sale and its value in use (present value of the future cash flows expected). An impairment loss is recognized when their carrying value exceeds the recoverable amount. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its recoverable amount.

Property, Plant and Equipment
Property, plant and equipment are accounted for at historical cost less any accumulated impairment losses. The historical cost of property, plant and equipment comprises any acquisition costs directly attributable. The Corporation allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant parts and depreciates separately each such part. Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate.

Depreciation of property, plant and equipment is calculated using declining method and at the following rates:

Leasehold improvements	30%
Exploration equipment	20%
Office equipment	20%
Computer equipment	55%

Financial Instruments
Financial assets are initially recognized at fair value and their subsequent measurement is dependent on their classification in the following categories: held-to-maturity investments, available-for-sale, loans and receivables and at fair value through profit or loss ("FVTPL"). Their classification depends on the purpose, for which the financial instruments were acquired or issued, their characteristics and the Corporation's designation of such instruments. Transaction date accounting is used.

Held-to-Maturity Investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Corporation's management has the intention and ability to hold to maturity. After initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment loss. The Corporation has no held-to-maturity investment.

Available-for-Sale
Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale, or that are not classified as loans and receivables, held-to-maturity or at FVTPL. Available-for-sale financial assets are carried at fair value with unrealized gains and losses included in accumulated other comprehensive income until realized; the cumulative gain or loss is then transferred to profit or loss statement. The Corporation has no available-for-sale financial asset.

Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not held for trading purposes or available for sale. These assets are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method. Cash and cash equivalents and other receivable are classified as loans and receivables.

Financial Asset at FVTPL
Financial assets at FVTPL includes financial assets held by the Corporation for short-term profit, derivatives not in a qualifying hedging relationship and assets voluntarily classified in this category, subject to meeting specified criteria. These assets are measured at fair value, with any resulting gain or loss recognized in the profit or loss statement. Term deposits reserved for exploration and evaluation are classified as financial assets at FVTPL.

Other Liabilities
Other liabilities are initially recognized at fair value less transaction costs directly attributable. Thereafter, they are measured at amortized cost using the effective interest method and other liabilities include all financial liabilities, other than derivative instruments. Accounts payable and accrued liabilities and the due to a related company are classified as other liabilities.

Transaction Costs
Transaction costs related to financial asset at FVTPL are recognized as expenses as incurred. Transaction costs related to available-for-sale financial assets, to held-to maturity investment and loans and receivables are added to the carrying value of the asset and transaction costs related to other liabilities are netted against the carrying value of liability. They are then recognized over the expected life of the instrument using the effective interest method.

Effective Interest Method
The effective interest method is a method of calculating the amortized cost of a financial asset/liability and of allocating interest income/expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including transaction costs) through the expected life of the financial asset/liability, or, if appropriate, a shorter period.

Provisions and Contingent Liabilities
Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Corporation and amounts can be estimated reliably. Timing or amount of the outflow may be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant.

The Corporation's operations are subject to government laws and regulations concerning environmental protection. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. At the reporting date, management believes that the Corporation's operations are in compliance with current laws and regulations. Site restoration costs currently incurred are negligible. When the technical feasibility and commercial viability of extracting a mineral resource will be demonstrated, a restoration provision, and increase of exploration and evaluation assets, in counterparty, will be recorded.

In the cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. There is no provision recorded as at April 30, 2014 or as at April 30, 2013.

Share-Based Compensation
The Corporation accounts for stock-based compensation over the vesting period of the rights to stock options. Share purchase options granted to employees and directors and the cost of services received are evaluated and recognized on fair value basis using the Black-Scholes option pricing model.

Equity-Settled Share-Based Compensation Transactions
For transactions with parties other than employees, the Corporation measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. When the Corporation cannot estimate reliably the fair value of the goods or services received, it measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

Flow-Through Shares
The Corporation considers that the issue of flow-through shares is in substance an issue of common shares and the sale of tax deductions. The sale of tax deductions is measured using the residual method. At the time the flow-through shares are issued, the sale of tax deductions is deferred and presented as other liability in the statement of financial position. When eligible expenditures are incurred (as long as there is the intention to renounce them), the sale of tax deductions is recognized in the income statement as a reduction of deferred tax expense and a deferred tax liability is recognized for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset in the statement of financial position and its tax base.

