

# **BARD VENTURES LTD**

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## **FORM 51-102F1**

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) AS OF FEBRUARY 25, 2015 TO ACCOMPANY THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS OF BARD VENTURES LTD. (THE "COMPANY") FOR THE THREE MONTHS ENDED DECEMBER 31, 2014.

The following Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim financial statements of the Company for the three months ended December 31, 2014, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). All financial amounts are stated in Canadian currency unless stated otherwise.

This MD&A contains certain forward-looking statements based on the best beliefs, and reasonable assumptions of the management of the Company. There are many risks and uncertainties attached to the mineral exploration business. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements (See "Risks and Uncertainties" in this MD&A for more information).

### **Overview of the First Quarter**

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Capital markets continue to be depressed for junior mining companies, which is reflective in our stock price and difficulty in raising capital. The Company is continuing to closely monitor ongoing developments in the markets.

The Company announced the reappointment of Eugene Beukman, James Miller-Tait, John B. Malysa and Robert Pryde as directors of the Company. The Directors appointed the following officers of the Company: Eugene Beukman, President and Chief Executive Officer, Florence Luong as Chief Financial Officer, Debra Watkins as Corporate Secretary and Richard Kemp as Vice President of Exploration.

At the Annual General and Special Meeting of its shareholders held on April 17, 2014, the shareholders approved a special resolution to alter the Company's authorized share structure by consolidating all the issued and outstanding common shares without par value, of which 17,109,348 pre-consolidation common shares were issued, on the basis of three pre-consolidation common shares to one post-consolidation common share, after adjusting for rounding, or 5,703,116 post-consolidation common shares. In addition, the outstanding options to purchase common shares were reduced from 2,219,870 common shares to 739,956 common shares on a post-consolidation basis without par value; and 5,008,000 warrants to purchase common shares were reduced to 1,669,333 warrants to purchase common shares on a post-consolidation basis.

On June 5, 2014, The Company issued 166,667 shares, valued at \$25,000, pursuant to the Lone Pine option agreement (see "Project Summaries and Activities" in this MD&A for more information).

On June 9, 2014, the Company received TSX Venture Exchange approval for the 3:1 Share Consolidation.

On August 18, 2014, The Company closed a non-brokered private placement for 8,150,000 units of the Company at a price of \$0.05 per unit for gross proceeds of \$407,500. Each unit consists of one common share and one transferrable share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share of the Company on or before August 18, 2019 at a price of \$0.05 per common share. The securities were subject to a four (4) month hold period that expired on December 19, 2014.

On October 8, 2014, the Company cancelled all stock options issued pursuant to the Company's stock option plan. The Company will not be issuing new options until deemed appropriate by the board of directors.

On December 5, 2014, The Company closed a non-brokered private placement for 2,000,000 units of the Company at a price of \$0.05 per unit for gross proceeds of \$100,000. Each unit consists of one common share and one transferrable share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share of the Company on or before December 5, 2019 at a price of \$0.05 per common share. The securities are subject to a four (4) month hold period that expires on April 6, 2015.

## BARD VENTURES LTD.

The Company will continue to develop its exploration strategies with a view to maximizing shareholder value and focusing on its long term goal of moving the Company into production.

### Overall Performance and Description of Business

The Company is an exploration stage company located at Suite 615-800 West Pender Street, Vancouver, BC, V6C 2V6, engaged in the acquisition, exploration and development of mineral resource properties located in Canada. The Company was incorporated in British Columbia and is also a reporting issuer in Alberta.

The Company has been conducting exploration activities in Canada. The Company's main performance activities in the period were property maintenance and seeking financing to advance its respective projects (see "Project Summaries and Activities" in this MD&A for more information).

### Results of Operations – For the quarter ended December 31, 2014

For the quarter ended December 30, 2014, the Company incurred a loss of \$63,144 (2013: \$69,642). Significant expenses included office expenses of \$22,663 (2013: \$21,512); consulting fees of \$15,000 (2013: \$15,000)(see also "Related Party Transactions"); and management fees of \$11,250 (2013: \$11,250)(see also "Related Party Transactions"); and audit and accounting fees of \$11,250 (2013: \$19,250)(see also "Related Party Transactions").

The overall objective of the quarter was to continue preparations to obtain financing to advance its projects.

