

MAUDORE MINERALS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2013

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MAUDORE MINERALS LTD.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2013

The following management discussion and analysis (the "MD&A") of Maudore Minerals Ltd. ("Maudore" or the "Corporation") constitutes management's review of the factors that affected the Corporation's financial and operating performance for year ended December 31, 2013. This MD&A should be read in conjunction with the Corporation's audited consolidated financial statements as at December 31, 2013, prepared in accordance with the *International Financial Reporting Standards* ("IFRS"). All figures are in Canadian dollars unless otherwise noted.

Further information regarding the Corporation and its operations are filed electronically on the System for Electronic Document Analysis and Retrieval ("SEDAR") in Canada and can be obtained from www.sedar.com. On October 31, 2013, the Corporation filed on SEDAR an annual information form for its year ended December 31, 2012.

1. INCORPORATION AND NATURE OF OPERATIONS

Maudore was incorporated under the Ontario Business Corporations Act on September 20, 1996. The Corporation is primarily engaged in the acquisition, exploration development and operations of gold mining sites with the objective of becoming an important gold producer in Québec. The Corporation's portfolio comprises mining properties located in the Province of Québec, Canada. Through its 100% subsidiary Aurbec Mines Inc. ("Aurbec"), Maudore operates the Sleeping Giant mine and mill in the Abitibi region.

2. HIGHLIGHTS FOR 2013 AND TO THE DATE OF THIS REPORT

- Acquisition of Aurbec (previously named NAP Québec Mines Ltd) from North American Palladium Ltd ("NAP") on March 22, 2013 funded through a secured term loan of \$22 million ("Credit Facility") provided to the Corporation by FBC Holdings S.à r.l. ("FBC");
- Closing a brokered private placement for \$15.5 million on April 12, 2013;
- First gold pour March 28, 2013;
- Vezza production of 10,249 ounces of gold of which 10,247 were sold in 2013 generating \$14.3M of revenues that are capitalized against the development cost of Veza;
- Termination of Agreement with Noront Resources Ltd regarding the Windfall Lake property on April 18, 2013;
- Greg Struble appointed CEO on June 11, 2013;
- Initiation of exploration and development drilling underground at Sleeping Giant on the new ore zones and extensions to the historical high grade zones;
- Suspension of the Veza project's development on July 16th, 2013 and subsequent mine out of the currently developed ore zones by the end of September 2013;
- August 2013 re-start of underground mining at the Sleeping Giant mine in remnant mining areas;
- Completion of a custom milling agreement with Abcourt Mines Inc ("Abcourt") in September 2013;
- Initial treatment of the Abcourt production beginning in October 2013;
- Completion of the first 4 months of initial drilling on the exploration and development program at Sleeping Giant with positive results in the extensions to the historic high grade zones and the new zones at depth in the mine;
- Initial tabulation of the aero mag survey for the overall property holdings;
- Initial production of 835 ounces from the Sleeping Giant remnant areas of which 499 ounces were sold by year end 2013;
- Recent reduction in gold prices created a strain on the Corporation's cash resources. Ongoing discussions took place throughout the year with its creditors. In March 2014, the Corporation has reached an agreement with FBC which provides it with access to additional funding.

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3. OVERVIEW OF OPERATIONS

Maudore is engaged in the business of exploration and development of mineral properties, with mining and milling operations. At this time, Maudore is focused on advancing the Sleeping Giant property. The Corporation also holds the Comtois, Discovery, Flordin and Vezza gold projects, which contains Mineral Resources, and earlier-stage exploration projects that have not advanced to the resource definition stage, all located in the northern volcanic zone of the Abitibi greenstone belt, between La Sarre and Lebel-sur-Quévillon, Province of Québec. The Corporation does not consider the Comtois, Discovery and Flordin properties to be material at this time for the purposes of Regulation 43-101 relating to the information on the mining projects ("43-101").

4. SLEEPING GIANT PROPERTY

The Sleeping Giant property (the "Sleeping Giant property") includes also the mine, mill and tailing ponds located thereon. The Sleeping Giant property was acquired by Maudore in March 2013 through the acquisition of all the issued and outstanding shares of Aurbec, which is the registered owner of a 100% interest in the mining titles forming the Sleeping Giant property.

4.1 Property description and location

The Sleeping Giant property 80 kilometers north of the town of Amos and 150 kilometers north of Val-d'Or, along Highway 109, a route which continues north to Matagami, in the Abitibi region, Province of Québec. The approximate geographic centre coordinates of the Sleeping Giant property are 77°58'30"West and 49°08'00"North.

The Sleeping Giant property is composed of four mining leases and 69 mining claims in the immediate vicinity of the mining infrastructure, for a total coverage of 3,140.53 hectares (31.405 km²). The claims and mining leases, which have irregular shapes and sizes, are contained within the townships of Maizerets, Glandelet, Soissons and Chaste. All those claims and mining leases are 100% owned by Aurbec, which operates the Sleeping Giant mine and mill located on the Sleeping Giant property.

The Sleeping Giant property is subject to 2 royalties related to 2 claims outside the mining leases. The first one, in favor of Central Asia Goldfield Corporation, is a 2% royalty on the operational gross margin. The second one is a 15% net profit royalty in favor of Matagami Lake Exploration Ltd. The Sleeping Giant property is also subject to a 1.5% net smelter return ("NSR") royalty in favor of IAMGOLD Corporation ("IAMGOLD") on any future base metal production from the Sleeping Giant property upon certain conditions.

The Sleeping Giant property is located in the southwest part of the Northern Québec administrative region (James Bay territory). It is easily accessed via provincial highway 109 (located less than 1 kilometer east of the mine site), which connects Amos to Matagami. A network of logging roads provides access to the rest of the Sleeping Giant property. The landscape is relatively flat and lightly timbered. It is limited to the west and south by the Harricana and Coigny Rivers. Overburden thickness varies between 15 and 60 meters with an average of 30 meters. The region is under the influence of a continental climate marked by cold, dry winters and hot, humid summers. Exploration work can be done all year round on the Sleeping Giant property.

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4. SLEEPING GIANT PROPERTY (CONT'D)

4.2 Geological setting and mineralization

The Sleeping Giant property lies within the Archean Superior Province. The rocks of the Superior Province form the core of the North American continent and are surrounded by provinces of paleoproterozoic age to the west, north and east, and the Grenville Province of mesoproterozoic age to the southeast.

The Sleeping Giant property is located within the Abitibi Subprovince, which is in the southern portion of the Superior Province. The Abitibi Subprovince is divided into the Southern and Northern Volcanic Zones (SVZ and NVZ), representing a collage of two arcs delineated by the Destor-Porcupine-Manneville Fault Zone (DPMFZ). The Cadillac-Larder Lake Fault Zone (CLLFZ) separates the SVZ from the Pontiac Terrane Sedimentary rocks, an accretionary arc to the south.

The Sleeping Giant property is underlain by rocks of the first volcanic cycle of the NVZ. Its location matches a disturbance of the regional tectonic grain that forms a triple junction arrangement formed by three tonalitic polyphases and synvolcanic plutons. This area is affected by the major E-W striking Laflamme Deformation Zone and the NW-SE Harricana Deformation Zone. The Joutel mining camp, host to former zinc and gold producers, is located 50 kilometers to the NW, and the Matagami zinc mining camp is located 80 kilometers north of the Sleeping Giant property.

The Sleeping Giant property geology consists of a volcanic and Sedimentary sequence intruded by a felsic complex and post-Mineralization dykes. The volcano-Sedimentary rocks form a homoclinal sequence striking E-W with a steep dip to the south. As for the deposit geometry, the economic gold zones are restricted to the volcano-Sedimentary sequence located north and south of the central dacitic Intrusion.

The mineralized zones of the Sleeping Giant property are contained in sulphide-bearing quartz veins. At the mine scale, mineralized zones are spatially distributed within an area measuring 1 km². To the north, the veins strike E-W with a steep dip to the south of 65°-75°. To the south, a complex system made of four families of veins show a gradual change of Strike and connections with other veins of different attitudes.

4.3 Mineral resource estimate

On October 21, 2013, the consulting firm InnovExplo Inc. ("InnovExplo") produced an updated Mineral Resource estimate for the Sleeping Giant property, in accordance with 43-101. This report was filed on SEDAR on October 29, 2013. The main objectives of InnovExplo's work were to: 1) validate Aurbec's methodology, calculations and results, and 2) publish the results of an updated Mineral Resource estimate for the Sleeping Giant deposit. Mineral Resources are not Mineral Reserves since they have not demonstrated economic viability. The result of the study is a single Mineral Resource Estimate for 74 mineralized sites from 15 mineralized zones. The effective date of this Mineral Resource Estimate is August 1st, 2013.

The resource classification definitions used for the Sleeping Giant Report are those published by the Canadian Institute of Mining, Metallurgy and Petroleum in their document "CIM Definition Standards for Mineral Resources and Reserves."

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4. SLEEPING GIANT PROPERTY (CONT'D)

Mineral resource estimate results for the Sleeping Giant property

Sleeping Giant Mine Resources August 1 st 2013								
Zone	Measured		Indicated		Measured and Indicated		Inferred Resources	
	Tonnage	Au (g Au/t)	Tonnage	Au (g Au/t)	Tonnage	Au (g Au/t)	Tonnage	Au (g Au/t)
2			29,014	10.5	29,014	10.5	1,280	7.8
3			16,943	9.0	16,943	9.0		
6			56,194	9.9	56,194	9.9	2,361	8.7
8							3,627	9.9
9			5,044	8.2	5,044	8.2		
15			12,268	7.8	12,268	7.8	1,351	10.3
16			9,820	10.8	9,820	10.8	22,588	14.2
18			9,636	14.1	9,636	14.1	2,096	10.8
20			14,986	11.3	14,986	11.3		
30			2,251	10.0	2,251	10.0		
50	2,020	6.9	13,375	10.5	15,395	10.0	1,434	13.4
30W			30,792	12.6	30,792	12.6	3,405	14.5
8N			14,796	13.0	14,796	13.0		
785N			88,950	16.4	88,950	16.4	2,267	7.8
78H							1,290	7.0
Total	2,020	6.9	304,069	12.4	306,089	12.3	41,699	12.4

- The Independent and Qualified Persons for the 2013 Mineral Resource Estimate, as defined by Regulation 43-101, are Vincent Jourdain, Eng., PhD. (InnovExplo), and Rémi Verschelden, Geo, B.Sc., (InnovExplo), and the effective date of the estimate is August 1, 2013.
- These Mineral Resources are not Mineral Reserves as they do not have demonstrated economic viability.
- These underground resources are presented undiluted and in situ. The estimate includes seventy-four (74) mineralized sites from fifteen (15) mineralized zones (2, 3, 6, 8, 9, 15, 16, 18, 20, 30, 50, 30W, 8N, 785N and 78H).
- These resources were compiled at a cut-off grade of 6.5 g Au/t. Some polygons below cut-off grade were included to assure continuity of the mineralized zones.
- Cut-off grade must be re-evaluated in light of prevailing market conditions (gold price, exchange rate and mining cost).
- The estimate is based on 274 diamond drill holes drilled before April 2012 and from 5 samples from underground openings.
- A fixed density of 2.85 g/cm³ was used according to historical data.
- The minimum true thickness in resource estimations is related to the dip of the lens in the estimated area. The minimum mining width varies according to the presumed dip, between 1.6 meter (dip over 50°) and 1.8 meter (dip less than 50°), using the grade of the adjacent material when assayed or a value of zero when not assayed.
- Capping is established at 60 g Au/t for core samples and 55 g Au/t for face samples used to define the opening (drift, raise or Stope) grade. The grades are capped prior to any calculation being conducted on the data. These capping numbers consist of the lower parameters used historically at the Sleeping Giant mine.
- Resources were evaluated from drill hole samples and face samples using the polygon method on inclined longitudinal sections.
- The Measured Resources are defined as those where an underground opening in the mine provides access and Sampling to the estimated volume, in addition to drill information. Indicated Resources are those defined by drilling where continuous polygons (radius maximum 25m) are present. Inferred Resources are those defined by drilling where isolated polygons (radius maximum 25m) are present.
- While the results are presented undiluted and in situ, the reported Mineral Resources are considered to have reasonable prospects for economic extraction.
- CIM definitions and guidelines were followed for Mineral Resources.
- A gold price of US\$1,400/oz and an exchange rate of US\$1.00=C\$1.00 was used in the gold cut-off grade calculations of 6.50 g Au/t for potential underground mine.

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4. SLEEPING GIANT PROPERTY (CONT'D)

- Ounce (troy) = 31.10348 g. Calculations used metric units (meters, tonnes and g/t).
- The number of metric tons was rounded to the nearest hundred. Any discrepancies in the totals are due to rounding effects; rounding followed the recommendations in Regulation 43-101.
- InnovExplo is not aware of any known environmental, permitting, legal, title-related, taxation, socio-political or marketing issues or any other relevant issue that could materially affect the Mineral Resource Estimate.

After conducting a detailed review of all pertinent information and completing the 2013 Sleeping Giant Mineral Resource Estimate, InnovExplo concludes the following:

- The geological and grade continuities of the gold mineralized zones of the Sleeping Giant property were demonstrated;
- The Sleeping Giant property contains at least 74 mineralized sites;
- The studied ore shoots have Strike lengths ranging up to 90 meters;
- In spite of the current drill spacing in some of the mineralized zones, geological continuity seems steady throughout most of the mineralized zones;
- Several zones encountered at the Sleeping Giant deposit have significant possibility to expand as some of the extensions are open;
- The potential is high for upgrading Inferred Resources to Indicated Resources with more diamond drilling in all of the zones;
- The potential is high for adding new resources in the extensions of known zones with additional diamond drilling; and
- The potential is high for identifying new ore shoots in the extensions of known zones with additional diamond drilling.

The property is strategically positioned in an area known to be associated with gold mineralization. The Sleeping Giant deposit has produced over one million ounces of gold between 1988 and 2012.

An initial 20,000 meter exploration drilling program was initiated in August 2013. The goals of this program were to test the potential of the extensions to the historic high grade zones (the Shaft Shadow) as well as the new zones identified at depth in the mine. Initial results of this program were announced in an October 24th press release outlining the mineralization encountered in the extensions to the historic high grade 30 zone. A subsequent press release was issued on March 3rd 2014 to discuss the extension of the new 785N zone at depth. A new 43-101 Resource Report is scheduled for completion at the end of Q2-14 to report the new resources identified from the initial drilling program. At year end, the internal unaudited results were consistent with the corporation's goal of finding 50,000 new resource ounces per year.

5. ADVANCED PROPERTIES

The Corporation has four advanced exploration projects which are: Vezza, Comtois, Discovery and Flordin. The Corporation does not consider the Comtois, Discovery and Flordin properties to be material at this time for the purposes of Regulation 43-101.

5.1 Vezza project

The Vezza project also includes the mine and underground infrastructures located thereon. The Vezza project was acquired by Maudore in March 2013. Aurbec is the registered owner of the mining titles forming the Vezza project.

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5. ADVANCED PROPERTIES (CONT'D)

a) Description and location

The Vezza project is located in the Province of Québec, approximately 25 kilometers to the south of the town of Matagami. The project site is at approximately 77°45' W longitude and 49°31' N latitude. The Vezza project consists of 49 contiguous claims and one mining lease covering a surface area of 849.12 hectares (8.5 square kilometers) in Vezza and Noyon townships. In addition to claims and a mining lease, Aurbec holds two surface leases which allow mining and stockpiling of crushed rock for backfill on the Vezza project.