Warrants
In connection with financings, the Corporation may grant warrants. Each warrant entitles its holder to purchase one share at a price determined at grant for a certain period of time. Proceeds from placements are allocated between shares and warrants issued using the relative fair value method. The Corporation uses the Black-Scholes pricing model to determine the fair value of warrants issued.

Share Issuance Expenses
Share issuance expenses are recorded as a decrease of capital stock of the Corporation.

Basic and Diluted Loss per Share

The basic loss per share is calculated using the weighted average of shares outstanding during the year. The diluted loss per share, calculated using treasury method is equal to the basic loss per share due to the anti-dilutive effect of share purchase options and warrants.

Revenue Recognition
Interest revenues are recognized on an accrual basis. They are recorded based on the number of days the investment is held during the year.

Mining Properties Options Agreements
Options on interests in mining properties acquired by the Corporation are recorded at the value of the consideration paid, including other future benefit given up but excluding the commitment for future expenditures. Commitment for future expenditures does not meet the definition of a liability and thus are not accounted for immediately. Expenditures are accounted for only when incurred by the Corporation.

When the Corporation sells interests in a mining property, it uses the carrying amount of the interest before the sale of the option as the carrying amount for the portion of the interest retained, and credits any cash consideration received and also fair value of other financial assets against the carrying of this portion (any excess is recognized as a gain in profit or loss).

NSR Royalties
The NSR royalties are generally not be accounted for when acquiring the mining property since they are deemed to be a contingent liability. Royalties are only accounted for when probable and can be measured with sufficient reliability.

Income Taxes and Deferred Taxes
Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes except when deferred income results from an initial recognition of goodwill or from initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they will reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting year and which, expected to apply to taxable income in the years during which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income or loss in the year that includes the enactment date. The Corporation establishes a valuation allowance against deferred income tax assets if, based on available information, it is probable that some or all of the deferred tax assets will not be realized.

A deferred tax asset is recognized for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be used. At the end of each financial reporting period, the Corporation reassesses the tax deferred asset not recognized. Where appropriate, the Corporation records a tax deferred asset that had not been recorded previously to the extent it has become probable that future taxable profits will recover the tax deferred asset.

Segment Disclosures
The Corporation currently operates in a single segment: the acquisition and exploration of mining properties. All of the Corporation's activities are conducted in Canada.

Significant Accounting Judgments, Estimates and Assumptions
The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the application of accounting policies as well as the carrying amount of assets, liabilities, revenues and expenses. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed regularly. Any revision to accounting estimates is recognized in the period during which the estimate is revised and in future periods affected by these revisions.

Key Sources of Estimation Uncertainty

Impairment of Exploration and Evaluation Assets
Exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that their carrying amount may exceed recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Corporation shall measure, present and disclose any resulting impairment loss. Indications of impairment as well as the evaluation of recoverable amount of exploration and evaluation assets require significant judgment. Management considers various factors including, but are not limited to, financial and human resources available, exploration budgets planned, importance and results of exploration work done previously, industry and economic trends and price of minerals.

Based on analysis performed during the year 2014, the Corporation has impaired exploration and evaluation assets for a total of $5,992,094 in order to reflect Corporation's orientation to focus its financial resources on other higher priority mining projects.

Share-Based Compensation
The fair value of share purchase options granted to employees is determined using Black-Scholes pricing model that takes into account the exercise price and expected life of the option, the current price of the underlying stock, its expected volatility, the expected dividends on the stock and the current risk-free interest rate for the expected life of the option. The inputs used to determine the fair value are composed of estimates aim to approximate the expectations that likely would be reflected in a current market or negotiated exchange price for the option.

FINANCIAL RISK, MANAGEMENT OBJECTIVES AND POLICIES

The Corporation's activities are exposed to financial risks: market risk, credit risk and liquidity risk.