### Summary of Quarterly Results:

| <b>2015/14 Quarterly Results:</b> | <b>4<sup>th</sup> Quarter</b> | <b>3<sup>rd</sup> Quarter</b> | <b>2<sup>nd</sup> Quarter</b> | <b>1<sup>st</sup> Quarter</b> |
|-----------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|                                   | IFRS                          | IFRS                          | IFRS                          | IFRS                          |
| Revenue                           | \$ -                          | \$ -                          | \$ -                          | \$ -                          |
| Loss and comprehensive loss       | -                             | -                             | -                             | (63,144)                      |
| Basic and diluted loss per share  | -                             | -                             | -                             | (0.00)                        |
| Total assets                      | -                             | -                             | -                             | 216,039                       |
| Working capital                   | -                             | -                             | -                             | (82,007)                      |
| <b>2014/13 Quarterly Results:</b> | <b>4<sup>th</sup> Quarter</b> | <b>3<sup>rd</sup> Quarter</b> | <b>2<sup>nd</sup> Quarter</b> | <b>1<sup>st</sup> Quarter</b> |
|                                   | IFRS                          | IFRS                          | IFRS                          | IFRS                          |
| Revenue                           | \$ -                          | \$ -                          | \$ -                          | \$ -                          |
| Loss and comprehensive loss       | (163,556)                     | (76,375)                      | (67,465)                      | (76,153)                      |
| Basic and diluted loss per share  | (0.06)                        | (0.01)                        | (0.00)                        | (0.00)                        |
| Total assets                      | 203,934                       | 201,548                       | 176,524                       | 176,418                       |
| Working capital                   | (118,863)                     | (360,739)                     | (284,364)                     | (216,967)                     |
| <b>2013/12 Quarterly Results:</b> | <b>4<sup>th</sup> Quarter</b> | <b>3<sup>rd</sup> Quarter</b> | <b>2<sup>nd</sup> Quarter</b> | <b>1<sup>st</sup> Quarter</b> |
|                                   | IFRS                          | IFRS                          | IFRS                          | IFRS                          |
| Revenue                           | \$ -                          | \$ -                          | \$ -                          | \$ -                          |
| Loss and comprehensive loss       | (160,236)                     | (92,269)                      | (160,787)                     | (79,746)                      |
| Basic and diluted loss per share  | (0.03)                        | (0.01)                        | (0.01)                        | (0.01)                        |
| Total assets                      | 183,201                       | 237,700                       | 482,387                       | 241,445                       |
| Working capital                   | (147,325)                     | (71,646)                      | 19,867                        | (135,267)                     |

\* No exercise or conversion is assumed during the quarters in which a net loss is incurred, as the effect is anti-dilutive.

### Project Summaries and Activities

#### CANADA

Bard's principal resource properties are the Lone Pine and Grouse Mountain properties. These properties are located in British Columbia.

***Lone Pine Property – British Columbia***

On August 24, 2006, the Company entered into an option agreement whereby it could earn a 100% interest (subject to a 2.5% net smelter royalty “NSR” and \$65,000 annual advance royalty payments) in seven mineral claims (56 claim units) located in the Omineca Mining Division of British Columbia for consideration of:

18,167 of the Company's capital stock to be issued (issued)

Incur \$75,000 in exploration expenditures (completed).

Advance royalty payments totaling \$65,000 (paid)

During the year ended September 30, 2012, the Company has completed the required expenditures and issued its final share payment under the terms of the Option Agreement and has transferred 100% title to the Company.

During the year ended September 30, 2014, the Company issued 166,667 shares, valued at \$25,000, as required by the option agreement. The option agreement requires the Company to make further advance payments of \$25,000 each July 1 following the exercise of option to maintain its working interest. The advance payments may at the Optioner's discretion be paid in either cash or shares.

The Company has also staked an **additional** 6 claims in the Omineca Mining Division in B.C. The Property area extends over several molybdenum showings (Quartz Breccia, Alaskite Zone, Mineral Hill, and Granby), that have been previously documented in various assessment and government reports (Minfile Nos. 093L 027, and 093L 028).