There is a 2% NSR royalty affecting the Vezza project on any production in excess of 300,000 ounces from the Vezza project, granted when Agnico-Eagle Mines Limited first acquired the Vezza project.

The Vezza project is easily accessible by provincial highway 109, a principal paved regional road linking the town of Amos to Matagami, and by a five kilometer all-weather gravel road linking the Vezza project to the paved highway.

The Vezza project is located in the north-central part of the Abitibi Subprovince, a subdivision of the Superior Province, the Archean core of the Canadian Shield. The Abitibi Subprovince, commonly referred to as the Abitibi greenstone belt, comprises suites of volcano-Sedimentary assemblages and granitoid rocks that are Archean in age (>2.5 billion years old).

b) Mineral resources estimate

The following information on the Vezza Project were extracted from a 43-101 technical report dated March 22, 2013, prepared by independent consultants in accordance with 43-101. This report was filed on SEDAR on May 6, 2013. The 2013 Mineral Resources Estimation only concerns the Contact Zone. The other zones were not revisited. The effective date of the Vezza Report is December 31, 2012.

The 2013 Mineral Resources Estimate does not consider any external dilution but internal dilution was added where true thickness was less than two meters. Indicated Resources and Measured Resources were estimated using a cut-off of 4.2 g/t Au. Inferred Resources were estimated using a 3 g/t cut-off.

Contact Zone at 4.2 Cut-Off			
	Metric Ton	Au (g/t)	Au (on)
Indicated resource	586,070	6.3	119,120
Measured resource	658,780	6.9	141,990
Total	1,244,850	6.5	261,110

Contact Zone at 3.0 Cut-Off			
Inferred resource	435,830	4.9	68,540

There are currently no Mineral Reserves reported for Vezza project.

Due to decrease in the price of gold, the development stage of the project and high production costs, the Corporation stopped development at Vezza to mine out developed resources and focus on the development of the Sleeping Giant mine potential for higher grade resources. The Vezza project is currently on care and maintenance.

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5. ADVANCED PROPERTIES (CONT'D)

5.2 Comtois property

The Comtois property consists of 411 claims, for 15,539 hectares, (155 square kilometers). The property is located 15 kilometers northwest of the town of Lebel-sur-Quévillon, Abitibi region, Province of Québec. The Comtois property is an advanced exploration project with the Osbell Gold Resource, notable gold prospects Comtois NW, Hudson and Greer, and many more. The Osbell Gold Resource has been the main focus of Maudore's exploration efforts until December 2012.

All claims are 100% owned by the Corporation, except for 15 claims optioned from Newmont Canada Ltd (Newmont Option Claims), in the northern part of the property where Newmont retains 1.45% NSR royalty on the Newmont Option Claims. The other 5% interest in the Newmont Option Claims is held by Société de Développement de la Baie James and will be converted into a 2% NSR royalty (1% of which can be re-acquired by the Corporation for an amount of \$250,000) in the event of commercial production. Claims that cover the Osbell deposit are subject to a 10% NPI royalty in favor of the original owner, which can be bought back with a one-time cash payment of \$500,000.

Maudore filed a Mineral Resource estimate update for the Osbell Deposit and 43-101 Report on SEDAR on October 29, 2012, which reported a combined open pit and underground potential Mineral Resources of 8,463,800 tonnes at 2.0 g/t Au for 546,299 ounces gold (indicated) and 4,512,100 tonnes at 6.2 g/t Au for 902,436 ounces gold (inferred).

Depending on available resources, the Corporation may initiate baseline environmental work around the potential to construct a processing facility near the Osbell deposit. This facility would act as a central facility for the satellite deposits around this district such as the Flordin and Discovery projects (see descriptions below) that were inherited with the Aurbec properties. This facility would also be adjacent to the Laflamme property to the north where Aurbec has an exploration Joint Venture with Midland Exploration Inc.

5.3 Discovery property

The Discovery property is formed by 124 claims with a total area of 3,371 hectares (33.7 square kilometers). The property lies about 30 kilometers northwest of Lebel-sur-Quévillon, Province of Québec.

The Discovery property is 100% owned by Aurbec. 28 claims of the property are subject to a royalty of 1% to 3% NSR in favor of Homestake Canada Inc. In addition, 14 claims subject to a 1% NSR royalty are also subject to a royalty of 20% net profits in favor of Xstrata. 41 claims are subject to a royalty equal to the greater of 2% NSR royalty or \$1.00 per tonne for any mineral substance processed and/or sold, payable to previous owners.

Gold has been known on the property since the 1970's, when the deposit was discovered by Homestake Mining Corporation. Gold at Discovery is located in steeply-dipping quartz-carbonate veins within a metamorphosed, deformed gabbro. In 2010 and 2011, Aurbec drilled 58 holes extending and detailing Mineralization over a Strike length of some 2 kilometers and at depth of 700 meters.

Further work at Discovery will include an updated estimate of Mineral Resources. Historical Mineral Resources estimate in 2008 were of measured resources of 3,109 tonnes grading 8.95 g/t for 895 ounces, indicated resource of 1,278,973 tonnes grading 5.74 g/t Au for 236,180 ounces and an inferred resource of 1,545,500 tonnes grading 5.93 g/t Au for 294,473 ounces.

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5. ADVANCED PROPERTIES (CONT'D)

The Discovery historical resource estimate is sourced from a 43-101 report prepared in 2008 by InnovExplo. The historical estimate is not current today because additional diamond drilling completed by Aurbec since 2008 must be included, and the cut-off grade applied to the resource estimate must be re-evaluated in light of present market conditions (gold price, exchange rate, and mining cost). The Corporation believes that the historical estimate is reliable because Maudore has worked extensively with InnovExplo and the author of the report since 2006, and believes that all work was completed at a high professional standard. Resource categories used in the historical estimate are in compliance with CIM Definition Standards on Mineral Resources and Mineral Reserves.

Parameters used are minimum mining width of 1.6 m (horizontal thickness), cut-off grade of 3 g/t Au, capping grade of 35 g/t Au, and specific gravity of 2.82 g/cm³. Polygonal on longitudinal method used cross sections to confirm grade and thickness, which were located on a longitudinal section, where polygons were traced and the volume and grade calculated (using AutoCAD and Promine software). In order to upgrade the historical estimate new drilling must be digitized, validated, and quality control protocols checked, prior to appending to the current drill database which will then be imported to GEMs software to generate a block model and estimate a Mineral Resource. All work must be completed by Qualified Persons and evaluated to the current 43-101 Standards for Mineral Projects. A Qualified Person has not performed sufficient work to classify the Discovery historical estimate as a current Mineral Resource; and Maudore is not treating the Discovery historical Mineral Resource estimate as a current Mineral Resource estimate.

No work is planned on the Discovery property in the short to mid-term.

5.4 Flordin property

The Flordin property comprises 40 claims which cover 591 hectares (5.9 square kilometers), located some 25 kilometers north of Lebel-sur-Quévillon, Québec. The Flordin property is 100% owned by Aurbec. A 1% NSR royalty is payable to IAMGOLD on future commercial production of the property. Aurbec has a pre-emptive right at any time to purchase back this royalty for US\$1,000,000. Moreover, 37 of these claims are subject to a 20% NPI royalty in favor of Flordin Mines Ltd.

Gold Mineralization at Flordin has been known since the 1930's and the deposit was initially drilled and explored as a prospect for underground mining. Gold grades, widths of mineralized zones and thin overburden have led to a re-evaluation of Flordin as an open pit deposit, with much improved prospects. Gold Mineralization at Flordin is located in deformed and boudinaged quartz-carbonate veins within a sequence of metamorphosed and sheared mafic igneous rocks (basalt and gabbro).

Work by Aurbec included surface trenching and drilling of 248 drill holes in 2010 and 2011. These drill holes covered much of the deposit on a 30 x 30 meters grid to a depth of 100 meters. This database now allows more detailed understanding of the economic potential of the Flordin gold zones.

A historical Mineral Resource estimate completed in 2011 reported a measured resource of 116,000 tonnes grading 3.25 g/t Au for 12,133 ounces Au, an indicated resource of 2,707,000 tonnes grading 1.77 g/t Au for 153,998 ounces Au, and an inferred resource of 2,199,000 tonnes grading 1.95 g/t Au for 137,561 ounces Au.

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5. ADVANCED PROPERTIES (CONT'D)

The Flordin historical resource estimate is sourced from a 43-101 report prepared in 2011 by InnovExplo. The historical estimate is not current today because additional diamond drilling completed by Aurbec since 2011 must be included, and the cut-off grade applied to the resource estimate must be re-evaluated in light of present market conditions (gold price, exchange rate, and mining cost). The Corporation believes that the historical estimate is reliable because Maudore has worked extensively with InnovExplo and the authors since 2006, and believes that all work was completed at a high professional standard. Resource categories used in the historical estimate are in compliance with CIM Definition Standards on Mineral Resources and Mineral Reserves. InnovExplo used the squared inverse distance method to interpolate gold grades in a block model, and a pit-shell confined portions of the model. A minimum cut-off grade of 0.5 g/t Au was used for the open pit portion of the Mineral Resource Estimate and a minimum cut-off grade of 3.50 g/t Au was used for the underground model.

Drill hole intercepts were calculated to a 3.0 meters minimum true thickness and specific gravity of 2.8 t/m³ was used. In order to upgrade the historical estimate new drilling must be added to the database, validated and quality control protocols checked, prior to being appended to the current dataset for a subsequent block model, Mineral Resource estimate, and possible Whittle pit shell model. All work must be completed by Qualified Persons and evaluated to the current 43-101 Standards for Mineral Projects. A Qualified Person has not performed sufficient work to classify the Flordin historical estimate as a current Mineral Resource; and Maudore is not treating the Flordin historical Mineral Resource estimate as a current Mineral Resource estimate.

While no further work is anticipated in the near term, Flordin has been permitted for a bulk sample to be processed at the Sleeping Giant processing facility. Further work at Flordin would include an updated estimate of Mineral Resources once exploration efforts are resumed at this project. However, no work is planned on the Flordin property in the short to mid-term except for potential baseline environmental studies

6. OTHER EXPLORATION PROPERTIES

Maudore has a prominent land position that extends 120 kilometers west-east along the Northern Volcanic Zone of the Abitibi Greenstone Belt. Maudore's Comtois property with the Osbell Gold Resource is in the eastern part of Northern Volcanic Zone near Lebel-sur-Quévillon, and midway along the properties to the west is the Sleeping Giant Mine that poured over a million ounces of gold in the past. These two considerable gold deposits demonstrate the merit of the Northern Volcanic Zone.

Despite excellent geology, the Northern Volcanic Zone of the Abitibi has received far less exploration success than elsewhere. Deep overburden and consequent lack of outcrop make it difficult to clearly understand controls on Mineralization once found. Detailed geophysics and expert geophysical interpretation are methods that Maudore will implement as it explores the Northern Volcanic Zone.

Maudore has completed property-wide hi-resolution aeromagnetism and radiometrics (100m lines spacing and low terrain clearance) that will provide new clarity for interpretation of geology and structure in the belt on its different properties. During 2013 no exploration was completed on the exploration properties and no further exploration work is planned on a short to mid-term.

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6. OTHER EXPLORATION PROPERTIES (CONT'D)

	Number of claims	Area in km ²	Target
Properties (Maudore)			
North Shore	77	43	Gold, VMS base metal and magmatic Cu-Ni PGE deposits
Bell	95	46	Felsic Volcanics with gold Mineralization
Sadie	152	86	Gold in a volcano sedimentary sequence
Cedar Rapids	73	23	Gold in intensively altered Shear zones
Pakodji	16	7	Semi-massive to massive sulphide lenses
Comtois Southwest	69	28	Gold in a volcano sedimentary sequence
Bernetz	84	37	Gold in felsic Volcanics
Fonteneau-Themines	78	44	Gold in felsic Volcanics
Sleeping Giant Southeast	177	100	Gold in felsic Volcanics
Mazarin-Glandelet	287	148	Magmatic CU-Ni PGE Mineralization
Dalet	456	226	Gold in felsic Volcanics
Properties (Aurbec)			
Dormex	127	62	Narrow high grade quartz-sulphide veins
Cameron Shear (50%)	193	30	Gold in Shear zones
Florence	13	2	Gold in Shear zones
Montbray	28	11	Gold-bearing veins
Laflamme (42%)	670	352	Gold in a volcano sedimentary sequence
Harricana	93	52	Gold in Shear zones
Total	2,688	1,297	

Termination of agreement to acquire 25 % interest in the Windfall Lake project

Maudore signed a purchase and sale agreement with Noront Resources Ltd. ("Noront") to acquire Noront's 25 percent interest in the Windfall Lake Project in December 2012. On April 18, 2013, this agreement was terminated. Concurrently, Maudore has informed Eagle Hill Exploration Corporation that it will no longer pursue its proposed business combination between the two companies.

7. MILLING AGREEMENT WITH ABCOURT

On August 15, 2013, Aurbec signed a milling agreement with Abcourt to treat mine production from their Elder Mine at the Sleeping Giant mill. The initial agreement is in effect for six months and has been extended through June 2014. Further extensions are possible if both parties agree. Aurbec received the necessary environment permits and authorizations to store and process the Elder mineralized material at Sleeping Giant in late September 2013. Ore shipments from Abcourt's Elder mine began immediately upon receipt of these permits with processing of the initial tranche in October 2013.

8. OPERATING STATISTICS

Since acquisition of the Aurbec on March 22nd, 2013, the Corporation's main source of revenue was from the development ore at the Vezza project. By the end of Q3-13, this developed resource had been mined out and processed with the results as shown in the table below. As the developed resources were mined down, select crews were reassigned to the Sleeping Giant mine to facilitate the re-start of the underground and the staged ramp up of production in parallel to the diamond drilling program to test the new higher grade resource areas and extensions to the historic high grade zones in the upper areas of the mine. The cost profile below shows the impact of the cessation of development and exclusive stope production costs only.