Market Risks

Fair Value
Fair value estimates are made at the statement of financial position date, based on relevant market information and other information about the financial instruments. Fair value of cash and cash equivalents, cash in trust, other receivable, of term deposits reserved for exploration and evaluation, advances to a related company, due to a related company as well as accounts payable and accrued liabilities approximate carrying value due to their short-term.

Fair Value Hierarchy
Cash and cash equivalents, cash in trust and term deposits reserved for exploration and evaluation are measured at fair value and they are categorized in level 2. This valuation is based on valuation techniques based on inputs other than quote prices in active markets that are either directly or indirectly observable.

Interest Rate Risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument fluctuates due to changes in market interest rates. Except for term deposits, Corporation's financial instruments do not bear interest. Since term deposits bear interest at fixed rates (0.8% and 1.3%), the risk of loss from market fluctuations in the interest rate is therefore minimal. However, fixed interest rates expose the Corporation to the risk of variation in fair value due interest rates changes. The Corporation believes that a 0.5% change in interest rate could be possible. Its effect would be about $760 on term deposits.

Currency Risk
During the year, the Corporation incurred administrative costs in US dollars ($161,407), in Euros ($75,214) and in Swiss francs ($13,703). Consequently, certain assets, liabilities and expenses are exposed to foreign exchange fluctuation. As at April 30, 2014 and as at April 30, 2013, the Corporation has no amount at statement of financial position arising from transactions in US currency, in Euros and in Swiss francs. The Corporation believes that a 5% change in exchange rates is reasonably possible. Its effect would be about $12,500 on the net loss of the year.

Credit Risk

Credit risk is the risk that a party to a financial instrument fails to discharge an obligation and causes the other party to incur a financial loss. Financial instruments which potentially expose the Corporation to credit risk mainly consist of cash and cash equivalents, cash in trust, term deposits reserved for exploration and evaluation and other receivable. The credit risk on cash and cash equivalents and term deposits reserved for exploration and evaluation is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. Therefore, the Corporation does not expect any treasury counterparties to fail in respecting their obligations. The Corporation is subject to concentration of credit risk since two term deposits are held by two Canadian financial institutions. Credit risk on cash in trust is low. The carrying value of cash and cash equivalents, cash in trust and cash and term deposits reserved for exploration and evaluation represents the Corporation's maximum exposure to credit risk and there has been no significant change in credit risk since prior year.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet the obligations associated with its financial liabilities. Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Corporation has sufficient financing sources. The Corporation establishes budgets to ensure it has the necessary funds to fulfill its obligations. As at April 30, 2014 the Corporation's liquidities are amounting to $152,123 and its working capital is amounting to approximately $132,000. Its statutory commitments in relation with flow-through financings are amounting to $879,890 until December 31, 2014. In order to continue its operations, the Corporation will have to find additional funds and despite the fact that it has been successful in the past, there is no guarantee for the future. Actually, there remains a risk that the Corporation is unable to find cash even if the management believes that it will find the necessary cash to meet its future commitments. Considering the non-respect of some flow-through shares agreements and in view of the negative impact thereof, the risk is high that the management will have difficulties to obtain the financial resources required for its future projects.

RISK FACTORS

Exploration Risks

Exploration and mining involve a high degree of risk. Few exploration properties end up going into production. Other risks related to exploration and mining activities include unusual or unforeseen formations, fire, power failures, labor disputes, flooding, explosions, cave-ins, landslides and shortages of adequate or appropriate manpower, machinery or equipment. The development of a resource property is subject to many factors, including the cost of mining, variations in the quality of the material mined, fluctuations in the commodity and currency markets, the cost of processing equipment, and others, such as aboriginal claims, government regulations including regulations regarding royalties, authorized production, import and export of natural resources and environmental protection. Depending on the price of the natural resources produced, the Corporation may decide not to undertake or continue commercial production. There can be no assurance that the expenses incurred by the Corporation to explore its properties will result in the discovery of a commercial quantity of ore. Most exploration projects do not result in the discovery of commercially viable mineral deposits.