**National Instrument 43-101 Report**

Bard commissioned the preparation of the first National Instrument 43-101 compliant resource estimate on the Alaskite Zone molybdenum mineralization from the Company's Lone Pine Molybdenum Property. The report, dated January 12, 2009, entitled “Resource Estimate Lone Pine Molybdenum Project – Omineca Mining

Division, British Columbia”, was prepared by Ronald G. Simpson, P.Geo. of GeoSim Services Inc., a “qualified person” for the purposes of National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

Lone Pine measured, indicated and inferred mineral resource summary:

| Cut-off %<br>Mo | MEASURED                      |              |                              | INDICATED                     |              |                           |
|-----------------|-------------------------------|--------------|------------------------------|-------------------------------|--------------|---------------------------|
|                 | Tonnes ≥<br>Cutoff<br>(000's) | Mo%          | in-situ<br>lbs Mo<br>(000's) | Tonnes ≥<br>Cutoff<br>(000's) | Mo%          | in-situ lbs<br>Mo (000's) |
| 0.02            | 43,767                        | 0.078        | 75,262                       | 107,769                       | 0.066        | 156,809                   |
| 0.03            | 40,450                        | 0.082        | 73,125                       | 99,967                        | 0.069        | 152,069                   |
| <b>0.04</b>     | <b>33,356</b>                 | <b>0.092</b> | <b>67,654</b>                | <b>76,984</b>                 | <b>0.079</b> | <b>134,079</b>            |
| 0.05            | 26,676                        | 0.104        | 61,163                       | 58,193                        | 0.090        | 115,464                   |
| 0.06            | 22,486                        | 0.113        | 56,018                       | 43,968                        | 0.102        | 98,871                    |
| 0.07            | 19,625                        | 0.120        | 51,919                       | 35,077                        | 0.111        | 85,839                    |
| 0.08            | 17,699                        | 0.125        | 48,775                       | 29,884                        | 0.117        | 77,084                    |
| 0.09            | 15,853                        | 0.130        | 45,435                       | 25,703                        | 0.123        | 69,698                    |
| 0.10            | 13,922                        | 0.135        | 41,435                       | 21,053                        | 0.129        | 59,875                    |

| Cut-off %<br>Mo | MEASURED+INDICATED            |              |                              | INFERRED                      |              |                           |
|-----------------|-------------------------------|--------------|------------------------------|-------------------------------|--------------|---------------------------|
|                 | Tonnes ≥<br>Cutoff<br>(000's) | Mo%          | in-situ<br>lbs Mo<br>(000's) | Tonnes ≥<br>Cutoff<br>(000's) | Mo%          | in-situ lbs<br>Mo (000's) |
| 0.02            | 151,536                       | 0.069        | 232,071                      | 27,827                        | 0.084        | 51,532                    |
| 0.03            | 140,417                       | 0.073        | 225,193                      | 27,555                        | 0.085        | 51,636                    |
| <b>0.04</b>     | <b>110,340</b>                | <b>0.083</b> | <b>201,733</b>               | <b>25,840</b>                 | <b>0.088</b> | <b>50,131</b>             |
| 0.05            | 84,869                        | 0.094        | 176,628                      | 22,839                        | 0.094        | 47,331                    |
| 0.06            | 66,454                        | 0.106        | 154,890                      | 18,295                        | 0.104        | 41,947                    |
| 0.07            | 54,702                        | 0.114        | 137,758                      | 15,238                        | 0.111        | 37,290                    |
| 0.08            | 47,583                        | 0.120        | 125,858                      | 13,092                        | 0.117        | 33,769                    |
| 0.09            | 41,556                        | 0.126        | 115,132                      | 11,800                        | 0.121        | 31,477                    |
| 0.10            | 34,975                        | 0.131        | 101,310                      | 10,186                        | 0.125        | 28,070                    |

\*Note: Bold indicates Base Case Scenario.

Mineral resources that are not mineral reserves do not have demonstrated economic viability.

A full text version of the Lone Pine Property resource estimate has been filed on SEDAR and is available at [www.sedar.com](http://www.sedar.com) under the Company's profile and can also be found by visiting the Company's website at [www.bardventures.com](http://www.bardventures.com).