MAUDORE MINERALS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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8. OPERATING STATISTICS (CONT'D)

8.1 Vezza project

		March 23 to March 31, 2013	April 1 to June 30, 2013	July 1 to Sept. 30, 2013	Oct. 1 to Dec. 31, 2013	March 23 to Dec. 31, 2013
Veza Only						
Production skipped	(t.m.)	2,640	39,375	37,125	-	79,140
Milled	(t.m.)	2,212	37,467	40,361	817	80,857
Grade	(g Au/t)	7.4	3.8	4.4	14.5	4.3
Recovery	(%)	91.7	90.9	91.6	97.1	91.5
Gold production	Ounces	485	4,179	5,215	370	10,249
Gold sales	Ounces	-	2,819	5,065	2,363	10,247
Sales from Veza	\$	-	4,072,614	6,945,808	3,292,425	14,310,847
Average gold sale	CND\$/oz	-	1,441	1,368	1,389	1,460

Details of costs capitalized as mine development for the Veza project:

		From March 23, to December 31, 2013
		\$
Direct costs		
Underground works		9,116,941
Mill		3,618,009
Transport		745,200
Administration		2,025,199
		15,505,349
Cost of sales and inventory count adjustments		448,696
Underground development		926,014
Total costs		16,880,059
Sales deducted from capitalized costs		
Gold sales		(14,274,576)
Silver sales		(36,271)
		(14,310,847)
Total cost capitalized as mine development		2,569,212

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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8. OPERATING STATISTICS (CONT'D)

8.2 Sleeping Giant mine

Remnant mining at Sleeping Giant mine commenced on August 13th with one mining crew after the underground workings were prepared for the new diamond drilling activity. As Vezza was shut down, more crews moved providing production staffing for three remnant stopes going into Q4-13 and new mine development on the lower levels of the mine. While the initial stoping results delivered expected results, management still anticipates variable conditions in general from these remnant areas due to their uncertain continuity. However, these areas provide the benefit of retaining and deploying experienced mining crews to interim production efforts while the extensions to historic high grade areas and the new zones continue to prove viable through the exploration, development and infill diamond drilling. By year end 2013, three remnant stopes had been reopened with two providing ongoing production into 2014. Reconciled mining results for the Sleeping Giant mine totaled 4,388 ore tonnes grading 6.68 g Au/t for 942 head ounces for this interim production. The number of active stoping panels is expected to improve significantly in 2014 as new stoping areas are brought on line from the new drilling that is currently underway and more consistent grade results are achieved. As at this report, 5 stopes are in production and 2 in development. One of which is the first new stope in the Shaft Shadow target area as an extension to the high grade 30 zone area on the 725 level which was one of the focus areas for the diamond drilling campaign. Additionally, 103 meters of drift and raise development were initiated toward the new stoping areas at depth as well as for accessing the first extensions to the historic high grade zones on the 725 level.

The initial Sleeping Giant production was held in inventory at the end of Q3-13 and processing was initiated in Q4-13 and is reported in the statistics table below:

		August 13 to December 31, 2013
Sleeping Giant Only		
Diamond Drilling	(meters)	11,035
Production skipped	(t.m.)	4,388
Milled	(t.m.)	4,920
Grade	(g Au/t)	5.44
Recovery	(%)	97.1
Gold production	Ounces	835
Gold sales	Ounces	295
Sales from Sleeping Giant	\$	387,448
Average gold sale	CDN\$/oz	1,307

9. PERSON RESPONSIBLE OF TECHNICAL INFORMATION

The person responsible for Maudore's technical information is Maudore's Chief Consulting Geologist Kevin Kivi, P.Geo. of KIVI Geoscience Inc, Thunder Bay (Ontario) who has reviewed the technical content of this report.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2013

10. EXPLORATION PROJECT EXPENSE STATISTICS

The amounts invested in exploration work in 2013:

2013	Comtois	North Shore	Dalet	Newmont option	Others Maudore	Sleeping Giant	Flordin	Discovery	Others Aurbec	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Drilling	-	-	-	-	-	-	-	-	-	-
Contractual fees	141,974	4,062	2,369	1,760	2,183	-	-	-	-	152,348
Geology, geophysic and metallurgy	46,906	-	-	-	-	78,102	12,062	19,310	8,591	164,971
Salaries and benefits	-	-	-	-	-	229,746	567	2,386	82,940	315,639
Stock-based compensation	-	-	-	-	-	-	-	-	-	-
Geochemical assays	28,306	-	-	-	-	-	-	-	-	28,306
Equipment and vehicle rental	100,347	-	-	-	-	-	-	-	-	100,347
Travelling expenses	-	-	-	-	-	-	-	-	-	-
Environmental expenses	11,991	-	-	-	-	-	-	-	-	11,991
General exploration expenses	3,267	-	-	-	-	-	-	-	-	3,267
Mining credits	(68,563)	(885)	(516)	(384)	(477)	-	(1,894)	(3,254)	(1,289)	(77,262)
	264,228	3,177	1,853	1,376	1,706	307,848	10,735	18,442	90,242	699,607

The amounts invested in exploration work in 2012:

2012	Comtois	Bell	North Shore	Mazarin-Gandelet	Dalet	Newmont Option	Others Maudore	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Drilling	3,979,493	55,987	-	179,191	-	1,157,428	203,641	5,575,740
Contractual fees	3,937,405	64,669	360,596	129,587	439,382	160,766	310,175	5,402,580
Geology, geophysical and metallurgic	340,930	41,644	106,145	214,684	612,443	3,285	160,726	1,479,857
Salaries and benefits	226,712	-	-	-	-	-	-	226,712
Share-based compensation	41,500	-	-	-	-	-	-	41,500
Geochemical assays	1,805,316	22,138	63,956	28,902	113,595	-	79,853	2,113,760
Equipment and vehicle rental	234,753	828	15,249	18,097	109,877	-	10,599	389,403
Travelling expenses	187,868	32	12,938	2,162	22,449	-	1,265	226,714
Environmental expenses	87,734	-	-	-	-	-	-	87,734
General exploration expenses	191,318	3,135	30,091	5,286	16,251	-	10,166	256,247
Mining credits	(160,820)	-	-	-	-	-	-	(160,820)
	10,872,209	188,433	588,975	577,909	1,313,997	1,321,479	776,425	15,639,427

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MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2013

11. SUBSEQUENT EVENTS

Consensual restructuring

During the period from October 2012 to present, the market price of gold has been volatile and dropping. This trend in gold prices created a strain on the Corporation's cash resources and caused the Corporation to experience difficulties in dealing with its creditors. On August 15, 2013, Entrepreneur minier Promec Inc. ("Promec") registered a notice of legal hypothec against the Corporation's Vezza project and Sleeping Giant property (the "Promec Hypothec"). Promec later filed a petition in bankruptcy against Aurbec on August 23, 2013. While vigorously working to have the petition in bankruptcy dismissed, the Corporation initiated the negotiation of a Consensual Restructuring with its senior lender, Cyrus Capital Partners L.P. ("Cyrus"), in its capacity as a manager to FBC, its four major creditors and other stakeholders with a view to implementing its ongoing business plan consisting of the recommencement of mining operations at its Sleeping Giant property.

On September 30, 2013, in order to preserve cash while the negotiation of the Consensual Restructuring continued, the Corporation elected to defer the payment of the interest due to FBC pursuant to its \$22,000,000 Credit Facility. On October 2, 2013, the Corporation received a letter from Cyrus regarding defaults under the Credit Facility and putting the Corporation on notice that, while it was still prepared to proceed with the Consensual Restructuring, Cyrus would move to enforce its security if agreements to implement the Consensual Restructuring were not signed by the Corporation's four major creditors by October 7, 2013. This deadline was subsequently extended to October 15, 2013, on which date such agreements were entered into by the Corporation.

The Consensual Restructuring addressed approximately \$2,360,000 of trade credit of the Corporation. Under the Consensual Restructuring, the Aurbec trade creditors (for which the agreement covers \$4,330,000 of debt) were granted a first ranking charge on Aurbec's immovable rights and mining claims in respect of the Corporation's Vezza project to secure any outstanding balances owed (the "Veza Hypothecs"). In consideration for the Veza Hypothecs and the payments to be made by Aurbec, Promec discharged the Promec Hypothec and asked the court that its petition in bankruptcy against Aurbec be withdrawn or dismissed.

As at November 27, 2013, upon an application by Promec, the Québec Superior Court dismissed the bankruptcy petition that Promec had previously filed against Aurbec and discharged the Promec Hypothec. Pursuant to an agreement that was reached in October 2013 for the consensual restructuring of Aurbec's trade payables, an arrangement has been made that is acceptable to FBC to grant a first ranking security to Promec and to one other creditor over the Veza project only in order to secure the repayment of all indebtedness owing to them should Aurbec fail to deliver on the current plan to see all creditors repaid in full.

In the context of the previously announced consensual restructuring of its debts, the Corporation filed on December 6, 2013 a final short form prospectus in connection with a rights offering ("Rights offering").

However, it became necessary to revise the terms of this Consensual Restructuring and to discontinue the Rights offering mainly as a consequence of the Corporation having projected an increase in the time and development costs required for new stoping at the Sleeping Giant mine, elements that were not reflected in its initial payment schedules. The primary driver for this change was the positive drill results obtained from ongoing underground diamond drilling being conducted. The Corporation has successfully achieved its initial drilling plan goals and exceeded new ounce growth targets. However, the majority of these new ounces were revealed to be proportionally in the deeper levels of the mine. As a consequence, additional mine development and extended ramp up time is needed for these new stoping areas to reach positive cash flows, resulting in a significant change to the overall financing needs of the Corporation in order to bridge its operations to that point.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2013

11. SUBSEQUENT EVENTS (CONT'D)

As of March 13, 2014, the Corporation announced that it reached an agreement with Cyrus for additional funding to be made available by FBC to the Corporation and to Aurbec. The specific terms of the FBC Agreement are as follows:

a) Immediate funding

Upon the execution of definitive documentation by the parties, FBC will immediately advance to Aurbec the sum of \$4 million in the form of a senior secured loan (the "Senior Secured Loan"), with the funds to be used by Aurbec for general corporate purposes until May 22, 2014 where a meeting of the shareholders of the Corporation will take place for the approval of the shareholders other than FBC (the "Disinterested Shareholders") to the overall terms of the FBC Agreement as discussed below. The Senior Secured Loan will bear interest at the rate of 15% per annum and will be secured by a first charge on all assets of Aurbec (subject to the prior charge on the Vezza project in favor of Promec and the other creditor) as well as a secured guarantee provided by the Corporation (the "Senior Security"). Aurbec will pay a fee of 5% on any undrawn amounts.

FBC will also continue to allow the Corporation to draw on the balance remaining of the original amount of approximately \$3.3 million held in the interest escrow account established pursuant to the existing \$22 million Credit Facility. These funds will be used for general corporate purposes, subject to the prior approval of FBC. FBC has been allowing the Corporation to access these funds for working capital purposes since the time that the Corporation discontinued its Rights Offering.

Should the Disinterested Shareholders not approve the terms of the FBC Agreement, this would constitute a default under the Senior Secured Loan, rendering it immediately repayable to FBC, and would similarly create a default under the Credit Facility.

b) Other features subject to shareholder approval

Upon the approval of the Disinterested Shareholders of the terms of the FBC Agreement as discussed below, the following additional elements of the FBC Agreement will be implemented:

1. FBC will pay to Aurbec the sum of \$4 million, which sum will be applied by Aurbec to the repayment of the then outstanding balance of the Senior Secured Loan described above, with the remaining balance available to be used for general corporate purposes. In exchange for this \$4 million payment, (i) Aurbec will issue to FBC such number of Common Shares in its share capital as will result in FBC holding a 49.9% equity interest in Aurbec (with the Corporation retaining a 50.1% equity interest) and (ii) Aurbec will grant to FBC a royalty claim (the "Royalty Claim"). Under the terms of the Royalty Claim, Aurbec will be required to pay to FBC, within one year, the sum of \$4 million plus interest at the rate of 15% per annum. Repayment of the Royalty Claim will be made by Aurbec through a combination of the following sources of cash: (A) 1% of any gold sales generated by Aurbec and (B) any cash balances in excess of \$1 million (which excesses will be deposited into a blocked account in favor of FBC and be balanced on a bi-weekly basis). Moreover, in the event of a change of control of the Corporation or Aurbec (other than in favor of FBC), the Royalty Claim will become immediately repayable at the option of FBC for an amount equal to 101% of the amount otherwise payable thereunder at such time. The obligations of Aurbec under the Royalty Claim will be guaranteed by the Corporation and secured against the assets of the Corporation and Aurbec.
2. FBC will make available to Aurbec the sum of \$2 million in the form of a senior secured loan, with the funds to be used by Aurbec for general corporate purposes, subject to the prior approval of FBC. This senior secured loan will bear interest at the rate of 15% per annum and will be secured by the Senior Security. Aurbec will pay a fee of 5% on any undrawn amounts.

MAUDORE MINERALS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2013

11. SUBSEQUENT EVENTS (CONT'D)

3. FBC will provide funding sufficient to satisfy Aurbec's new environmental bonding requirements in 2014 of approximately \$0.9 million.
4. The approximately \$2.2 million in interest currently outstanding under the Credit Facility will be converted into principal under the Credit Facility.
5. The Corporation will be permitted to satisfy the ongoing interest owing on the Credit Facility for 2014 either by making cash payments or by converting such interest into principal under the Credit Facility.
6. FBC will convert a minimum of \$2 million and a maximum of \$4 million (the exact amount to be determined by FBC at its option) of outstanding principal owing under the Credit Facility, or of other debt owing to it, into Common Shares at a conversion price of \$0.09 per Common Shares, representing a minimum of 22,222,222 and a maximum of 44,444,444 Common Shares.
7. The Corporation will undertake not to issue any additional Common Shares without the approval of FBC prior to the implementation of the Consensual Restructuring.
8. In consideration of this restructuring, the Corporation will issue to FBC an aggregate of 15.35 million Common Shares.

The Boards of Directors of the Corporation and of Aurbec have received an opinion from Clarus Securities Inc. regarding the terms and conditions of the FBC Agreement, stating that the FBC Agreement is fair to the Corporation and to Aurbec from a financial point of view.

Agreements have been reached with the Other Creditors of Aurbec which provide that an aggregate of approximately \$4.3 million of debt will be repaid in monthly instalments of approximately \$85,000, with a final balloon payment of approximately \$2.2 million to be made in March 2015.

The implementation of the FBC Agreement remains subject to the execution of formal documentation, the receipt of all requisite regulatory approvals and, except as stated above, the approval of the Disinterested Shareholders. Moreover, any further agreements that the Corporation or Aurbec may enter into with the Other Creditors regarding the restructuring of their debt may be subject to similar conditions. Further information regarding these matters will be contained in a management proxy circular which will be mailed to shareholders in due course in connection with the meeting which will be called by the Corporation in order to seek their approval of the foregoing.

12. INFORMATION ON SHARE CAPITAL

	April 22, 2014	December 31, 2013
Shares	47,241,522	47,241,522
Shares options	1,865,000	1,865,000
Warrants	9,591,678	9,591,678
	58,698,200	58,698,200

MAUDORE MINERALS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2013

12. INFORMATION ON SHARE CAPITAL (CONT'D)

12.1 Stock option plan

The Corporation had a Common Shares stock option plan adopted in 1997 (the "1997 Stock Option Plan") as amended from time to time to increase the maximum number of Common Shares issuable under the 1997 Stock Option Plan to a maximum of 5,000,000 Common Shares. Since the implementation of the 1997 Stock Option Plan, the Corporation has issued 1,834,432 Common Shares pursuant thereto, representing 3.8% of the Corporation's issued and outstanding Common Shares. The 1997 Stock Option Plan was adopted more than 15 years ago and the Board of Directors (the "Board") believed that it needed to be updated with current standards and rules under the TSX Venture Exchange (the "Exchange"). In May 2013, the Board adopted a new Common Share purchase option (the "2013 Stock Option Plan"), which was conditionally approved by the Exchange subject to the filing with the Exchange of the final documentation pertaining thereto. Stock options outstanding under the 1997 Stock Option Plan are now governed by the 2013 Stock Option Plan.