Environmental and Other Regulations

Current and future environmental laws, regulations and measures could entail unforeseeable additional costs, capital expenditures, restrictions or delays in the Corporation's activities. Environmental regulations and standards are subject to constant revision and could be substantially tightened, which could have a serious impact on the Corporation and its ability to develop its properties economically. Before it commences mining a property, the Corporation must obtain environmental permits and the approval of the regulatory authorities. There is no assurance that these permits and approvals will be obtained, or that they will be obtained in a timely manner. The cost of complying with government regulations may also impact the viability of an operation or altogether prevent the economic development of a property.

Financing and Development

Development of the Corporation's properties therefore depends on its ability to raise the additional funds required. There can be no assurance that the Corporation will succeed in obtaining the funding required. The Corporation also has limited experience in developing resource properties, and its ability to do so depends on the use of appropriately skilled personnel or signature of agreements with other large resource companies that can provide the required expertise.

Commodity Prices
The factors that influence the market value of gold and any other mineral discovered are outside the Corporation's control. Resource prices can fluctuate widely, and have done so in recent years. The impact of these factors cannot be accurately predicted.

Risks Not Covered by Insurance
The Corporation may become subject to claims arising from cave-ins, pollution or other risks against which it cannot insure itself or chooses not to insure itself due to the high cost of premiums or other reasons. Payment of such claims would decrease and could eliminate the funds available for exploration and mining activities.

Tax
No assurance can be given that Canada Revenue Agency or that the Quebec Ministry of Revenue will agree with the Corporation's characterization of expenditures as Canadian exploration expenses.

Dependence on Key Personnel
The development of the Corporation is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Corporation faces competition for personnel from other mining companies.

Conflict of Interest
Certain directors of the Corporation are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and mining of natural resources properties. Such associations may give rise to conflicts of interests from time to time. The directors of the Corporation are required by law to act honestly and in good faith of view of the best interests of the Corporation and to disclose any interest, which they may have on any project or opportunity of the Corporation. If a conflict arises at the meeting of the board of directors, any director in conflict will disclose his interest and abstain from voting on such matter.

Disclosure Controls and Procedures
The Corporation's President and the Chief Financial Officer are responsible for establishing and maintaining the Corporation's disclosure controls and procedures in accordance with the Multilateral Instrument 52-109 of the Canadian Securities Administrator. These controls and procedures have been evaluated as at April 30, 2014 and have been determined to be effective.

Internal Controls over Financial Reporting
The Corporation's President and the Chief Financial Officer are responsible for establishing and maintaining the Corporation's disclosure controls and procedures in accordance with the Multilateral Instrument 52-109 of the Canadian Securities Administrator. These controls and procedures have been evaluated as at April 30, 2014 and have been determined to be effective.

ADDITIONAL INFORMATION FOR EMERGING ISSUERS WITHOUT SIGNIFICANT INCOME

The Corporation provides information on deferred exploration and evaluation expenses found in note 6 of its audited annual financial statements for the year ended April 30, 2014.

The Corporation has no research and development expenses.

The Corporation has no other deferred expenses than the mining properties and the deferred exploration expenses.

INFORMATION ON OUTSTANDING SHARES

As at April 30, 2014, the stock capital of the Corporation was composed of 44,421,072 common shares and as at the date of this MD&A, there are 47,215,834 common shares issued and outstanding.

Options

The Corporation has a stock option plan intended for its officers, consultants and directors. As at August 28, 2014, the stock options are as follows:

Number	Exercise Price	Expiry
530,000	$4.60	01-28-2015
340,000	$2.50	12-24-2015
310,000	$1.50	12-20-2016
100,000	$0.50	07-02-2018
1,800,000	$0.50	08-16-2018
1,875,000	$0.08	08-08-2019
4,955,000		

In November 2013, the Corporation has consolidated its shares on a one new share for each five shares issued. The comparative figures have been amended to take into account this consolidation.