### **Positive Preliminary Economic Assessment**

The Company engaged P&E Mining Consultants Inc. ("P&E Mining") of Brampton, Ontario to complete an independent National Instrument 43-101 - Preliminary Economic Analysis study (the "Study") for its Lone Pine Molybdenum, Copper and Silver project near Houston, British Columbia. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

P&E concludes that the Property has favourable economic potential as an open pit mine producing Mo and Cu concentrates. The base case economic analysis contemplates an average life-of-mine strip ratio of 5:1 (including the pre-stripping), a 40,000 tonnes per day mill feed rate and a 12 year mine life. Pre-production capital expenditures, including contingencies, are estimated to be \$435 million. The Property has an estimated pre-tax net present value ("NPV") of \$505 million (at a 5% discount rate) and an internal rate of return (the "IRR") of 12.4% using a base case Mo price of US\$19.00 per pound and Cu price of US\$3.00 per pound. These prices correspond to the approximate three year trailing average prices of these metals as of December 31, 2010.

The estimated average resource grades including mine dilution and losses and the Life-of-Mine metal production from the Property, are listed in the following table:

|                                 | ORE         | Mo    | Cu    | Recovered<br>Mo     | Recovered<br>Cu     |
|---------------------------------|-------------|-------|-------|---------------------|---------------------|
| Mineral Resource Classification | Tonnes      | %     | %     | Pound<br>(millions) | Pound<br>(millions) |
| Measured & Indicated            | 146,365,000 | 0.069 | 0.034 | 189.3               | 65.2                |
| Inferred                        | 16,679,000  | 0.081 | 0.034 | 25.3                | 7.4                 |

P&E notes that the PEA is preliminary in nature and its mineable tonnage includes Inferred Resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the projections in a preliminary assessment incorporating these resources will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The potentially mineable mineral resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions.

P&E recommends that the Company advance the project with additional exploration and delineation drilling, as well as with studies in metallurgical, geotechnical and environmental matters, with the intention to continue the project to the feasibility stage.

**Economic Analysis**

The economic analysis uses a simple pre-tax cash flow model where undiscounted revenues during the 12 year mine life are projected on an annual basis. The mine would produce a Mo concentrate and a Cu concentrate. The currency exchange rate used was \$0.95USD/\$1.00CDN.

**Highlights:**

- Total Undiscounted Cash Flow of \$1,234 million
- With a 5% Discount Rate (base case): \$505 million
- With a 7% Discount Rate: \$320 million
- With a 10% Discount Rate: \$112 million
- Internal Rate of Return of 12.4%
- Project payback period from start of production is 8.6 years
- Maximum negative cumulative cashflow of \$624 million occurs in the fourth year of production

The following sensitivity table demonstrates the positive effect on project economics if higher Molybdenum prices are realized during the 12 year mine life:

**Sensitivity of Project Economics to Mo Prices at Various Discount Rates**

| Mo US\$ per Pound | IRR   | NPV (millions of \$) @ |     |     |     |
|-------------------|-------|------------------------|-----|-----|-----|
|                   |       | 0%                     | 5%  | 7%  | 10% |
| \$19.00           | 12.4% | 1,233                  | 505 | 320 | 112 |

| Mo US\$ per Pound | IRR   | NPV (millions of \$) @ |       |       |       |
|-------------------|-------|------------------------|-------|-------|-------|
|                   |       | 0%                     | 5%    | 7%    | 10%   |
| \$20.00           | 14.4% | 1,459                  | 651   | 445   | 206   |
| \$22.50           | 19.1% | 2,024                  | 1,017 | 757   | 443   |
| \$25.00           | 23.6% | 2,589                  | 1,383 | 1,068 | 679   |
| \$27.50           | 27.8% | 3,153                  | 1,749 | 1,380 | 915   |
| \$30.00           | 32.0% | 3,718                  | 2,115 | 1,691 | 1,152 |

**Development Plan**

The mine has been planned as a conventional open-pit mining operation producing 40,000 tonnes per day of mill feed at full production. The plan anticipates mining 14.0 million tonnes of ore annually based on a 350 day operating year. The stripping ratio for the first 7 years of operation (excluding prestripping of some 10 million tonnes) is approximately 7.0:1 but reduces to an average of 1.8:1 for the remaining 5 years of operations. Overall pit slopes have been designed at approximately 50 degrees.