The following is a summary of the main features of the 2013 Stock Option Plan:

- a) Persons who may receive Common Shares purchase options under the 2013 Stock Option Plan ("Stock Options") are the officers, directors, employees and consultants of the Corporation or of its subsidiaries (the "Eligible Participants");
- b) The maximum number of Common Shares reserved for issuance under Stock Options granted under the 2013 Stock Option Plan (and under any other option purchase plan or other stock option grants) shall not result at any time in the number of Common Shares reserved for issuance under Stock Options exceeding 10% of the outstanding Common Shares of the Corporation at the date the 2013 Stock Option Plan was adopted or subsequently amended. The maximum number of Common Shares that can be issued upon exercise of Stock Options granted under the 2013 Stock Option Plan is equal to 4,724,000 Common Shares;
- c) The Board determines the exercise price of the Common Shares underlying the Stock Options when such Stock Options are granted. The exercise price per Common Shares shall not be less than the closing price of the Common Shares on the Exchange on the day on which the Stock Options are granted and must not be lower than \$0.10 per Common Shares;
- d) The expiry date of a Stock Option shall be the 10th anniversary of the date of grant unless a shorter period of time is otherwise set by the Board at the time particular Stock Options are granted;
- e) If any option holder shall cease to be an Eligible Participant for any reason, other than termination for cause or death, he may exercise any vested Stock Options issued under the 2013 Stock Option Plan that is then exercisable, but only within the period that is 90 days from the date that he ceased to be an Eligible Participant. Stock Options granted to insiders are subject to a 4 month hold period from the date of their grant and, subject to that hold period, there is no vesting period to the Stock Options, unless a vesting period is determined by the Board at the time of their grant.

All share-based payments will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2013

12. INFORMATION ON SHARE CAPITAL (CONT'D)

The purpose of the Stock Option Plan is to serve as an incentive for the directors, officers, employees and service providers who will be motivated by the Corporation's success as well as to promote ownership of Common Shares of the Corporation by these people. The performance indicators for the initial 2013 plan changed significantly with the declining gold price and the market conditions experienced by all junior gold producers. The subsequent goals developed by the Corporation were designed to rapidly adjust to these new challenges and maintain the viability of the Corporation. The revised corporate goals for 2013 included; the efficient mine out of the developed Vezza resources, the implementation of alternate business strategies for revenue generation and the rapid assessment of the higher grade ore potential at the Sleeping Giant mine. Granting of stock options will be done on an assessment of attaining these revised goals. Going forward, the future Corporation goals in 2014 will be based on achieving the forecast ounce production from the restart of the Sleeping Giant mine at the forecast cost per ounce to generate cash flow for the Corporation in Q4-14.

Supporting this overarching goal is to exceed industry standards for employee health and safety as well as environmental compliance in all areas while achieving a sustainable rate of new ounce discovery for the long term profitability of the Corporation.

13. FINANCING ACTIVITIES

13.1 Credit Facility

On March 22, 2013 the Corporation funded the acquisition of Aurbec's shares through a secured term loan of \$22 million ("Credit Facility") provided to the Corporation by FBC. The Credit Facility bears interest at the rate of 15% per annum, payable quarterly in arrears, with a maturity date of March 22, 2016. In order to secure repayment of the Credit Facility, the Corporation granted to FBC a first-ranking charge over all of its and its subsidiaries' present and future personal property and material real property, including specified mining rights. This first-ranking charge was amended following the Consensual Restructuring.

In consideration of the commitment made by FBC under the Credit Facility and in lieu of further transaction fees, the Corporation issued to FBC 1,760,000 Common Shares and 880,000 warrants. Each warrant shall entitle FBC to subscribe for one Common Shares during a period of 2 years following the date of its issuance, at a price equal to \$1.08, being the closing price of Corporation's Common Shares on the Exchange on March 22, 2013.

The Credit Facility is subject to voluntary and mandatory prepayment options for which it was not possible to determine reliably the fair value and consequently, the fair value of the Credit Facility will have to be estimated and recorded at each reporting period. For the initial recording, the debt component was evaluated first using an effective rate of 20% corresponding to a rate that the Corporation would have obtained for a similar financing. Subsequently, the residual was attributed on a prorated basis to the fair value of the Common Shares and warrants for \$1,646,400 and \$313,600 respectively.

	December 31, 2013
	\$
New Credit Facility from FBC	22,000,000
Default penalty accrued	3,300,000
Interest accrued	2,015,324
Credit Facility	27,315,324

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MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2013

13. FINANCING ACTIVITIES (CONT'D)

	2013
	\$
Balance, at the beginning	-
Credit Facility from FBC	22,000,000
Transaction costs paid to FBC	(440,000)
Fair value attributed to the Common Shares	(1,646,400)
Fair value attributed to the warrants	(313,600)
Credit Facility initial value	19,600,000
Default penalty	3,300,000
Interest accrued	2,015,324
Difference between initial Credit Facility value and nominal value	2,400,000
Fair value variation on Credit Facility	7,715,324
Credit Facility	27,315,324

The Credit Facility agreement includes covenants that require the Corporation to maintain certain financial ratios, maintain a certain level of cash and meet certain non-financial requirements. As at December 31, 2013, the Corporation was in default for certain clauses of the Credit Facility and consequently:

1. A \$3,300,000 penalty was accrued (15% prepayment premium);
2. Unpaid interest are accrued at 17% instead of 15%; and
3. The Credit Facility has been reclassified as a current liability.

On March 24, 2014, as part of the Consensual Restructuring, the Corporation reached an agreement with Cyrus, in its capacity as manager to FBC (see section 11).

13.2 \$15.5M private placement

On April 12, 2013, the Corporation completed a brokered private placement of units. Each unit is comprised of one Common Shares and one-half of one Common Shares purchase warrant. Each whole warrant entitles the holder to purchase one Common Shares for a period of 24 months at a purchase price of \$1.13. The Corporation issued an aggregate of 17,039,835 units at an issue price of \$0.91 per unit for aggregate gross proceeds of \$15,506,250.

Certain related parties to the Corporation, have purchased units in the private placement:

- City Securities Limited, a corporation owned by Mr. Seager Rex Harbour, a shareholder of the Corporation who controls or directs more than 10% of the total issued and outstanding Common Shares of the Corporation, has purchased 4,484,957 units.;
- Monemvasia Pty Ltd., a corporation controlled by Kevin Tomlinson, the Chairman, has purchased 1,140,448 units; and
- Certain other officers and directors, have purchased, in the aggregate, 159,500 units.

The brokers received a cash fee equal to 6.0% of the gross proceeds of the private placement (excluding any purchases under the president's list for which the agents received a cash fee equal to 2.0%) for a total of \$387,682. The agents also received 127,840 compensation units entitling them to subscribe for that number of units equal to 6.0% of the total number of units sold under the private placement, excluding units sold under the president's list, at an exercise price equal to \$0.91 for a period of 24 months. The warrants issuable upon the exercise of the compensation units will be exercisable for a period of 24 months at an exercise price equal to \$1.13.

MAUDORE MINERALS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2013

13. FINANCING ACTIVITIES (CONT'D)

13.3 Term loans

On December 18, 2012, the Corporation closed a total of \$3,250,000 in secured term loans. The term loans bear an interest rate of 12% per annum and are intended to be outstanding during an interim period until a debt facility is completed. The term loans will mature on March 31, 2014, unless repaid or redeemed earlier in accordance with the terms and conditions of the term loans. The term loans were guaranteed by hypothecs on the important claims of the Corporation related to Comtois. Following the April 12, 2013 private placement, the term loans were repaid, as well as the interest accrued of \$126,246. Additional transaction costs for \$107,451 were incurred in 2013 and therefore the total transaction costs relating to those term loans totaled \$289,851. Those transaction costs are amortized on an accelerated period ending April 12, 2013.

14. WORKING CAPITAL

On December 31, 2013, the working capital of the Corporation was a deficit of \$24,538,292 (positive working capital of \$1,157,087 as of December 31, 2012). The deterioration of the working capital position at the end of 2013 occurred when the Credit Facility got reclassified as a short term liability (see section 13).

As at December 31, 2013, the working capital includes \$3,316,161 restricted cash that, as per the Credit Facility agreement must be segregated in a separate account and requires the lender's authorization prior to releasing funds including for interest payments.

On March 22, 2013, the Corporation acquired all of the outstanding shares of Aurbec from NAP. Aurbec owns the Sleeping Giant mine, mill and the related tailings handling facilities, the Vezza project and several other gold properties in Québec. Following is a table of all the fair value assigned on March 22, 2013 to the current assets and liabilities acquired which explains several changes that occurred on the working capital:

	\$
Fair value assigned to identifiable assets and liabilities on March 22, 2013	
Tax credits receivable	4,996,912
Accounts receivable	2,337,310
Sales tax receivable	434,095
Inventories	4,070,743
Prepaid expenses	296,717
Current assets	12,135,777
Bank indebtedness	(179,159)
Accounts payable and accrued liabilities	(6,942,345)
Current portion of obligations under finance leases	(183,087)
Current liabilities	(7,304,591)
Working capital impact following Aurbec's acquisition on March 22, 2013	4,831,186

On December 31, 2013, the \$5,319,114 tax credit receivable (\$149,286 as of December 31, 2012) is composed of \$2,943,681 Québec mining duty receivable and \$2,375,433 Québec resource tax credit receivables for 2011, 2012 and 2013. The Corporation has classified \$613,825 of these tax credits receivable as non-current assets, based on its experience of the estimated processing time of the claims by the Québec Government.

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14. WORKING CAPITAL (CONT'D)

On December 31, 2013, accounts receivable of \$291,299 are relating to Aurbec's operations. On the acquisition date, there was an exceptional \$1,351,810 receivable from NAP and this amount was cashed in March 2013.

On December 31, 2013, inventories of \$3,130,141 (nil as of December 31, 2012) are Aurbec's finished products, work-in-process and mine supplies. Since the acquisition, inventories decreased following the closure of the Vezza project.

A \$22,000,000 Credit Facility and a \$15,506,250 private placement were completed in March and April 2013 (see section 13) in order, amongst other things, to fund the acquisition of Aurbec and reimburse the term loans of \$3,091,383 outstanding as at December 31, 2012. Nevertheless, the recent reduction in gold prices created a strain on the Corporation's cash resources and caused the Corporation to experience difficulties in dealing with its creditors (see section 11). The accounts payable and accrued liabilities increased to \$9,962,427 on December 31, 2013 (\$2,370,541 on December 31, 2012).

In March 2014, the Corporation has reached an agreement with FBC which provides it with access to additional funding (see section 11). If necessary, management intends to complete private placements or issue debt to meet its short term liquidity requirements and its obligations. In the future, the exploration and development of Maudore's properties may require additional financing. In the past, the Corporation has been able to rely on its capabilities to raise money by public and private placements and also issuance of debt. However, there can be no assurance it will be able to do so in the future. The global economy and financial markets have been unpredictable for many months and have impacted our industry and its ability to finance. The equity markets for gold mining companies have not recovered and financing remains difficult.

The budget for 2014 estimates a gradual increase in ounce production as the Sleeping Giant mine transitions from the remnant stoping areas into the new mining zones at depth and as extensions to the historic high grade zones materialize from the renewed drilling above. Target ounce production for the year is estimated to be approximately 20,000 ounces in 2014 at cash costs per ounce produced expected to be in the range of \$1,000. Capital expenses contemplated are \$8.6 million for the development of new zones, development diamond drilling and mill and tailings upgrades. Additional revenues are projected from the implementation of toll milling agreements as available. To achieve these results the number of active stopes will increase from two at the start of the year to up to a maximum of eight by the middle of Q3-14. The key will be in the anticipated larger size and higher grade of the new zone stopes which are expected to provide a higher degree of continuity over the smaller more costly remnant stoping areas used during the start of the mining transition. With the new financing and the current forecast, the Corporation expects to be cash positive by year end.

15. DISCUSSION ON THE STATEMENT OF FINANCIAL POSITION

Please refer on the above section for the discussion on the working capital.

Following the acquisition of Aurbec on March 22, 2013, the non-current assets and liabilities increased by the fair value assigned as detailed in the table below:

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15. DISCUSSION ON THE STATEMENT OF FINANCIAL POSITION (CONT'D)

	\$
Fair value assigned to identifiable assets and liabilities	
Exploration and evaluation assets	4,500,000
Property, plant and equipment	18,483,000
Non-current assets	22,983,000
Other liabilities	(152,510)
Obligation under finance leases	(158,393)
Mine restoration provision	(6,154,112)
Non-current liabilities	(6,465,015)
Net impact on the non-current assets and liabilities following Aurbec's acquisition on March 22, 2013	16,517,985

In March 2013, the Corporation, as owner of Aurbec, deposited \$1,880,084 by means of certified checks in favor of the Québec Government as financial guarantee for the rehabilitation and restoration costs of the Sleeping Giant site and Vezza project.

The property, plant and equipment of Aurbec was recorded at its fair value of \$18,483,000 on the acquisition date, but was subsequently reduced by \$11,029,376 after an impairment test had to be performed following the suspension of the development at the Vezza project. It can be mentioned that since the acquisition but before the impairment and tax credits, \$2,569,212 had been capitalized, net of sales, for the development of the Vezza project. This would explain the main changes that occurred during 2013 that led to a property, plant and equipment balance of \$9,461,520 as at December 31, 2013.

16. DISCUSSION ON THE STATEMENT OF COMPREHENSIVE LOSS

16.1 Discussion on the three-month period ended December 31, 2013

The Corporation reported a loss of \$12,230,930 for Q4-13 versus \$3,699,059 for Q4-12.

The Sleeping Giant mine generated revenues of \$1,273,949 from the sale of gold and recorded its first revenues from custom milling following the Abcourt agreement. Since the Vezza project was still in the development phase and had not commenced commercial production, the revenues from the sales of any finished products produced by the project have been deducted, net of the cost of inventories, from the related development cost capitalized in the statement of financial position.

Mining operating expenses of \$3,590,096 were incurred at the Sleeping Giant mine to restart the underground mining in the remnant mining areas as well as process the Abcourt ore. Since Aurbec was acquired in March 2013, the Corporation did not have these types of revenues and expenses in 2012.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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16. DISCUSSION ON THE STATEMENT OF COMPREHENSIVE LOSS (CONT'D)

Following are the details of the general and administrative expenses:

	For the three-month ended	
	December 31,	
	2013	2012
	\$	\$
Salaries, remuneration and other employee benefits expenses	420,084	235,173
Severance payments to former officers	30,000	30,000
Share-based compensation	-	672,300
Professional and contractual fees	(134,454)	465,472
Regulatory fees and shareholders relations	24,706	(11,860)
Publicity, travel and promotion	57,694	115,147
Office expenses	57,637	37,305
General and administrative expenses	455,667	1,543,537

Comments on general and administrative expenses:

- Salaries, remuneration and other employee benefits expenses increased to \$420,084 (\$235,173 in Q4-12). A new management team was put in place following the July 19, 2012 annual and special shareholders' meeting; In June 2013, the Base salary of the CEO increased to reflect the new orientation of the Corporation to become a gold producer;
- Severance payments totaling \$180,000 to the former CEO, who left the Corporation in July 2012, have been recorded \$30,000 quarterly;
- On December 7, 2012, 860,000 share options were granted to directors, officers and consultants for a total cost of \$713,800 of which \$672,300 are recorded in general and administrative expenses and \$41,500 in exploration and evaluation expenses;
- Publicity, travel and promotion decreased to \$57,694 (\$115,147 in Q4-12) due to reduced travel.