Share Purchase Warrants

As at August 28, 2014, the Corporation's outstanding purchase warrants are as follows:

Number	Exercise Price	Expiry
666,667	$1.15	12-17-2014
850,000 (1)	$1.15	12-20-2014
2,400,000 (2)	$0.75	02-19-2016
1,363,636	$0.15	12-24-2015
1,299,881	$0.10	05-05-2015
6,580,184		

In November 2013, the Corporation has consolidated its shares on a one new share for each five shares issued. The comparative figures have been amended to take into account this consolidation.

(1) If trading price is higher than an average of $2.00 during a period of 20 consecutive trading days, 850,000 of these warrants will have to be exercised within 20 days after the issuance of a press release by the Corporation, or they will be cancelled.

(2) If the closing price of the shares exceeds $0.10 for a period of 10 consecutive trading days, then the warrant holders will have 30 days to exercise their warrants. At the end of this 30 days period, the warrants will expire.

Warrants issued to Brokers and Intermediaries

As at August 28, 2014, the Corporation's outstanding options issued to brokers are as follows:

Number	Exercise Price	Expiry
144,500	$0.75	12-20-2014
160,000	$0.50	02-19-2016
304,500		

In November 2013, the Corporation has consolidated its shares on a one new share for each five shares issued. The comparative figures have been amended to take into account this consolidation.

STRATEGY AND PERSPECTIVE

The Corporation main focus is on finding high quality exploration properties in the Abitibi Greenstone Belt. It is one of the largest greenstone belts in the world and it has produced over 180,000,000 ounces of gold and more than 450,000,000 tons of Cu-Zn ore. We believe that they are still several "elephants" to be discovered in the Abitibi Greenstone Belt.

In the spring of 2013, the Corporation has acquired a copper VMS property located in the Bathurst mining camp in New Brunswick that shows a lot of potential. Although our portfolio of exploration properties is impressive, we considered this acquisition as a good opportunity for Explor to add a project in an advanced exploration stage to its portfolio. The ramp on the property is an important element that might accelerate the development of this VMS and copper property. In April 2014, Explor signed a letter of intent with Brunswick Resources Inc. ("Brunswick") granting Brunswick an option to acquire the Chester Property. This letter of intent was modified on June 20, 2014.

Although the Chester property is an interesting project, the current financial situation of the Corporation makes it difficult to develop it to its full potential. Since the flagship property of Explor is the Timmins Porcupine West Property and that, with the current market, it has been difficult to find financings during the last two years, the Board of directors of Explor decided that it would be beneficial to Explor to sell the Chester property. Explor still has two payments of $50,000 remaining on the original acquisition agreement and the Corporation does not have the necessary liquidities to pay these amounts at this time. These payments will be assumed by Brunswick if the option agreement is approved by the disinterested shareholders of both companies. Brunswick will pay $40,000 to Explor, issue 5,000,000 common shares to Explor, pay the remaining $100,000 left on the original option agreement and do exploration work for an amount of $500,000 over a three-year period. The Board of directors believes that selling the Chester Property as this time is the best option for the Corporation because Explor does not have the necessary liquidities to pay the remaining amounts due to the vendor and to do exploration work on the property. If the Corporation cannot pay the remaining amounts to the vendor, the property would have to be returned to the previous owner. The shares that Explor will receive from Brunswick will be sold to finance the Corporation's exploration programs.

The Corporation is focusing most of its exploration efforts on the flagship property the Timmins Porcupine West Gold Project. The continued success of Lake Shore Gold Corp. in the West Timmins Mining Camp and the intersection by West Timmins Mining Inc. (WTM) of 12.75 g/tonne over an interval of 83.40 meters (0.37 oz/ton over an interval of 273.55 feet) on their property in 2009, (WTM Press Release June 24, 2009) has prompted Explor to acquire the Timmins Porcupine West Property ("TPW") in July 2009. Over the years, we added other claims to this Property. The TPW Property has a total surface area of 3200 hectares contiguous with Lakeshore's West Timmins Mining property. Another neighbour located to the west of TPW, Metals Creeks Resources ("MEK") has recently reported an intersection of 210.19 g/t Au over 12.53 m, which is very encouraging. (MEK Press Release of May 22, 2013). Explor has completed a 3D model on the property and very interesting deep targets have been defined.