Drilling will be carried out by electric, track mounted drill units. Operating bench heights of 15 metres have been assumed for the ore and waste mining operations. Electric hydraulic shovels with 327 tonne waste haul trucks and 222 tonne ore haul trucks are contemplated for this operation, with annual total material movement of up to 114 million tonnes (325,000 tonnes per day).

Mining operations will commence with an initial mill feed grade of 0.035% Mo, which increases as the mine deepens. In the last 7 years of the mine life, the average Mo grade will be approximately 0.091%. Cu grades will remain relatively constant throughout the mine life at approximately 0.034%. The project is expected to produce 214 million pounds of Mo and 72 million pounds of Cu over a 12 year mine life. Process recoveries of 85% for Mo and 65% for Cu were utilized in the cash flow model while the metal payables were 98.5% for Mo and 85% Cu.

The mine plan contemplates transporting the resource by truck to a primary crushing and processing plant near the open pit. The processing plant will utilize the conventional processes of crushing, grinding and froth flotation to produce separate concentrates of Cu and Mo. The plant tailings will be pumped to a tailings management facility. Waste rock will be deposited in an adjacent rock storage facility.

Estimated mine closure and site rehabilitation cost allowances have been included in the economic analysis. During mine operation, health and safety and environmental protection costs, including effluent treatment, have also been estimated.

### **Qualified Persons and Report**

The PEA technical report, titled "Technical Report, Preliminary Economic Assessment, Lone Pine Project, Houston, BC" was prepared in compliance with National Instrument 43-101 and filed on SEDAR at [www.sedar.com](http://www.sedar.com).

P&E Mining Consultants Inc. is an internationally recognized, well established geological and mine engineering consulting firm specializing in the areas of NI 43-101 geological reports, resource estimates, preliminary economic analyses of mining projects and preliminary feasibility studies. This PEA was completed under the direction of Eugene Puritch, P.Eng. and Kirk Rodgers, P.Eng. of P&E who were responsible for mine design, production scheduling and overall financial analysis.

Alfred Hayden, P. Eng. of EHA was responsible for metallurgical process capital and operating costs.

Each of the individuals named above is a Qualified Person, as defined in National Instrument 43-101; is independent of the Company; and is responsible for the technical disclosure contained herein.

### ***Grouse Mountain Property – British Columbia***

On October 12, 2011, the Company announced that it had completed its earn-in of a 100% interest in the Grouse Mountain Property (the "**Property**"). The Company has provided its Notice of Interest Earned to the Vendor, has completed the required exploration expenditures and issued its final share payment under the terms of the Option Agreement.

In 2009 the Company completed a reconnaissance soil sampling and mapping program to the east of Coppermine Lake and east of historical mineralized structures hosting copper, zinc, lead and silver mineralization. A compass, chain and flagged grid was established over southwest facing slopes of Grouse Mountain where 402 soil samples were collected at 50m intervals over grid lines established 200m apart. The result of the survey highlight at least five, near east-west trending copper-zinc-silver geochemical anomalies located in the northern half of the soil sampling grid which were traced intermittently over a distance of 1000m in length.

In 2010 the northern half of the reconnaissance soil sampling and mapping grid was re-established with infill grid lines at 100m centers and sample sites located at 25m intervals. The results of the combined 2009/2010 soil sampling programs clearly defined several elevated and anomalous multi element copper, lead, zinc and silver geochemical trends which closely parallel the orientation of historical mineralization associated with the projected southwesterly extension of the Rainstorm, Creek, Copper Crown and Ruby mineralized structures. Several new anomalous geochemical trends were also identified to the north of the Rainstorm Zone; these zones are open to extension to the North. Prospecting and mapping across the sampling grid has located historical trench, adit and drill hole sites. A trench grab sample located along the projected trace of the Copper Crown mineralized trend returned 1.0% Copper, 17.75% Zinc and 110.5gm Silver.

Historical VLF-EM geophysical surveys have proved successful in tracing the historical mineralized structures identified to date and is therefore recommended to locate and prioritize future drill hole targets. A detail exploration program is planned for the Property to further identify and prioritize drill targets that will form part of the next drill program.

The Grouse Mountain exploration work is being conducted under the supervision of Qualified Person Rick Kemp, P.Geo., Vice-President-Exploration of Bard.

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The Company decided to write down the Grouse Mountain property to \$1.00.