Professional and contractual fees of \$465,472 in Q4-12 were mainly legal fees relating to the reorganization of the Corporation as well as due diligence fees relating to potential acquisition targets. The Corporation presents separately on the statement of comprehensive loss the professional and contractual fees relating to special projects. In Q4-13, the Corporation incurred \$646,519 of legal fees relating to the debt restructuring (of which \$206,156 had been in fact incurred in Q3-13 but only reclassified separately in Q4-13, explaining the \$134,454 professional and contractual fees in credit position in general and administrative expenses). In addition, \$683,388 legal and audit fees were incurred to prepare the Rights offering that was terminated in January 2014 (see section 11). In Q4-12, the Corporation incurred \$204,137 of professional fees related to the proxy contest.

In Q4-13, \$25,492 (2,836,925 in Q4-12) was recorded as exploration and evaluation expenses. During Q4-12, the Corporation completed its exploration program on Comtois to comply with its flow-through commitments.

A \$9,830,000 impairment charge was recognized in Q2-13 following the suspension of development at the Vezza project. In Q3-13, the impairment was reduced by \$225,597 following lower cost of sale than originally estimated and in Q4-13 a final adjustment increased the impairment by \$1,424,973 (see section 5.1).

A \$7,715,324 fair value variation on Credit Facility was recorded in Q4-13 (see section 13). In the previous quarters, \$1,885,104 of interest expense and \$861,446 amortization of the transaction cost are related to the Credit Facility and the term loans had been recorded. Only \$63,313 of interest expense was recorded in Q4-12.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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16. DISCUSSION ON THE STATEMENT OF COMPREHENSIVE LOSS (CONT'D)

16.2 Discussion on the year ended December 31, 2013

The Corporation reported a loss of \$30,288,632 for 2013 versus \$14,696,813 in 2012.

The Sleeping Giant mine generated revenues of \$1,570,081 from the sale of gold and recorded its first revenues from custom milling following the Abcourt agreement. The \$2,711,355 loss from mining operations represents residual costs relating to the Sleeping Giant mine to restart the underground mining in the remnant mining areas as well as definition drilling. Since Aurbec was acquired in March 2013, the Corporation did not have these types of revenues and expenses in 2012. Since the Veza project was still in the development phase and had not commenced commercial production, the revenues from the sales of any finished products produced by the project have been deducted, net of the cost of inventories, from the related development cost capitalized in the statement of financial position.

Following are the details of the general and administrative expenses:

	For the year ended December 31,	
	2013	2012
	\$	\$
Salaries, remuneration and other employee benefits expenses	1,148,965	475,925
Payments following a payroll tax audit	141,576	-
Severance payments to former officers	195,001	60,000
Share-based compensation	-	672,300
Professional and contractual fees	714,150	933,126
Regulatory fees and shareholders relations	265,594	210,919
Publicity, travel and promotion	320,712	301,174
Office expenses	129,608	174,919
General and administrative expenses	2,915,606	2,828,363

Comments on general and administrative expenses:

- Salaries, remuneration and other employee benefits expenses increased to \$1,148,965 in 2013 (\$475,925 in 2012). A new management team was put in place following the July 19, 2012 annual and special shareholders' meeting. A Chairman and Deputy Chairman were nominated on July 19, 2012. The Base salary of the CEO increased July 19, 2012, to reflect the new orientation of the Corporation to become a gold producer. The COO was expensed in 2013 since the role was more focused on the acquisition and integration of Aurbec. In 2012 the COO's compensation was expensed in the exploration and evaluation expenses since the role was to supervise the extensive exploration program on the Comtois property. Finally, the CFO remuneration increased due to the additional work linked to the transformation of the Corporation from a junior exploration company to a mining operator;
- \$141,576 were paid following an audit performed by Revenu Québec on 2009, 2010 and 2011 where it was found that the Corporation had not paid the deduction at source on mainly exercised stock options. Even though stock option is a non-cash compensation, deductions at sources must be paid when it's exercised;
- Severance payments totaling \$180,000 to the former CEO, who left the Corporation in July 2012, have been recorded \$30,000 quarterly. The previous COO resigned on October 19, 2012 and a retirement allowance of \$75,000 was settled and paid in May 2013;

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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16. DISCUSSION ON THE STATEMENT OF COMPREHENSIVE LOSS (CONT'D)

- Professional and contractual fees were incurred for \$714,150 (\$933,126 in 2012). Legal fees that were not attributed to special projects identified on the statement of comprehensive loss (acquisition of Aurbec, Rights offering, debt restructuring and proxy contest) decreased to \$351,447 (\$599,950 in 2012). In 2012, these legal fees mainly relating to the reorganization of the Corporation as well as due diligence fees relating to potential acquisition targets. We can also mentioned that accounting and audit fees have increased to \$250,813 (\$121,691 in 2012) following the additional complexity of producing the financial reporting;
- Regulatory fees and shareholders relations increased to \$265,594 (\$210,919 in 2012). In the first 6 months of 2013, the Corporation used the service of an investor relation firm for \$60,000. The Corporation spent \$30,000 to be listed on the OTCQX;
- Office expenses decreased to \$129,608 (\$174,919 in 2012). During 2013, the Corporation recorded a gain on currency conversion for \$19,147 (nil in 2012).

In 2013, \$699,607 (\$15,639,427 in 2012) was recorded as exploration and evaluation expenses (see section 10). In 2012, the Corporation completed its exploration program mainly on Comtois to comply with its flow-through commitments.

In 2013, the Corporation incurred \$646,519 of legal fees relating to the debt restructuring. In addition, \$683,388 legal and audit fees were incurred to prepare the Rights offering that was terminated in January 2014 (see section 11).

In 2012, the Corporation incurred 1,687,825 of professional fees related to the proxy contest.

A \$11,029,376 impairment charge was recognized in 2013 following the suspension of development at the Veza project (see section 5.1).

A \$7,715,324 fair value variation on Credit Facility was recorded in 2013 (see section 13). Also, interest expense and transaction costs of \$817,613 related to the Credit Facility and the term loans was recorded in 2013. Only \$63,313 of interest expense was recorded in 2012.

17. SELECTED ANNUAL AND QUARTERLY INFORMATION

17.1 Selected annual information

	2013	2012	2011
	\$	\$	\$
Cash and cash equivalents	820,734	3,126,129	15,169,610
Working capital	(24,538,292)	1,157,087	11,870,482
Total assets	30,206,070	4,238,097	19,816,700
Long term - term loan and Credit Facility	-	3,091,383	-
Equity	(13,715,849)	(1,223,827)	12,427,730
Revenues	1,570,081	-	-
Loss from mining operations	(2,711,355)	-	-
Interest revenues	101,068	86,901	54,046
Net loss and comprehensive loss	(30,288,632)	(14,696,813)	(13,242,202)
Basic and diluted net loss per share	(0.73)	(0.55)	(0.54)
Weighted average number of outstanding shares basic and diluted	41,756,253	26,825,880	24,609,102
Price of Gold (quarter end spot US\$)	1,202	-	-
Closing exchange rate (US\$/Can\$)	1.0636	-	-

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17. SELECTED ANNUAL AND QUARTERLY INFORMATION (CONT'D)

17.2 Selected quarterly information

	Q4-13	Q3-13	Q2-13	Q1-13
	\$	\$	\$	\$
Cash and cash equivalents	820,734	(restated) 5,289,201	(restated) 4,683,194	(restated) 2,048,276
Working capital	(24,538,292)	6,435,339	7,975,637	(2,038,266)
Total assets	30,206,070	35,630,627	38,095,107	40,151,324
Long term - term loan and Credit Facility	-	19,283,390	19,006,723	18,814,719
Equity	(13,715,849)	(955,679)	1,184,031	(1,401,478)
Revenues	1,273,949	296,132	-	-
Loss from mining operations	(2,711,355)	(149,731)	(176,537)	(68,940)
Interest revenues	60,524	25,237	12,101	3,206
Net loss and comprehensive loss	(12,230,930)	(2,139,710)	(11,999,140)	(3,918,852)
Basic and diluted net loss per share	(0.26)	(0.05)	(0.36)	(0.14)
Weighted average number of outstanding shares				
basic and diluted	47,241,522	47,241,522	33,759,455	27,267,587
Price of Gold (quarter end spot US\$)	1,202	1,327	1,192	1,598
Closing exchange rate (US\$/Can\$)	1.0636	1.0285	1.0512	1.0156

	Q4-12	Q3-12	Q2-12	Q1-12
	\$	\$	\$	\$
Cash and cash equivalents	(restated) 3,126,129	(restated) 6,466,729	(restated) 11,603,170	(restated) 15,550,813
Working capital	1,157,087	1,187,339	4,393,285	8,247,025
Total assets	4,238,097	7,921,930	12,890,165	16,602,175
Long term - term loan and Credit Facility	3,091,383	-	-	-
Equity	(1,223,827)	1,761,432	4,966,772	8,804,273
Revenues	-	-	-	-
Loss from mining operations	-	-	-	-
Interest revenues	12,829	18,649	25,840	29,583
Net loss and comprehensive loss	(3,699,059)	(1,510,562)	(3,913,657)	(3,578,257)
Basic and diluted net loss per share	(0.14)	(0.06)	(0.15)	(0.13)
Weighted average number of outstanding shares				
basic and diluted	26,825,880	26,805,921	26,725,341	26,712,357
Price of Gold (quarter end spot US\$)	1,664	1,776	1,599	1,663
Closing exchange rate (US\$/Can\$)	0.9949	0.9837	1.0191	0.9991

The main variations between the quarters can be explained as follow:

- ◆ Professional fees related to proxy contest: legal professional fees as well as fees relating to shareholders solicitation of \$1,687,825 were incurred mainly during Q3-12 relating to the annual shareholders' meeting held on July 19, 2012;
- ◆ Stock-based compensation: the only grant in 2012 occurred in December 2012 when 860,000 options were granted with an exercise price of \$2.20. A fair value was calculated with the Black Scholes model of \$0.83 for a total of \$713,800 of which \$672,300 was expensed and the balance was capitalised in the exploration and evaluation assets. In 2011, two grants occurred, the first one in April 2011 for 435,000 options (exercise price of \$6.54) and the second in August for 250,000 options (exercise price of \$4.90) with a weighted fair value of \$2.81 for a total of \$1,925,875 of which \$1,565,875 was expensed (\$892,800 in Q2-11, \$531,350 in Q3-11 and \$141,725 in Q4-11) and \$360,000 was recorded in the exploration and evaluation expenses;

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17. SELECTED ANNUAL AND QUARTERLY INFORMATION (CONT'D)

- ◆ Recovery of deferred income taxes: adjustments on deferred income taxes mainly relates to the amortization of the premium related to the issuance of flow-through shares. In addition, since the acquisition of Aurbec, the mining duty credits are recorded in the comprehensive income statement;
- Salaries, remuneration and other employee benefits expense: a new management team was put in place following the July 19, 2012 annual and special shareholders' meeting. The compensation to key management was \$2,044,119 in 2013 (including an additional compensation related to the acquisition of Aurbec of \$364,764) versus \$847,637 in 2012 (excluding the \$643,250 share-based compensation); A new management team was put in place following the July 19, 2012 annual and special shareholders' meeting. A Chairman and Deputy Chairman were nominated on July 19, 2012. The Base salary of the CEO increased July 19, 2012, to reflect the new orientation of the Corporation to become a gold producer. The COO's compensation was expensed in 2013 since the role was more focused on the acquisition and integration of Aurbec. In 2012 the COO's compensation was capitalized in the exploration and evaluation assets since the role was to supervise the extensive exploration program on the Comtois property. Finally, the CFO remuneration increased due to the additional responsibilities related to the transformation of the Corporation from a junior exploration company to a mining operator;
- ◆ The Corporation incurred mainly legal fees in several projects in 2013: \$2,194,231 on the acquisition of Aurbec in Q1-13, \$683,388 on the Rights offering in Q4-13 and \$526,201 on the debt restructuring in Q4-13;
- ◆ A \$9,830,000 impairment charge was recognized in Q2-13 following the suspension of development at the Vezza project. In Q3-13, the impairment was reduced by \$225,597 following lower cost of sale than originally estimated and in Q4-13 a final adjustment increased the impairment by \$1,424,973.

18. OFF BALANCE SHEET ARRANGEMENTS

The Corporation did not enter into any off-balance sheet arrangements in 2013 or 2012.

19. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

19.1 Operating leases

The Corporation, from time to time, enters into leasing arrangements for production and other equipment under a number of operating leases. These leases are generally short-term in nature and subject to cancellation clauses. The Corporation periodically reviews the nature of these leases to identify if there have been any significant changes to the terms and use of the items under operating leases which would require reclassification as a finance leases. Such changes are considered to indicate a renewal of the lease terms and the reclassification is applied prospectively from the date the revised lease terms become effective.

The Corporation's future minimum operating lease payments are as follows:

	December 31, 2013	December 31, 2012
Within 1 year	\$ 224,744	\$ 31,224
1 to 5 years	250,947	20,816
After 5 years	-	-
Total future minimum operating lease payments	475,691	52,040

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19. CONTRACTUAL OBLIGATIONS AND COMMITMENTS (CONT'D)

Lease payments recognized during the reporting period amount to \$348,347 (\$30,480 in 2012). This amount consists of minimum lease payments.

19.2 Finance leases

The Corporation leases production equipment under a number of finance lease agreements. Some leases provide the Corporation with the option to purchase the equipment at a beneficial price. The leased equipment secures the lease obligations.

The Corporation's future minimum finance lease payments are as follows:

	December 31, 2013		
	Future minimum lease payments	Interest	Present value of minimum lease payments
	\$	\$	\$
Within 1 year	196,607	11,200	185,407
1 to 5 years	13,257	114	13,143
	209,864	11,314	198,550
Less : current portion			(185,407)
Obligations under finance leases			13,143

20. RELATED PARTY TRANSACTIONS

In 2013, the following transactions were realized with related parties:

- A company controlled by Kevin Tomlinson, Chairman of the Board, invoiced the following: i) compensation as Chairman of the Board for \$135,421 (\$48,611 in 2012); ii) \$85,000 in 2012 for his additional work for the Corporation before he was appointed Chairman; iii) \$150,000 in 2013 for his additional work for the Corporation during the acquisition of Aurbec.
- A company controlled by George Fowlie, Deputy Chairman and Director of Corporate Development, invoiced the following: i) compensation as Deputy Chairman of the Board for \$72,000 (\$6,000 in 2012); ii) \$46,600 in 2012 for his additional work for the Corporation before he was appointed Deputy Chairman; iii) \$150,000 in 2013 for his additional work for the Corporation during the acquisition of Aurbec iv) In April 2014, the Board approved the payment of additional fees of \$60,000 to Mr. Fowlie relating to additional work for the Corporation during the Consensual Restructuring.
- Howard Carr, Chief Executive Officer from July 19, 2012 to February 13, 2013 invoiced \$71,459 (\$136,111 in 2012) as compensation.
- Julie Godard, as Corporate Secretary of the Corporation, invoiced professional fees and disbursements of \$133,677 (\$55,071 in 2012) of which \$15,000 was recorded as additional fees related to the acquisition of Aurbec.
- A company controlled by Ingrid Martin, CFO from February 13 to June 26, 2013, invoiced \$120,156 as professional fees (none in 2012). Professional fees of \$16,875 (none in 2012) were also invoiced while she was the CFO, for her staff;
- René Amstutz, CFO until February 13, 2013 invoiced \$750 (\$6,000 in 2012) as compensation.
- A company controlled by Keith Harris, a director, invoiced \$2,125 (none in 2012) for worked performed on behalf of the Corporation.
- Raynald Vézina, a director, invoiced \$3,400 (none in 2012) for worked performed on behalf of the Corporation.