The Corporation has completed some 119 holes to date, including 65 wedges off of the main pilot holes. Explor has drilled some of the deep targets revealed in the 3D modelling. Some of the deep targets intersected include Hole #12-62W1 which included **14.7 meters of 6.70 g/tonne Au** and Hole #12-73W5 which included **33.5 m of 7.65 g/tonne Au**. The drilling, logging and core analysis started in the fall of 2009 and continues to date. Since the acquisition of the property in late July 2009, the Corporation has confirmed the structural model and completed an initial NI 43-101 technical report on the property and three updates of the mineral resources. A new update of the mineral resource was released on August 27, 2013 and a technical report supporting this new estimate was filed on SEDAR on August 29, 2013. The new estimate consists of:

Open Pit Mineral Resources at a 0.30 g/t Au cut-off grade are as follows:

Indicated:	**213,000 oz (4,283,000 tonnes at 1.55 g/t Au)**
Inferred:	**77,000 oz (1,140,000 tonnes at 2.09 g/t Au)**

Underground Mineral Resources at a 1.70 g/t Au cut-off grade are as follows:

Indicated:	**396,000 oz (4,420,000 tonnes at 2.79 g/t Au)**
Inferred:	**393,000 oz (5,185,000 tonnes at 2.36 g/t Au)**

It should be noted that the Open pit Indicated resource increase from 74,000 oz to 213,000 oz and the Indicated underground mineral resource increased from 224,000 oz to 396,000 oz. The conversion of Inferred to Indicated oz is important in bringing the Corporation closer to being able to complete a PEA on the property. The Corporation is looking at several scenarios to accelerate the exploration of the TPW Property. The current market downturn has made it more difficult to find financing opportunities but Explor believes in the value of the TPW Project and remains committed to its exploration and eventual development. A new open pit mineable resource has been defined in addition to the underground resource on the latest update of the mineral resources as stated in Press Release dated April 16, 2013 and August 27, 2013. This is good news for the Corporation since it firms up and converts a significant portion of the Inferred to Indicated oz. The mineralized structure has over 2000 meters of strike length and is open on both end and at depth with potential to significantly increase the resource by additional diamond drilling. Additional drilling and consequently resource increase could conceivably accelerate the development of the TPW property. However, the current state of the market makes it difficult to find funds at this time and because of it, the Corporation has had to reduce its exploration activities this year. The Board of directors is studying some alternative financing strategies such as a loan in the form of a debenture or the sale of some assets to help finance the Corporation.

The Corporation announced on September 17, 2013, its intention to proceed with a consolidation of its shares on a basis of 5 existing common shares for one new share. The shareholders of the Corporation approved the consolidation at the last annual and special meeting held on October 22, 2013 and the consolidation was implemented on November 14, 2013.

In March 2014, the Corporation attended the Prospectors and Developers Conference (PDAC) in Toronto. The PDAC was well attended and the mood of the attendees was optimistic that the market is turning around. Gold appears to be slowing increasing in a positive direction. Several major companies were contacted to determine their interest for a potential joint venture with Explor Resources on our more advanced projects. Explor has also recently announced that Mr. Rodrigue Tremblay has replaced Mr. Jacques Frigon as Chief Financial Officer of the Corporation, following Mr. Frigon's retirement and resignation.

The current market appears to be slowly recovering. This is evident by the interest of investors in the junior sector by the quires we have recently been receiving. The Corporation continues to evaluate and study properties in the Abitibi Greenstone Belt as they become available in order to determine if they have the potential to increase shareholder value. In the coming months, the Corporation will continue to focus our efforts on the exploration programs that we have in place.

ADDITIONAL INFORMATION AND ONGOING DISCLOSURE

This annual MD&A was prepared as of August 28, 2014. The Corporation regularly discloses additional information by means of press releases and interim financial statements and MD&A on SEDAR's website (www.sedar.com) or on the Corporation's web site (www.explorresources.com).

CERTIFICATE

This annual MD&A was approved by the board of directors.

(s) Christian Dupont
Christian Dupont
August 28, 2014