### **New Opportunities**

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The Company continues to evaluate mineral properties and is focused on deposits in Canada. Properties with economic merit and good logistics will be considered for acquisition.

### **Outstanding Share Data**

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The Company has an authorized share capital of an unlimited number of common shares, of which 16,019,767 were issued and outstanding as at the date of this report.

The Company has outstanding a total of 11,819,330 full share equivalent warrants outstanding as at the date of this report with exercise prices ranging from \$0.05 to \$0.30 per share.

The Company has no stock options outstanding as at the date of this report.

### **Related Party Transactions**

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During the three months ended December 31, 2014, the Company paid or accrued management and accounting fees of \$22,500 (2013 - \$22,500), and consulting fees of \$15,000 (2013 - \$15,000) to a company owned by the President of the Company.

The Company entered into a lease agreement with a company owned by the President, dated April 27, 2010, whereby the Company pays rent of its principal office space on a month-to-month basis commencing May 1, 2010. On July 1, 2011, the Company entered into a new agreement and the rent was increased to \$5,500 per month plus applicable taxes. The rent is, in turn, paid to the head landlord. The contract has an initial term of one year and automatically renews for further one-year terms. The Company may terminate the agreement by giving ninety (90) days written notice.

As at December 31, 2014, the Company owed \$92,187 (September 30, 2014 - \$97,212) to various directors and their companies. As at December 31, 2014, the Company owed \$nil (September 30, 2014 - \$20,040) to a company controlled by the President. This amount was provided for working capital needs of the Company. It is repayable when the Company has sufficient funds and has no additional terms attached to it. No interest is payable on this amount.

As part of the August 18, 2014 private placement, one director acquired 1,000,000 units indirectly. As part of the December 5, 2014 private placement, the same director acquired another 1,000,000 units directly. No commission was paid on the insider's purchases.

### **Liquidity and Solvency**

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The following table summarizes the Company's cash on hand, working capital and cash flow:

| <b>As at</b>                                    | <b>December 31, 2014</b> | <b>September 30, 2014</b> |
|-------------------------------------------------|--------------------------|---------------------------|
|                                                 | IFRS                     | IFRS                      |
| Cash                                            | \$ 19,261                | \$ 1,709                  |
| Working capital (deficiency)                    | (82,007)                 | (118,863)                 |
| <b>Period Ended</b>                             | <b>December 31, 2014</b> | <b>September 30, 2014</b> |
|                                                 | IFRS                     | IFRS                      |
| Cash used in operating activities               | \$ (62,408)              | \$ (415,214)              |
| Cash provided by (used in) investing activities | -                        | -                         |
| Cash provided by financing activities           | 79,960                   | 416,690                   |
| Change in cash                                  | \$ 17,552                | \$ 1,476                  |

## **BARD VENTURES LTD.**

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On December 5, 2014, The Company closed a non-brokered private placement for 2,000,000 units of the Company at a price of \$0.05 per unit for gross proceeds of \$100,000. Each unit consists of one common share and one transferrable share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share of the Company on or before December 5, 2019 at a price of \$0.05 per common share. The securities are subject to a four (4) month hold period that expires on April 6, 2015.

On August 19, 2014, The Company closed a non-brokered private placement for 8,150,000 units of the Company at a price of \$0.05 per unit for gross proceeds of \$407,500. Each unit consists of one common share and one transferrable share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share of the Company on or before August 18, 2019 at a price of \$0.05 per common share. The securities were subject to a four (4) month hold period that expired on December 19, 2014.

At the Annual General and Special Meeting of its shareholders held on April 17, 2014, the shareholders approved a special resolution to alter the Company's authorized share structure by consolidating all the issued and outstanding common shares without par value, of which 17,109,348 pre-consolidation common shares were issued, on the basis of three pre-consolidation common shares to one post-consolidation common share, after adjusting for rounding, or 5,703,116 post-consolidation common shares. In addition, the outstanding options to purchase common shares were reduced from 2,219,870 common shares to 739,956 common shares on a post-consolidation basis without par value; and 5,008,000 warrants to purchase common shares were reduced to 1,669,333 warrants to purchase common shares on a post-consolidation basis. All periods presented have been retroactively adjusted to reflect this reverse split.