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20. RELATED PARTY TRANSACTIONS (CONT'D)

En 2012, an officer exercised 7,500 options at a price of \$1.51 for a total of \$11,325 (none in 2013). As at December 31, 2013, the balance due to those related parties amounted to \$20,095 (\$10,942 as at December 31, 2012).

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantee was given or received. Outstanding balances are usually settled in cash.

21. ACCOUNTING CHANGES

21.1 Changes in accounting policies

While preparing the consolidated annual financial statements for the current year, the Corporation reviewed and harmonized its accounting policies regarding exploration and evaluation assets. Previously, in the parent company, both the costs of acquiring mineral rights and the subsequent expenditures related to the exploration and evaluation of those mineral properties, less any applicable tax credits related to these expenses, were recognized as exploration and evaluation assets. In the subsidiary acquired during the year, Aurbec, however, only the cost of acquiring mineral rights were recognized as exploration and evaluation assets. The subsequent exploration and evaluation expenditures were recognized in profit or loss, net of applicable tax credits.

Consistent with the focus of the Corporation's activities since the acquisition, that is on the operations of its processing plant, on the processing of ore for third parties and on the performance of remnant mining at the Sleeping Giant mine in close proximity to the mill, the accounting policy selected for the combined entity was modified to be more comparable to the accounting policies used by operating companies. Consequently the Corporation has retrospectively adopted a policy of recognizing the acquisition costs of exploration rights as exploration and evaluation assets and recognizing subsequent evaluation and exploration expenditures as expenses in profit or loss.

Management considers that this treatment provides reliable and more relevant information to the users of the financial statements to assess the Corporation's financial position.

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21. ACCOUNTING CHANGES (CONT'D)

The impact of changing the accounting policy of the exploration and evaluation assets on the consolidated financial statements is presented below:

For the year ended December 31, 2012	Previously stated	Impact	Restated
	\$	\$	\$
Consolidated statement of financial position			
Exploration and evaluation assets	44,480,107	(43,769,638)	710,469
Deferred tax liabilities	5,040,954	(5,040,954)	-
Share capital	43,348,994	(15,029)	43,333,965
Deficit	(12,423,339)	(38,713,655)	(51,136,994)
Consolidated statement of comprehensive loss (3 months)			
Exploration and evaluation expenses	-	(2,836,925)	(2,836,925)
Recovery of deferred income taxes and mining duty taxes	529,583	406,440	936,023
Net loss and comprehensive loss	(1,268,574)	(2,430,485)	(3,699,059)
Basic and diluted loss per share	(0.05)	(0.09)	(0.14)
Consolidated statement of comprehensive loss (12 months)			
Exploration and evaluation expenses	-	(15,639,427)	(15,639,427)
Recovery of deferred income taxes and mining duty taxes	2,374,509	3,060,705	5,435,214
Net loss and comprehensive loss	(2,118,091)	(12,578,722)	(14,696,813)
Basic and diluted loss per share	(0.08)	(0.47)	(0.55)

For the period ended March 31, 2013	Previously stated	Impact	Restated
	\$	\$	\$
Consolidated statement of financial position			
Exploration and evaluation assets	50,565,521	(43,933,848)	6,631,673
Deferred tax liabilities	4,061,837	(4,061,837)	-
Share capital	46,738,195	(15,029)	46,723,166
Deficit	(15,173,058)	(39,882,788)	(55,055,845)
Consolidated statement of comprehensive loss			
Exploration and evaluation expenses	(69,824)	(190,016)	(259,840)
Recovery of deferred income taxes and mining duty taxes	1,046,031	(979,117)	66,914
Net loss and comprehensive loss	(2,749,719)	(1,169,133)	(3,918,852)
Basic and diluted loss per share	(0.10)	(0.04)	(0.14)

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21. ACCOUNTING CHANGES (CONT'D)

For the period ended June 30, 2013	Previously stated	Impact	Restated
	\$	\$	\$
Consolidated statement of financial position			
Exploration and evaluation assets	50,808,909	(44,156,031)	6,652,878
Deferred tax liabilities	3,218,438	(3,218,438)	-
Share capital	60,585,641	(15,029)	60,570,612
Deficit	(26,132,422)	(40,922,564)	(67,054,986)
Consolidated statement of comprehensive loss (3 months)			
Exploration and evaluation expenses	(25,715)	(196,377)	(222,092)
Recovery of deferred income taxes and mining duty taxes	1,062,688	(843,399)	219,289
Net loss and comprehensive loss	(10,959,364)	(1,039,776)	(11,999,140)
Basic and diluted loss per share	(0.32)	(0.03)	(0.36)
Consolidated statement of comprehensive loss (6 months)			
Exploration and evaluation expenses	(95,539)	(386,393)	(481,932)
Recovery of deferred income taxes and mining duty taxes	2,108,719	(1,822,516)	286 203
Net loss and comprehensive loss	(13,709,083)	(1,208,909)	(15,917,992)
Basic and diluted loss per share	(0.45)	(0.07)	(0.52)

For the period ended September 30, 2013	Previously stated	Impact	Restated
	\$	\$	\$
Consolidated statement of financial position			
Exploration and evaluation assets	51,065,703	(44,366,314)	6,699,389
Deferred tax liabilities	2,841,131	(2,841,131)	-
Share capital	60,585,641	(15,029)	60,570,612
Deficit	(27,684,542)	(41,510,154)	(69,194,969)
Consolidated statement of comprehensive loss (3 months)			
Exploration and evaluation expenses	18,100	(210,283)	(192,183)
Recovery of deferred income taxes and mining duty taxes	143,429	(377,307)	(233,878)
Net loss and comprehensive loss	(1,552,120)	(587,590)	(2,139,710)
Basic and diluted loss per share	(0.03)	(0.01)	(0.05)
Consolidated statement of comprehensive loss (9 months)			
Exploration and evaluation expenses	(77,439)	(596,676)	(674,115)
Recovery of deferred income taxes and mining duty taxes	2,252,148	(2,199,823)	52,325
Net loss and comprehensive loss	(15,261,203)	(2,796,499)	(18,057,702)
Basic and diluted loss per share	(0.38)	(0.07)	(0.45)

MAUDORE MINERALS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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21. ACCOUNTING CHANGES (CONT'D)

21.2 Classification by function

The Corporation also changed its accounting policies regarding the classification of expenses in profit or loss from a classification by nature in 2012 to a classification by function in 2013. The following expenses were grouped in general and administration: salaries, remuneration and other employee benefits expense, share based compensation, professional and contractual fees, regulatory fees and shareholders relations, publicity, travel and promotion, office expenses and bank charges.

21.3 New and revised standards that are effective

A number of new and revised standards are effective for annual periods beginning on or after January 1, 2013. Information on these new standards is presented below:

a) IFRS 13 Fair value measurement

IFRS 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of IFRS 13 is broad and applies for both financial and non-financial items for which other IFRSs require or permit fair value measurements or disclosures about fair value measurements except in certain circumstances. IFRS 13 applies prospectively for annual periods beginning on or after January 1st, 2013. Its disclosure requirements need not be applied to comparative information in the first year of application. Management reviewed its valuation methodologies and the application of the new standard did not have any effect on the fair value measurement.

b) Consolidation standards

A package of new consolidation standards is effective. Information on these new standards is presented below. These changes did not have a material impact on the consolidated financial statements.

IFRS 10 Consolidated financial statements

IFRS 10 supersedes IAS 27 Consolidated and separate financial statements (IAS 27) and SIC 12 Consolidation - Special Purpose Entities. IFRS 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Corporation's investees are considered to be subsidiaries and therefore change the scope of consolidation. However, the requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary remain the same. Management's analysis is that IFRS 10 did not change the classification (as subsidiaries or otherwise) of any of the existing investees.

IFRS 12 Disclosure of interests in other entities

IFRS 12 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities. Management's analysis is that IFRS 12 did not have an impact on the consolidated financial statements.

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21. ACCOUNTING CHANGES (CONT'D)

c) Disclosures – offsetting financial assets and financial liabilities (amendments to IFRS 7)

Qualitative and quantitative disclosures have been added to IFRS 7 Financial Instruments: Disclosures (IFRS 7) relating to gross and net amounts of recognized financial instruments that are (a) set off in the statement of financial position and (b) subject to enforceable master netting arrangements and similar agreements, even if not set off in the statement of financial position. The required disclosures should be provided retrospectively. The amendments are effective for annual periods beginning on or after January 1st, 2013. Management's analysis is that these amendments did not have a material impact on the consolidated financial statements.

d) Annual Improvements 2009-2011

The Annual Improvements 2009-2011 made several minor amendments to a number of IFRSs. The amendments relevant to the Corporation are summarised below:

Tax effect of distribution to holders of equity instruments

- addresses a perceived inconsistency between IAS 12 Income Taxes (IAS 12) and IAS 32 Financial Instruments: Presentation (IAS 32) with regards to recognizing the consequences of income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction;
- clarifies that the intention of IAS 32 is to follow the requirements in IAS 12 for accounting for income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction.

Segment information for total assets and liabilities

- clarifies that the total assets and liabilities for a particular reportable segment are required to be disclosed if, and only if: (i) a measure of total assets or of total liabilities (or both) is regularly provided to the chief operating decision maker; (ii) there has been a material change from those measures disclosed in the last annual financial statements for that reportable segment.

These improvements are effective for annual periods beginning on or after January 1st, 2013. Management's analysis is that these improvements did not have a material impact on the Corporation's consolidated financial statements.

21.4 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Corporation

At the date of authorization of these consolidated financial statements, new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Corporation.

IFRS 9 Financial instruments

The International Accounting Standards Board (IASB) aims to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety with IFRS 9. To date, the chapters dealing with recognition, classification, measurement, derecognition of financial assets and liabilities as well as the chapter on hedge accounting have been issued. Chapter dealing with impairment methodology is still being developed. Further, in November 2011, the IASB decided to consider making limited modifications to IFRS 9's financial asset classification model to address application issues. Furthermore, in November 2013, the IASB has decided to postpone to an unspecified date the application of IFRS 9. The Corporation's management has yet to assess the impact of this new standard on the Financial Statements. Management does not expect to implement IFRS 9 until it has been completed and its overall impact can be assessed.

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22. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS (CONT'D)

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

22.1 Significant judgments

a) Status of Sleeping Giant mine

One of the assets acquired by the Corporation as part of the business combination is the Sleeping Giant mine. This mine was put into commercial production by its former owners in 2009. It was then rendered inactive in the first quarter of 2012, and has been under care and maintenance ever since. During this period, the inactivity has resulted in only a limited deterioration of the mine infrastructure.

In August 2013, the Corporation decided to perform remnant mining at this site, with a view to providing inputs to the processing facility located in close proximity to the mine.

Since the mine has previously been in production, and since it was well maintained during the period of inactivity, and since the Corporation has not yet invested in extensive technical studies that would allow it to definitively assess the level of future economic benefits that could be generated from its operation, the Corporation has not recognized the Sleeping Giant mine as a development project and therefore still considers it as a mine in production.

Consequently, the different costs related to the Sleeping Giant mine have been accounted for as follows:

- Expenditures incurred to return the mine back to a portion of its historical level of production are considered to be maintenance in nature and are expensed as incurred.
- Exploration and evaluation expenditures incurred at the Sleeping Giant mine to increase the level of resources are recognized in profit or loss consistently with the Corporation's policy regarding exploration and evaluation expenditures.
- Expenditures that can be demonstrated to improve the mine beyond its historical level and expenditures that result in improved access to identifiable components of the existing ore body are recognized as property, plant and equipment if those costs can be isolated and measured reliably.
- Expenditures associated with the remnant mining operations are recognized in profit or loss or inventory as appropriate.
- Sales of gold extracted from the Sleeping Giant mine are recognized in profit or loss in a manner coherent with the recognition of the related costs, on the condition that all revenue recognition criteria outlined in *IAS 18 Revenues* are met.

b) Basis for depreciating property, plant and equipment

The processing facility is being used to extract gold from ore owned by third parties and ore mined from its own properties. Consequently, the production facility is being depreciated based on the reserves associated with the Corporation's own sites (or in the event that the Corporation is mining resources, an appropriate estimate of the resources mined or expected to be mined).

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MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2013

22. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS (CONT'D)

c) Recognition of deferred income tax assets and measurement of income tax expense

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period.

d) Going concern

The assessment of the Corporation's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

22.2 Significant estimates

a) Estimated recoverable reserves and resources

Estimated recoverable reserves and resources are used as the basis to determine the depreciation of mine related assets, and in performing impairment testing. Estimates are prepared by appropriately qualified persons, but will be impacted by forecasted commodity prices, exchange rates, production costs and recoveries amongst other factors. Changes in assumptions will impact the depreciation and impairment charges recorded in the income statement.

b) Useful lives of depreciable assets

Management reviews its estimates of the useful lives, depreciation methods and residual values of depreciable assets at each reporting date. As of the reporting date, management assesses the useful lives which represent the expected utility of the assets to the Corporation. Actual results, however, may vary due to technical or commercial obsolescence.

c) Net realizable value of inventories

All inventory is valued at the lower of average cost or net realizable value. Management is required to make various estimates and assumptions to determine the value of stockpiled ore, in-circuit gold inventories and doré inventories. The estimates and assumptions include surveyed quantities of stockpiled ore, in-circuit process volumes, gold contents of both, costs to recover saleable ounces, recoverable ounces once processed and the price per ounce of gold when ounces of gold are expected to be recovered and sold. For current stockpiled ore, in-circuit gold inventories and doré inventories, management uses the gold price on the date of the reporting period.

d) Mine restoration costs

The provisions for mine restoration costs are based on estimated future costs using information available at the financial reporting date. Determining these obligations requires significant estimates and assumptions due to the numerous factors that affect the amount ultimately payable. Such factors include estimates of the scope and cost of restoration activities, legislative amendments, known environmental impacts, the effectiveness of reparation and restoration measures and changes in the discount rate. This uncertainty may lead to differences between the actual expense and the provision. At the date of the statement of financial situation, mine restoration costs represent management's best estimate of the charge that will result when the actual obligation is terminated.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2013

22. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS (CONT'D)

e) Allowance for doubtful accounts and revenue adjustments

At the end of each reporting period, the Corporation assesses whether the accounts receivable and other long-term receivables are recoverable and whether an allowance needs to be recognized for estimated losses arising from the possible non-payment. If future collections differ from the amounts recognized as receivable, future earnings will be affected.

f) Impairment tests on exploration and evaluation assets and property, plant and equipment

At the financial reporting date, the Corporation assesses the situation and determines if any indicators of potential impairment have been identified. This is a subjective process involving judgment and a number of estimates and assumptions. When one or more indicators are identified, an impairment test is performed on the recoverability of assets or projects in question.

Concerning the exploration and evaluation assets, the Corporation is monitoring closely the gold price, financing conditions and its market capitalization. In the event that these conditions remain depressed in the mid-term, the Corporation might have to conduct an impairment assessment on its exploration and evaluation assets.

In assessing impairment, the Corporation must make some estimates and assumptions regarding future circumstances, in particular, whether an economically viable extraction operation can be established, the Corporation's capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits. In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Estimates and assumptions may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

As at June 30, 2013, the carrying amount of the Corporation's net assets exceeded its market capitalization, which is considered an indicator of a potential impairment.

g) Uncertain tax positions

Tax credits receivable for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. Uncertainties exist with respect to the interpretation of tax regulations, including mining duties for losses, and the amount and timing of their collection. The calculation of the Corporation's tax credits receivable necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until the conclusion of the tax audit. Difference arising between the actual results following final resolution of some of these items and the assumptions made, or future changes to such assumptions, could necessitate adjustments to the tax credits receivable in future periods. The resolution of issues can, and often does, take many years to resolve. As a result there can be substantial differences between credits for mining duties refundable for losses and the amount finally recovered. Some of the tax credits receivable are classified as non-current assets.

The amounts recognized in the financial statements are derived from the Corporation's best estimation and judgment as described above. However, the inherent uncertainty regarding the outcome of these items means that eventual resolution could differ from the accounting estimates and therefore impact the Corporation's earnings and cash flow.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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22. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS (CONT'D)

h) Estimated useful life of mining assets

All mining assets are amortized using the units-of-production method where the mine operating plan calls for production from well-defined ore reserve over proved and probable reserves (or in the event that the Corporation is mining resources, an appropriate estimate of the resources mined or expected to be mined). For mobile and other equipment, the straight-line method is applied over the estimated useful life of the asset which does not exceed the estimated mine life based on proved and probable ore reserve (or in the event that the Corporation is mining resources, an appropriate estimate of the resources mined or expected to be mined) as the useful lives of these assets are considered to be limited to the life of the relevant mine.

The calculation of the units-of-production rate of amortization could be impacted to the extent that actual production in the future is different from current forecast production based on proved and probable ore reserve (or in the event that the Corporation is mining resources, an appropriate estimate of the resources mined or expected to be mined). This would generally arise when there are significant changes in any of the factors or assumptions used in estimating ore reserve or resources.

Management estimates the useful lives of mining assets based on the period during which the assets are expected to be available for use. The amounts and timing of recorded expenses for amortization of mining assets for any period as well as their net recoverable value amounts are affected by these estimated useful lives. The estimates are reviewed at least annually and are updated if expectations change as a result of changes in the ore reserves or resources, of physical wear and tear, technical or commercial obsolescence and legal or other limits to use. It is possible that changes in these factors may cause significant changes in the estimated useful lives of the Corporation's mining assets in the future, therefore affecting the amortization and net realizable value of these assets.

23. RISKS AND UNCERTAINTIES

An investment in the Corporation is speculative and involves a high degree of risk due to the nature of the Corporation's business. Except for the extensive production history of the Sleeping Giant mine, there is limited production and development history for the other exploration and development projects of the Corporation's mineral properties. The following risk factors, as well as risks not currently known to the Corporation, could materially adversely affect the Corporation's future business, operations and financial condition and could cause them to differ materially from the estimates described in the forward-looking statements relating to the Corporation.

23.1 Commodity price fluctuations

The Corporation became a producing company in 2013 with the acquisition of Aurbec and gold production is currently ramping up at the Sleeping Giant property. Precious metal prices, such as gold prices, fluctuate widely and are affected by various factors beyond the Corporation's control, including but not limited to: the sale or purchase of metals by various central banks and financial institutions, inflation or deflation, fluctuation in the value of the United States dollar, and global political and economic conditions. Declines in the prices of gold may adversely affect the Corporation's development and mining activities, Common Shares price, financial results, life-of-mine plans and viability of mining projects. There is no guarantee that the gold price will not materially decrease in the future. For the year ended December 31, 2013, the Corporation did not utilize any hedging programs to mitigate the effect of commodity price movement.

MAUDORE MINERALS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2013

23. RISKS AND UNCERTAINTIES (CONT'D)

23.2 Currency fluctuations may affect the costs of doing business

The Corporation's activities and offices are currently located in Canada and the costs associated with the Corporation's activities are primarily denominated in Canadian dollar. However, the Corporation's revenues from the sale of gold are in U.S. dollars and some of the costs associated with the Corporation's activities in Canada are denominated in currencies other than the Canadian dollar. Any appreciation of the Canadian dollar vis-à-vis these currencies could increase the Corporation's cost of doing business, mainly by reducing its revenues in Canadian dollars. For the year ended December 31, 2013, the Corporation did not utilize any hedging programs to mitigate the effect of currency movement.

The figures for Maudore's Mineral Resources are estimates based on interpretation and assumptions and may yield less mineral production under actual mining conditions than is currently estimated.

The Mineral Resources presented in this document are estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the expected level of recovery will be realized. Such figures have been determined based upon assumed metal prices. Future production could differ dramatically from estimates due to Mineralization or formations different from those predicted by drilling, sampling and similar examinations or declines in the market price of the metals may render the mining of some or all of the resources uneconomic.

Estimated mineral reserves or Mineral Resources may have to be recalculated based on changes in metal prices, further exploration or development activity or actual production experience. This could materially and adversely affect estimates of the volume or grade of Mineralization, estimated recovery rates or other important factors that influence mineral reserve or Mineral Resource estimates. The extent to which Mineral Resources may ultimately be reclassified as mineral reserves is dependent upon the demonstration of their profitable recovery. Any material changes in Mineral Resource estimates and grades of Mineralization will affect the economic viability of placing a property into production and a property's return on capital. The Corporation cannot provide assurance that Mineralization can be mined or processed profitably.

The resource estimates contained in this MD&A have been determined and valued based on assumed future prices and cut-off grades that may prove to be inaccurate. Extended declines in market prices for gold, silver and copper may render portions of the Corporation's Mineralization uneconomic and result in reduced reported Mineralization. Any material reductions in estimates of Mineralization, or of the Corporation's ability to extract this Mineralization, could have a material adverse effect on Maudore's results of operations or financial condition.

There can be no assurance that any resource estimates for the Corporation's mineral projects will ultimately be reclassified as mineral reserves. There can be no assurance that subsequent testing or future studies will establish proven and probable mineral reserves at the Corporation's other properties. The failure to establish proven and probable mineral reserves could restrict the Corporation's ability to successfully implement its strategies for long-term growth and could impact future cash flows, earnings, results of operations and financial condition.

MAUDORE MINERALS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2013

23. RISKS AND UNCERTAINTIES (CONT'D)

23.3 Maudore will require external financing or may need to enter into strategic alliances or sell property interests to develop its mineral properties

The Corporation will need external financing to develop and construct its mineral properties and projects. The mineral properties and projects that the Corporation is likely to develop are expected to require significant capital expenditures. The sources of external financing that the Corporation may use for these purposes include project or bank financing, or public or private offerings of equity or debt. The failure to obtain financing could have a material adverse effect on the Corporation's growth strategy and results of operations and financial condition. In addition, the Corporation may have to postpone further exploration or development of, or sell, one or more of its properties.

In addition, the Corporation may enter into strategic alliances, decide to sell certain property interests, and may utilize one or a combination of all of these alternatives. There can be no assurance that the financing alternative chosen by the Corporation will be available on acceptable terms, or at all.

23.4 General economic conditions may adversely affect the Corporation's growth, future profitability and ability to finance

The unprecedented events in global financial markets in the past several years have had a profound impact on the global economy. Many industries, including the mining industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. A worsening or slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Corporation's growth and ability to finance. Specifically:

- the global credit/liquidity crisis could impact the cost and availability of financing and the Corporation's overall liquidity;
- the volatility of metal prices would impact the Corporation's revenues, profits, losses and cash flow;
- negative economic pressures could adversely impact demand for the Corporation's production;
- construction related costs could increase and adversely affect the economics of any of the Corporation's projects;
- volatile energy, commodity and consumables prices and currency exchange rates would impact the Corporation's production costs; and
- the devaluation and volatility of global stock markets would impact the valuation of the Corporation's equity and other securities.

23.5 Inability to meet production level and operating cost estimates relating to the Sleeping Giant property

Planned production levels and operating costs relating to the Sleeping Giant property are estimates. All of the Corporation's estimates are subject to numerous uncertainties, many of which are beyond the Corporation's control, including the availability of equipment and personnel, access, weather, accidents, equipment breakdown, the need for government and regulatory approvals and unexpected or uncontrollable increases in the costs of materials. Other risks include, but are not limited to, delays in obtaining sufficient financing, as well as unforeseen difficulties encountered during the development process including labor disputes and other risks that generally apply to the Corporation.

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23. RISKS AND UNCERTAINTIES (CONT'D)

23.6 Mining is inherently risky and subject to conditions or events beyond Maudore's control, which could have a material adverse effect on Maudore's business

Mining involves various types of risks and hazards, including:

- environmental hazards;
- industrial accidents;
- metallurgical and other processing problems;
- unusual or unexpected rock formations;
- structural cave-ins or slides;
- flooding;
- fires;
- power outages;
- labor disruptions;
- explosions;
- landslides and avalanches;
- mechanical equipment and facility performance problems;
- availability of materials and equipment;
- metals losses; and
- periodic interruptions due to inclement or hazardous weather conditions.

These risks could result in damage to, or destruction of, mineral properties, production facilities or other properties; personal injury or death, including to employees; environmental damage; delays in mining; increased production costs; asset write downs; monetary losses; and possible legal liability. The Corporation may not be able to obtain insurance to cover these risks at economically feasible premiums or at all. Insurance against certain environmental risks, including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from production, is not generally available to the Corporation or to other companies within the mining industry. The Corporation may suffer a material adverse impact on its business if it incurs losses related to any significant events that are not covered by its insurance policies.

Exploration, construction and production activities may be limited and delayed by inclement weather and shortened exploration, construction and development seasons.

23.7 The Corporation is subject to significant governmental regulation

The Corporation's operations and exploration and development activities in Canada are subject to extensive federal, state, provincial, territorial and local laws and regulations governing various matters, including:

- environmental protection;
- management and use of toxic substances and explosives;
- management of tailings and other wastes generated by the Corporation's operations;
- management of natural resources;
- exploration and development of mines, production and post-closure reclamation;
- exports;
- price controls;
- taxation and mining royalties;
- regulations concerning business dealings with native groups;
- management of tailing and other waste generated by operations;

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23. RISKS AND UNCERTAINTIES (CONT'D)

- labor standards and occupational health and safety, including mine safety; and
- historic and cultural preservation.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining, curtailing or closing operations or requiring corrective measures, installation of additional equipment or remedial actions, any of which could result in the Corporation incurring significant expenditures. The Corporation may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or a more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspensions of the Corporation's operations and delays in the exploration and development of the Corporation's properties.

The Corporation intends to fully comply with all environmental regulations. Environmental hazards may exist on the Corporation's properties that are unknown to the Corporation at the present time, and that have been caused by previous owners or operators or that may have occurred naturally. The Corporation may be liable for remediating such damage.

Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulator or judicial authorities, causing operations to cease or to be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

23.8 Title and other rights to Maudore's mineral properties cannot be guaranteed, are subject to agreements with other parties and may be subject to prior unregistered agreements, transfers or claims and other defects

The Corporation cannot guarantee that title to its properties will not be challenged. The Corporation may not have, or may not be able to obtain, all necessary surface rights to develop a property. Title insurance is generally not available for mineral properties and the Corporation's ability to ensure that it has obtained a secure claim to individual mineral properties or mining concessions may be severely constrained. The Corporation's mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects.

In addition, the ability of the Corporation to continue to explore and develop the property may be subject to agreements with other third parties including agreements with native corporations and first nations groups.

23.9 Maudore has a history of losses and expects to incur losses for the foreseeable future.

The Corporation has a limited producing history and has incurred losses since it was declared in production by Aurbec in 2010. The Corporation expects to continue to incur losses for the first months of 2014 unless and until such time as its commercial production generates sufficient revenues to fund continuing operations. The development of the Corporation's properties will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors, including the progress of ongoing exploration and development, the results of consultant analysis and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, and the Corporation's acquisition of additional properties, some of which are beyond the Corporation's control. There can be no assurance that the Corporation will ever achieve profitability.

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23. RISKS AND UNCERTAINTIES (CONT'D)

23.10 Maudore may be subject to legal proceedings

Due to the nature of its business, the Corporation may be subject to numerous regulatory investigations, claims, lawsuits and other proceedings in the ordinary course of its business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in litigation, including the effects of discovery of new evidence or advancement of new legal theories, the difficulty of predicting decisions of judges and juries and the possibility that decisions may be reversed on appeal. There can be no assurances that these matters will not have a material adverse effect on the Corporation's business.

23.11 Increased competition could adversely affect Maudore's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future

The mining industry is intensely competitive. Significant competition exists for the acquisition of properties producing or capable of producing metals. The Corporation must compete to acquire additional mining properties with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than the Corporation or are further advanced in their development or are significantly larger and have access to greater mineral reserves, for the acquisition of mineral claims, leases and other mineral interests. The Corporation may also encounter increasing competition from other mining companies in its efforts to hire experienced mining professionals. Increased competition could adversely affect the Corporation's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future. If the Corporation is unsuccessful in acquiring additional mineral properties or qualified personnel, it will not be able to grow at the rate it desires, or at all.

23.12 Maudore may experience difficulty attracting and retaining qualified management and technical personnel to meet the needs of its anticipated growth, and the failure to manage Maudore's growth effectively could have a material adverse effect on the Corporation's business and financial condition

The Corporation is dependent on the services of key executives including the Corporation's President and Chief Executive Officer and other highly skilled and experienced executives and personnel focused on managing the Corporation's interests and the advancement of its mineral properties and projects in addition to the identification of new opportunities for growth and funding. Due to the Corporation's relatively small size, the loss of these persons or the Corporation's inability to attract and retain additional highly skilled employees required for the development of the Corporation's activities may have a material adverse effect on the Corporation's business or future operations.

23.13 There can be no assurance that Maudore will successfully acquire additional mineral rights

Most exploration projects do not result in the discovery of commercially mineable ore deposits and no assurance can be given that any particular level of recovery of ore reserves will be realized or that any identified Mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. Moreover, mines have a depleting asset base which needs to be continually renewed. Estimates of reserves, Mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. If current exploration programs do not result in the discovery of commercial ore, the Corporation may need to write-off part or all of its investment in existing exploration stage properties, and may need to acquire additional properties. Material changes in ore reserves, grades, Stripping Ratios or recovery rates may affect the economic viability of any project.

MAUDORE MINERALS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2013

23. RISKS AND UNCERTAINTIES (CONT'D)

Maudore's future growth and productivity will depend, in part, on its ability to identify and acquire additional mineral rights, and on the costs and results of continued exploration and development programs. Mineral exploration is highly speculative in nature and is frequently non-productive. Substantial expenditures are required to:

- establish ore reserves through drilling and metallurgical and other testing techniques;
- determine metal content and metallurgical recovery processes to extract metal from the ore; and
- construct, renovate or expand mining and processing facilities.