On March 25, 2013, the Company closed a non-brokered private placement for 1,666,667 units of the Company at a price of \$0.15 per unit for gross proceeds of \$250,000. Each unit consists of one common share and one transferrable share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share of the Company on or before March 25, 2015 at a price of \$0.30 per common share. The Company issued 2,666 finder's warrants. Each finder's warrant entitles the finder to purchase one common share of the Company on or before March 25, 2015 at a price of \$0.30 per common share.

At the Annual General and Special Meeting of its shareholders held on January 21, 2013, the shareholders approved a special resolution to alter the Company's authorized share structure by consolidating all the issued and outstanding common shares without par value, of which 116,093,516 pre-consolidation common shares were issued, on the basis of ten pre-consolidation common shares to one post-consolidation common share, after adjusting for rounding, or 11,609,348 post-consolidation common shares. In addition, the outstanding options to purchase common shares were reduced from 18,753,369 common shares to 1,875,336 common shares on a post-consolidation basis without par value; and 13,225,333 warrants to purchase common shares were reduced to 1,322,533 common shares on a post-consolidation basis. All periods presented have been retroactively adjusted to reflect this reverse split.

### **Capital Resources**

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The Company has no operations that generate cash flow and its long term financial success is dependent on discovering properties that contain mineral reserves that are economically recoverable. The Company's primary capital assets are resource properties. Exploration expenditures are expensed as incurred.

The Company's resource property agreements are primarily option agreements and the exercise thereof are at the discretion of the Company. To earn its interest in the properties, the Company must incur certain expenditures in accordance with the agreements (see "Project Summaries and Activities" in this MD&A for more information).

The Company depends on equity sales to finance its exploration programs and to cover administrative expenses.

### **Off-Balance Sheet Arrangements**

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The Company does not utilize off-balance sheet transactions.

**Proposed Transactions**

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There are no proposed transactions that will materially affect the performance of the Company.

**Accounting Policies**

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The accounting policies and methods employed by the Company determine how it reports its financial condition and results of operations, and may require management to make judgements or rely on assumptions about matters that are inherently uncertain. The Company's results of operations are reported using policies and methods in accordance with IFRS. In preparing financial statements in accordance with IFRS, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses for the period. Management reviews its estimates and assumptions on an ongoing basis using the most current information available.

*Critical Accounting Estimates*

The Company prepares its financial statements in accordance with IFRS, which require management to estimate various matters that are inherently uncertain as of the date of the financial statements. Accounting estimates are deemed critical when a different estimate could have reasonably been used or where changes in the estimate are reasonably likely to occur from period to period, and would materially impact the Company's financial statements. The Company's significant accounting policies are discussed in the audited financial statements. Critical estimates in these accounting policies are discussed below.

*Environmental Rehabilitation Provision*

The Company recognizes the fair value of a liability for environmental rehabilitation in the period in which the Company is legally or constructively required to remediate, if a reasonable estimate of fair value can be made, based on an estimated future cash settlement of the environmental rehabilitation obligation, discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The environmental rehabilitation obligation is capitalized as part of the carrying amount of the associated long-lived asset and a liability is recorded. The environmental rehabilitation cost is amortized on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation and any changes in the amount or timing of the underlying future cash flows. Significant judgments and estimates are involved in forming expectations of the amounts and timing of environmental rehabilitation cash flows. As at September 30, 2014, the Company, given the early stage of exploration on its mineral properties, has no reclamation costs and therefore no provision for environmental rehabilitation has been made.

*Share-based Payments*

The Company has a share option plan which is described in the audited financial statements for the year ended September 30, 2014. The fair value of all share-based awards is estimated using the Black-Scholes Option-Pricing Model at the grant date and amortized over the vesting periods. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company. Share-based payments to non-employees are measured at the fair value of the goods or services received, or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest.

None of the Company's awards call for settlement in cash or other assets. Upon the exercise of the share purchase options, consideration paid together with the amount previously recognized in contributed surplus is recorded as an increase in share capital. The offset to the recorded cost is to share-based payments reserve. Consideration received on the exercise of share purchase options is recorded as share capital and the related share-based payments reserve is transferred to share capital. Charges for share purchase options that are forfeited before vesting are reversed from share-based payments reserve. For those share purchase options that expire or are forfeited after vesting, the recorded value is transferred to retained earnings (deficit). (See "Stock-based payments" below for further discussion).