If the Corporation does make further acquisitions, any positive effect on the Corporation's results will depend on a variety of factors, including, but not limited to:

- assimilating the operations of an acquired business or property in a timely and efficient manner;
- maintaining the Corporation's financial and strategic focus while integrating the acquired business or property;
- achieving identified and anticipated operating and financial synergies;
- unanticipated costs;
- diversion of management attention from existing business;
- potential loss of key employees or key employees of any business acquired;
- unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition;
- decline in the value of acquired properties, companies or securities;
- implementing uniform standards, controls, procedures and policies at the acquired business, as appropriate; and
- to the extent that the Corporation makes an acquisition outside of markets in which it has previously operated, conducting and managing operations in a new operating environment.

23.14 The risks and hazards associated with mining and processing pose operational and environmental risks

Mining and processing operations involve many risks and hazards, including, among others: metallurgical and other processing problems; unusual and unexpected rock formations; ground or slope failures or underground cave-ins; environmental contamination; industrial accidents; fires; flooding and periodic interruptions due to inclement or hazardous weather conditions or other acts of nature; organized labor disputes or work slow-downs; mechanical equipment failure and facility performance problems; and the availability of critical materials, equipment and skilled labor. These risks could result in: damage to, or destruction of, the Corporation's properties or production facilities, personal injury or death; environmental damage; delays in mining or processing; increased production costs; asset write downs; monetary losses, and legal liability.

The Corporation cannot be certain that its insurance will cover all of the risks associated with mining and processing or that it will be able to maintain insurance to cover these risks at economically feasible premiums. The Corporation could also become subject to liability for hazards against which it cannot insure or against which the Corporation may elect not to insure because of high premium costs or commercial impracticality. Such events could result in a prolonged interruption in operations that would have a negative effect on the Corporation's ability to generate revenues, profits and cash flow. Losses from such events may increase costs and decrease profitability.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2013

23. RISKS AND UNCERTAINTIES (CONT'D)

23.15 Material control and significant influence with respect to matters put before the Shareholders

Based on publicly available information, the following persons (the "Majority Shareholders") beneficially own, or control or direct, directly or indirectly, more than 10% of the outstanding Common Shares as at April 22, 2014: (i) Cyrus, in its capacity as a manager to FBC, holds 7,254,505 Common Shares representing 15.36% of the issued and outstanding Common Shares, and (ii) Seager Rex Harbour holds 9,406,762 Common Shares, representing 19.91% of the issued and outstanding Common Shares.

None of the Majority Shareholders has indicated if or when it will reduce its holdings of Common Shares in the future. As a result of controlling a material percentage of the voting rights attached to all Common Shares, the Majority Shareholders will have significant influence with respect to all matters submitted to the Corporation's shareholders for approval, including, without limitation, the election and removal of directors, amendments to the articles and by-laws of the Corporation and the approval of certain business combinations. In addition, so long as any of the Majority Shareholders (either alone or acting jointly or in concert with other shareholders) controls more than one-third of the Corporation's total voting interests, their prior affirmative vote or written consent will be required for certain corporate actions that require shareholder approval by way of special resolution under the Business Corporations Act (Ontario).

The concentration of voting power with the Majority Shareholders may cause the market price of the Common Shares to decline, delay or prevent any acquisition of the Corporation or delay or discourage takeover bid attempts that shareholders may consider to be favorable, or make it more difficult or impossible for a third party to acquire control of the Corporation or effect a change in the Board and management. The Majority Shareholders' interests may not in all cases be aligned with interests of the other shareholders of the Corporation. Each of the Majority Shareholders may have an interest in pursuing acquisitions, divestitures and other transactions that, in the judgment of its respective management, could enhance its equity investment, even though such transactions may involve risks to the other shareholders of Maudore and may ultimately affect the market price of the Common Shares. Any delay or prevention of a change of control transaction could deter potential acquirers or prevent the completion of a transaction in which the Corporation's shareholders could receive a substantial premium over the then current market price for their Common Shares.

Unless the Majority Shareholders were to agree in advance to a proposed change in control transaction, it will likely not be presented to holders of Common Shares. Moreover, the Majority Shareholders may decide for strategic or other reasons not to sell the Common Shares they control in a change of control transaction even in circumstances where the Board of the Corporation or holders of Common Shares may consider such transaction to be in the best interests of the Corporation and the holders of Common Shares.

Any of the foregoing could have a material adverse effect on the Corporation's business, results of operation and financial condition as well as on the value of the Common Shares.

MAUDORE MINERALS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2013

23. RISKS AND UNCERTAINTIES (CONT'D)

23.16 Some of the directors might have conflicts of interest as a result of their involvement with other natural resource companies

Certain of the directors of the Corporation also serve or may serve as directors, or have significant shareholdings in, other companies involved in natural resource exploration and development or mining-related activities. To the extent that such other companies may participate in ventures in which the Corporation may participate in, or in ventures which the Corporation may seek to participate in, the directors may have a conflict of interest. In all cases where the directors have an interest in other companies, such other companies may also compete with the Corporation for the acquisition of mineral property investments. Such conflicts of the directors may result in a material and adverse effect on the Corporation's profitability, results of operation and financial condition. As a result of these conflicts of interest, the Corporation may miss the opportunity to participate in certain transactions, which may have a material adverse effect on the Corporation's financial position.

23.17 Dependence on outside parties

The Corporation has relied upon consultants, engineers and others and intends to rely on these parties for exploration, development, construction and operating expertise. Substantial expenditures are required to construct mines, to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore, to develop the exploration and plant infrastructure at any particular site. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Corporation.

23.18 Maudore competes with major mining companies and other natural resource companies in the acquisition, exploration, financing and development of new properties and projects

Many of the companies Maudore competes with are more experienced, larger and better capitalized than the Corporation. The competitive position of the Corporation depends upon its ability to obtain sufficient funding and to explore, acquire and develop new and existing mineral-resource properties or projects in a successful and economic manner. Some of the factors which allow producers to remain competitive in the market over the long term are the quality and size of an ore body, cost of production and operation generally, and proximity to market. The Corporation also competes with other mining companies for skilled geologists and other technical personnel.

23.19 Other Maudore creditors and other Aurbec creditors

As regards the Other Maudore Creditors, Maudore is currently in discussions with them regarding the proposed terms upon which the indebtedness owing to them may be settled. Further details regarding the terms of the agreement reached between Maudore and the Other Maudore Creditors, if any will be disclosed by Maudore as appropriate.

23.20 FBC Agreement

Value for Shareholders. Should the FBC Agreement not to be approved by the Disinterested Shareholders, this would result in Maudore and/or Aurbec being in default of their obligations under the Credit Agreement and of their payment obligations towards other creditors. Should any of those creditors seek to exercise their rights to obtain repayment of their debts, it is likely that Maudore and/or Aurbec would seek protection under the Companies' Creditors Arrangement Act (Canada) or the Bankruptcy and Insolvency Act (Canada) and that in such a scenario the resulting value of the equity shareholdings of the Shareholders would be reduced to virtually nil.

MAUDORE MINERALS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2013

23. RISKS AND UNCERTAINTIES (CONT'D)

23.21 Implementation of Consensual Restructuring, including the FBC Agreement

The implementation of the transactions contemplated by the FBC Agreement is subject to the satisfaction of a number of conditions, including the negotiation of final documentation, the receipt of all requisite regulatory approvals and the approval by the disinterested shareholders of Maudore. The failure of these conditions to be satisfied will put into jeopardy the ability of the Corporation to implement the Consensual Restructuring. Should the Corporation be unable to meet the conditions to implement the Consensual Restructuring, Aurbec may be petitioned into bankruptcy. In a liquidation scenario under the *Bankruptcy and Insolvency Act* (Canada), a trustee or trustees would be elected or appointed to liquidate Aurbec's assets. The proceeds of the liquidation would then be distributed to the respective creditors of Aurbec in accordance with the priorities established by the *Bankruptcy and Insolvency Act* (Canada). Such an outcome would have a material adverse effect on Maudore's business and financial condition and Maudore may need to seek protection from its creditors or become bankrupt as a consequence. Similarly, the failure of the Corporation to implement the transactions contemplated by the FBC Agreement could result in Maudore having insufficient funds to repay its obligations and require Maudore to seek protection from its creditors or become bankrupt as a consequence. The impact on the carrying values of Aurbec's or Maudore's assets in these scenarios cannot be determined.

23.22 Implementation of the current and projected mining plans

Following the implementation of the Consensual Restructuring, the Corporation anticipates that its financial condition will be reliant upon its ability to add and exploit new and higher grade resources which are currently under evaluation at the Sleeping Giant property, with a view to replacing the lower quality remnant material currently being mined and thereby transitioning to full scale mining. The uncertainty of the profitability of the Corporation's future operations raises substantial doubts about the Corporation's ability to continue as a going concern.

24. FINANCIAL INSTRUMENTS AND SENSITIVITY ANALYSIS

24.1 Financial instruments description

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs except for those carried at fair value through profit or loss which are measured initially at fair value.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

Financial assets and financial liabilities are measured subsequently as described below.

Financial assets

For the purpose of subsequent measurement, financial assets are classified into the category loans and receivables upon initial recognition. The category determines subsequent measurement and whether any resulting revenue and expense is recognized in profit or loss or in other comprehensive income. All revenue and expenses relating to financial assets that are recognized in profit or loss are presented within financial expenses or interest income, if applicable.

MAUDORE MINERALS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2013

24. FINANCIAL INSTRUMENTS AND SENSITIVITY ANALYSIS (CONT'D)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Corporation's cash and cash equivalents as well as restricted cash fall into this category of financial instruments.

Financial liabilities

The Corporation's financial liabilities include accounts payable and accrued liabilities (except for payables related to salary and employee benefits of \$1,300,549), Credit Facility and term loans.

Financial liabilities are measured subsequently at amortized cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss. The Corporation designated the Credit Facility to be at fair value through profit or loss since it included embedded derivatives for which it was not possible to determine reliably the fair value.

All expenses relating to financial liabilities recognized in profit or loss are presented in financial expenses.

The carrying value of cash, restricted cash and accounts payable and accrued liabilities are considered to be a reasonable approximation of fair value because of the short-term maturity of these instruments. The fair value of the term loans and the obligations under finance leases is estimated using analysis of discounted cash flows based on current borrowing rates which apply to similar borrowings and approximates the carrying value. The fair value of the two approximates their carrying value due to the interest rate implicit in the leases approximating interest rates available at this time for a similar lease. The fair value of the Credit Facility, comprised of capital, interest payables and any premium, is based on the contractual agreement with the borrower.

24.2 Financial Instruments description

The Corporation has exposure to the following risks from its use of financial instruments: credit risk, market risk, foreign exchange risk, commodity price risk and liquidity risk.

a) Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Corporation's exposure arises principally from its short term interest bearing deposits. Historically, the Corporation has not experienced any losses related to individual customers. The Corporation invests its cash, and cash equivalents and restricted cash primarily with a major Canadian bank. The management considers that all the financial assets are of good credit quality.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2013	2012
	\$	\$
Cash and cash equivalents	820,734	3,126,129
Restricted cash	3,316,161	-
Accounts receivable	291,299	-
	4,428,194	3,126,129

MAUDORE MINERALS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2013

24. FINANCIAL INSTRUMENTS AND SENSITIVITY ANALYSIS (CONT'D)

b) Market risk

The Corporation is exposed to gold price fluctuations and to fluctuations of the US dollar compared to the Canadian dollar. The Corporation could manage its exposure to these risks through the occasional use of derivative financial instruments and gold commodity contracts. The Corporation is also exposed to fluctuations of interest rates for its cash and cash equivalents. The risks and the management of those risks were unchanged compared to previous years. The exposure to fluctuations of interest rates is not significant.

Management approves all policies concerning the use of derivative financial instruments and gold sales contracts. The Corporation does not hold any financial instrument or derivative financial instrument for trading or speculative purposes.

i) Foreign exchange risk

Exposure to currency exchange rates arises from revenues from the sale of precious metals and purchases that the Corporation carries out abroad. All of the Corporation's precious metal revenues are either earned in or based on U.S. dollars precious metal prices, while the majority of its operating costs are in Canadian dollars.

The price of gold is established in US dollars; to manage its exposure due to the fluctuation of the US dollar, the Corporation can occasionally enter into various types of foreign exchange contracts. During 2013, the Corporation did not enter into any forward exchange contracts. At December 31, 2013 and 2012, assets and liabilities denominated in US dollars are not significant.

A sensitivity analysis was performed on net earnings and equity in regards to the US dollar/ Canadian dollar exchange rate, all other variables being constant. It assumes a +/- 10% change of the US dollar/ Canadian dollar exchange rate for the reporting period ended December 31, 2013. In 2013, a +/- 10% change of the US dollar/ Canadian dollar exchange rate would have had a \$1,466,020 net earnings and equity impact.

ii) Commodity price risk

The Corporation's earnings are directly related to commodity prices as revenues are derived principally from the sale of gold. For its gold production, the Corporation can reduce its risk of a decrease in the price of gold through the occasional use of forward sales contracts and put and call options. The risk related to fluctuation of gold price is unchanged from the previous years. In 2013, 2012, the Corporation did not enter into any hedging contracts for its gold production.

A sensitivity analysis was performed on net earnings and equity to movements in the price of gold, all other variables being constant. It assumes a +/- 10% change in the average selling price of gold realized (US\$ per ounce), taking into account the average exchange rate for the corresponding year. In 2013, a +/- 10% change in the price of gold would have had a \$1,472,316 net earnings and equity impact.

MAUDORE MINERALS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2013

24. FINANCIAL INSTRUMENTS AND SENSITIVITY ANALYSIS (CONT'D)

c) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity risk is to monitor the timing of sales and receivables, to ensure sufficient cash flows are generated from operations to meet the current debt requirements. Where insufficient liquidity may exist, the Corporation may pursue various debt and equity instruments for short or long term financing of its operations.

The table below analyzes the Corporation's financial liabilities which will be settled into relevant maturity groupings based on the remaining balances at December 31, 2013 to the contractual maturity date.

	Total	In less than 1 year	Between 1 year and 3 years	More than 3 years
	\$	\$	\$	\$
Accounts payable and accrued liabilities	8,661,878	8,661,878	-	-
Credit Facility	27,315,324	27,315,324	-	-
Obligations under finance leases	198,550	185,407	13,143	-
	36,175,752	36,162,609	13,143	-

Management monitors cash flow, in detail, on a weekly basis, monthly through month-end reporting, quarterly through forecasting and yearly through the budget process.

25. STRATEGY

Management will continue to account for the Corporation's funds very rigorously, its first goal being the optimization of shareholders' return on investment. The acquisition of the Sleeping Giant mine and mill provides a clear path to production for its current ore resources and subsequent discoveries. Management, while applying its development strategy, will consider the global environment, the fluctuation in the Corporation's share price and the overall market in gold and metal prices.

26. FORWARD LOOKING STATEMENTS

Some statements contained in this MD&A constitute forward looking statements, including, without limitation, anticipated developments in the Corporation's operations in future periods and other events or conditions that may occur in the future. These statements are about the future and are inherently uncertain and actual achievements of the Corporation or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those mentioned herein under heading "RISKS AND UNCERTAINTIES". Management believes that the expectations reflected in these statements are reasonable but no assurance can be given that these expectations will prove to be correct. It is recommended not to place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Corporation does not undertake to update any forward-looking statements except to the extent required by securities regulations.

April 22, 2014

(s) Gregory Struble

Gregory Struble
President and CEO

(s) Claudine Bellehumeur

Claudine Bellehumeur
CFO