Recent Accounting Announcements

New standards not yet adopted

The following standards have been issued but are not yet effective:

Financial instruments

*IFRS 9 – Financial instruments* was issued by the IASB in October 2010 and will replace *IAS 39 – Financial instruments: recognition and measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

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**Financial Instruments**

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**Designation and Valuation of Financial Instruments**

The three levels of the fair value hierarchy are:

Level 1: unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3: inputs that are not based on observable market data.

The Company enters into financial instruments to finance its operations in the normal course of business. The fair values of cash and accounts payable approximate their carrying values due to the short-term maturity of these instruments.

The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at December 31, 2014 as follows:

|                         | Level 1   | Level 2 | Level 3 | Total     |
|-------------------------|-----------|---------|---------|-----------|
| <b>Financial Assets</b> |           |         |         |           |
| Cash                    | \$ 19,261 | -       | -       | \$ 19,261 |
|                         | \$ 19,261 | -       | -       | \$ 19,261 |

The Company is exposed to varying degrees to a variety of financial instrument related risks:

*Fair value*

The carrying value of receivables, accounts payable and accrued liabilities approximated their fair value because of the relatively short-term nature of these instruments. Cash, which is classified as held for trading and carried at fair value, has been determined using Level 1 inputs.

*Foreign exchange risk*

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

*Credit risk*

The Company's cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company's receivables consist of BC Mining Exploration tax credits and GST receivable due from the Federal Government of Canada. The Company maintains cash deposits with Schedule A financial institutions, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

*Interest rate risk*

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

*Liquidity risk*

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

*Price risk*

The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of precious metals. The Company monitors precious metals prices to determine the appropriate course of action to be taken by the Company.

**Risks and Uncertainties**

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The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risk, including but not limited to, environmental, metal prices, political and economical.

The mineral exploration business is risky and most exploration projects will not become mines. The Company may offer an opportunity to a mining company to acquire an interest in a property in return for funding all or part of the exploration and development of the property. For the funding of property acquisitions and exploration that the Company conducts, the Company depends on the issue of shares from the treasury to investors.

These stock issues depend on numerous factors including a positive mineral exploration environment, positive stock market conditions, a company's track record and the experience of management.

The Company has no significant source of operating cash flow and no revenues from operations. The Company has not yet determined whether its mineral properties contain mineral reserves that are economically recoverable. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves.

There is no guarantee that the Company will be able to contribute or obtain all necessary resources and funds for the exploration and exploitation of its permits, and may fail to meet its exploration commitments.

The properties that the Company has an option to earn interests in are in the exploration stages only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, that are explored, are ultimately developed into producing mines.

Exploration of the Company's mineral properties may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

## **BARD VENTURES LTD.**

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The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters.

### **Financial and disclosure controls and procedures**

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During the period ended December 31, 2014, there has been no significant change in the Company's internal control over financial reporting since last year.

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. They are also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's unaudited condensed interim financial statements for the period ended December 31, 2014 (together the "Interim Filings").

The Chief Executive Officer and Chief Financial Officer of the Company have filed the Venture Issuer Basic Certificate with the Annual Filings on SEDAR at [www.sedar.com](http://www.sedar.com).

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

### **Other**

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Additional information relating to the Company's operations and activities can be found by visiting the Company's website at [www.bardventures.com](http://www.bardventures.com) and [www.sedar.com](http://www.sedar.com).

### **Trends**

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Trends in the industry can materially affect how well any junior exploration company is performing. The price of precious metals remains relatively high and the Company is advancing its properties as quickly as possible while still remaining prudent when considering large cost items such as drilling and geophysics.

### **Outlook**

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The outlook for precious metals and the prospect for financing the Company's projects is good, and this should enable the Company to continue as a viable entity. The Properties will require significant investment as they transition into development stage projects. However the capital markets continue to be depressed, especially for junior mining companies, which has impacted the Company's ability to raise capital.

**Cautionary Statement**

This document contains “forward-looking statements” within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration plans and our other future plans and objectives are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, (i) estimates of exploration investment and scope of exploration programs, and (ii) estimates of stock-based compensation expense. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statement. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date of statements are made, and the Company endeavours to update corporate information and material facts on a timely basis. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks.