SEGO RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS ("MD&A")

For the six months ended December 31, 2014

INTRODUCTION

SEGO Resources Inc. ("SEGO" or "the Company") is an exploration stage company whose common shares are listed for trading on the TSX Venture Exchange under the symbol SGZ. The Company's business is the acquisition, exploration and evaluation of mineral properties located in the Province of British Columbia, Canada. The Company was incorporated under the British Columbia Corporations Act on July 11, 2005. The Company's head office is located as Suite 310 - 744 West Hastings Street, Vancouver, British Columbia, V6C 1A5.

On June 13, 2007, the Company entered into an option agreement to acquire a 100% interest in the Miner Mountain copper-gold porphyry project immediately NNE of Princeton, B.C. in the prolific Nicola belt that runs from Copper Mountain (approximately 100 years of production) along the eastern belt of the Nicola group to Kamloops, B.C. The project is approximately 15 km north of the producing Copper Mountain Mine and is within the Traditional Territory of the Upper Similkameen Indian Band with whom the Company has signed a comprehensive Memorandum of Understanding. The property consists of 15 mineral claims totaling 2056.54 hectares. The Company acquired the claims in an arms-length transaction and has fulfilled all of the option payments and terms with the exception of the issuance of 300,000 common shares due upon the preparation of a positive feasibility study on the property. The property is subject to a 3% NSR on 12 of the claims of which 1.5% can be purchased for $1,500,000.

This discussion and analysis of financial position, results of operations and cash flows of SEGO Resources Inc. for the six months ended December 31, 2014 includes information up to and including March 2, 2015 and should be read in conjunction with the Company's unaudited condensed interim financial statements for the six months ended December 31, 2014 and the Company's audited annual financial statements for the years ended June 30, 2014 and 2013. All the financial statements were prepared using International Financial Reporting Standards. All dollar figures are in Canadian dollars unless otherwise stated.

The reader is encouraged to review the Company's statutory filings on www.sedar.com and to review other information about the Company on its website at www.segoresources.com.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A includes certain forward-looking statements or information. All statements other than statements of historical fact included in this MD&A including statements relating to the potential mineralization or geological merits of the Company's mineral properties and the future plans, objectives or expectations of the Company are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include among other things, statements regarding future commodity pricing, estimation of mineral reserves and resources, timing and amounts of estimated exploration expenditures and capital expenditures, costs and timing of the exploration and development of new deposits, success of exploration activities, permitting time lines, future currency exchange rates, requirements for additional capital, government regulation of mining operations, environmental risks, anticipated reclamation expenses, timing and possible outcome of pending litigation, timing and expected completion of property acquisitions or dispositions, and title disputes. They may also include statements with respect to the Company's mineral discoveries, plans, out-look and business strategy. The words "may", "would", "could", "should", "will", "likely", "expect", "anticipate", "intend", "estimate", "plan", "forecast", "project" and "believe" or other similar words and phrases are intended to identify forward-looking information.

Forward-looking statements are predictions based upon current expectations and involve known and unknown risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

Important factors that could cause actual results to differ materially from the Company's plans or expectations include risks relating to the actual results of exploration programs, fluctuating commodity prices, the possibility of equipment breakdowns and delays, the availability of necessary exploration equipment including drill rigs, exploration cost overruns, general economic or business conditions, regulatory changes, and the timeliness of government or regulatory approvals to conduct planned exploration work, political events, fluctuations in mineralization grade, geological, technical, mining or processing problems, future profitability on production, the ability to raise sufficient capital to fund exploration or production, litigation, legislative, environmental and other judicial, regulatory, political and competitive developments, inability to obtain permits, environmental liability for work programs, general volatility in the equity and debt markets, accidents and labor disputes and the availability of qualified personnel.

Although the Company has attempted to identify all of the factors that may affect our forward-looking statements or information, this list of the factors is not exhaustive. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks and uncertainties detailed throughout this MD&A. The Company disclaims any intention or obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise, except where required by applicable securities laws.

OVERALL PERFORMANCE

Miner Mountain Property

On June 13, 2007, the Company entered into an option agreement to acquire a 100% interest in 38 mineral claims (which were subsequently consolidated into 12 mineral claims) situated in the Similkameen Mining Division of British Columbia for cash payments and common share issuances as follows:

(a) Cash payments to the optionors of $165,000 as follows:

- (i) $30,000 within five business days from the day the agreement between both parties is approved by the TSX Venture Exchange (the "TSX-V") (approved July 2007) (paid);
- (ii) $60,000 on or before June 13, 2008 (paid); and
- (iii) $75,000 on or before June 13, 2009 (paid).

(b) Issuance of 600,000 common shares to the optionors as follows:

- (i) 50,000 common shares within five business days of the approval date by the TSX-V (approved July 2007) (issued);
- (ii) 100,000 common shares on or before June 13, 2008 (issued);
- (iii) 150,000 common shares on or before June 13, 2009 (issued); and
- (iv) 300,000 common shares upon preparation of a positive feasibility study on the property.

As part of the agreement, the optionors retain a 3% net smelter return ("NSR") royalty on the claims. The Company has the right to buy back one-half of the NSR for the sum of $1,500,000 at any time.

On June 16, 2011, the Company acquired a 100% interest in 3 mineral claims located in the Similkameen Mining Division of British Columbia for $5,000 and the issuance of 50,000 common shares. There is no NSR on these claims.

The Miner Mountain property now consists of these 15 mineral claims which total 2056.54 hectares.

Miner Mountain Property (cont'd)

Memorandum of Understanding

The Company has a Memorandum of Understanding (MOU) with the Upper Similkameen Indian Band (USIB) in whose territory the Miner Mountain project is located. The term of the agreement commenced on September 27, 2007 and will end at such time as SEGO or its successor permanently ceases operations in the territory or otherwise through mutual agreement. SEGO and the USIB will meet annually to review and evaluate progress on objectives outlined in the agreement and will amend the agreement if warranted. The MOU objectives are as follows:

1) To establish a clear, certain, and timely process for communication, information sharing, meaningful consultation and any agreed upon accommodation measures with respect to USIB aboriginal interests.

2) To define commitments, roles and approaches for consultation, accommodation and information sharing with regard to the operational activities of SEGO.

3) To develop and foster a positive cooperative working relationship between the parties through jointly implementing the process described in the agreement.

4) To develop opportunities for employment, contracting, and related business development for the USIB.

5) To assist the USIB to develop its capacity to effectively participate in and benefit from any development activities associated with SEGO mineral tenures in the USIB's territory.

6) To develop workable strategies, through discussions with the Ministry of Energy, Mines and Petroleum Resources and the Ministry of Aboriginal Relations and Reconciliation to address the USIB's interests in revenue-sharing and mineral sector economic development, including exploration of options for developing an equity position within the company, in the event that SEGO's activities result in the generation of revenues from mineral development.

7) To provide information to SEGO to assist in developing awareness of USIB interests, capacity and operations to assist in meeting the objectives described in this section.

8) To continuously revisit these items with the intention of ensuring that commitments are satisfactorily implemented and additional items are identified that meet the intent of the agreement or may add to its effectiveness.

2007

In 2007 the Company acquired the Property and began preliminary mapping and sampling of exposed outcrops. This was completed in fall 2007 and plans for the 2008 exploration season were made.

Miner Mountain Property (cont'd)

2008

In April approximately 99 line kilometres of soil sampling was done by SabreX Contracting Ltd. 1973 samples of the B Horizon were collected at 50 m intervals along east-west lines spaced 100 m apart and covering most of the Property from a northerly line at UTM 5486700 to a southerly line at UTM 5482800. A north-south baseline for the grid was established at UTM 684300 east. Samples were sent to Acme Analytical Laboratories Ltd. for analysis. Soil anomalies coincide well with areas of known mineralization, particularly the Granby, South and Regal Zones.

As soon as ground conditions allowed, an excavator trenching program was started. All old bulldozer trenches were reopened, deepened and, where practicable, extended. In total 5,306 metres of trenches were excavated, mapped and 2,170 samples taken. The location of each trench and sample was determined by GPS. Trench mapping and sample results were entered in the geological database. Because all trenches are in grazing land and when open pose a danger to livestock, mapping and sampling was done as soon as possible after excavation and the trenches closed and reclaimed as soon as practicable. Excavator trenching proved to be a very cost effective method of exploration in the largely drift covered, open range land of the Property. Zones of known mineralization determined by previous operators were confirmed, in some cases extended, opened and re-sampled.

In August and September ten NQ drill holes totaling 1039.89 metres were completed

DDH No.	Easting	Northing	Elevation	Depth(m)	Angle	Azimuth	Year	Zone
DDH-MM-08-01	5484275	683065	757	77.11	-45	172	2008	Regal
DDH-MM-08-02	5484231	683059	747	50.29	66.5	180	2008	Regal
DDH-MM-08-03	5484168	683031	748	38.1	-60	0	2008	Regal
DDH-MM-08-04	5484446	684011	943	88.7	-45	0	2008	Granby
DDH-MM-08-05	5484443	684011	941	132.59	-90	N/A	2008	Granby
DDH-MM-08-06	5484445	683970	939	100.3	-60	0	2008	Granby
DDH-MM-08-07	5484500	683980	947	184.5	-90	N/A	2008	Granby
DDH-MM-08-08	5484500	683980	947	153.9	-75	0	2008	Granby
DDH-MM-08-09	5484501	684010	944	78.5	-70	0	2008	Granby
DDH-MM-08-10	5484361	683969	951	135.9	-75	180	2008	Granby

The three holes on the Regal Zone all had very poor recovery being in either strongly oxidized landslide rubble or till. Hole 08-03 bottomed in carbonaceous mudstone of the Princeton Group. These three holes confirmed the result of the 1963 work by Climax Copper Co. Ltd. which indicated that the oxide layer at Regal is landslide material that rests either on till or directly on tertiary sediments.

Miner Mountain Property (cont'd)

2008 (cont'd)

The other seven holes were all drilled on the Granby Zone. They intersected variably altered and mineralized microdiorite and Nicola volcanic rocks. Two holes, MM-08-04 and MM-08-09, had to be abandoned prematurely due to drilling difficulties, both bottoming in good grade mineralization.

Significant intersections are as follows:

<u>DDH-MM-08-04</u>
From 24.46 to 88.7m, 0.46% Cu, 0.14 g/t Au and 2.58 g/t Ag Including 18.07m of 0.65% Cu, 0.26 G/t Au, 3.33 g/t Ag and 15.25m of 0.63% Cu, 0.18 g/t Au, 3.19 g/t Ag Final two intervals (5m) 1.22% Cu and 0.5% Cu
<u>DDH-MM-08-05</u>
From 16.46 to 34.14 0.12% Cu, 0.155 g/t Au, 0.58 g/t Ag

<u>DDH-MM-08-09</u>
From 26.17 to 78.64m 0.41% Cu, 0.12 g/t Au and 2.11 g/t Ag Final two intervals (4.42m) 1.39% Cu and 0.38% Cu

The other holes drilled to the south and west did not encounter significant mineralization.

Field mapping, sampling and core logging was done by the Company's geologists with consulting services provided by Chris Sampson, P.Eng.

2009

A Titan 24 IP survey was performed by Quantec Geoscience between April 25th 2009 and May 14th 2009. The survey grid includes 13 DC/IP parallel lines along a total of 31.2 km (38.7 km with extension). Each line was surveyed with dipole spacing of 100 m and line separation of 200 m. Survey line length was approximately 2.4 km plus additional current injections up to 500 m beyond the end of the line. The data were inverted using the 2D inversion algorithms to produce maps of resistivity and chargeability of the subsurface.

The resistivity distribution over the survey area can be characterized as a resistive low associated with the Princeton Group and a resistive high associated with the Nicola Group. The resistivity of the Princeton Group in the northwest part of the survey grid is generally less than 50Ωm. The resistivity of the Nicola Group, which covers most of the survey area, is on the order of several hundreds of Ωm. These results are in agreement with the known geology of the area.

Miner Mountain Property (cont'd)

2009 (cont'd)

The chargeability maps show a relatively heterogeneous distribution of the anomalies over the survey area. The chargeability varies between 0 mrad to 20 mrad with a background chargeability of ~6 mrad. Chargeable anomalies, as high as 20 mrad, are mainly located in the western and eastern parts of the survey grid. A moderate elongated chargeable anomaly is resolved at a depth of ~400 m. The elongated anomaly has a SW-NE orientation and traverses the grid in the south part of the survey area.

Mapping was carried out in July and August 2009 to look for zones of alteration and mineralization associated with the geophysical anomalies outlined by the Titan 24 survey, and also to locate new zones outside of the areas of known mineralization. The mapping was concentrated to the Southeast and Northeast of the claim blocks away from the known areas of mineralization.

The results were successful in locating three new zones of alteration and mineralization in the Southeast co-incident with the MT 1 anomaly and to the Northeast where previous trenching had located scattered lead-zinc-copper mineralization. The new zones include the Schissler and Miner Zones in the South East of the property and the North Zone in the centre north of the Property.

In September and October of 2009, trenching was focused on the South Zone to test the potential for precious metal mineralization indicated by the 2008 exploration and in the Schissler Zone to test near surface chargeability anomalies.

Details of this trenching program are given in B.C. Assessment Report 31730.

Three HQ diamond drill holes totalling 496.45 metres were completed in 2009, two in the South Zone and one in the Granby Zone.

Thin section work by K. Dunne, P.Geo was done in October 2009 on trench and drill core samples from the South and Granby Zones respectively.

2010

A geomorphological study of the property was done by Dr. Selina Tribe P.Geo of Carta Explorations on March 17, 2010. This was an overview of the surficial geology of the Property looking at the immediate post-glacial history. The emphasis was on analyzing the mass wastage events to determine possible source areas of the high grade Regal slide block. This study was successful in delineating the history and located several potential slide routes which SEGO began testing in 2010 by trenching the slopes above the Regal Zone, and in the Southwest corner of the Granby Zone.

Miner Mountain Property (cont'd)

2010 (cont'd)

Of these trenches, trenches 95, 96 and 97 were also excavated to test for surface expression of the mineralization located by diamond drill hole MM-10-19. Trench 96 successfully located excellent grade mineralization above the drill hole (see press release dated December 15, 2010), while trenches 97 and 98 located a zone leached gossanous rock that could not be penetrated by the excavator and extended at least 150 metres to the east of trench 96.

The Company drilled 10 HQ holes in December 2009, and March-April 2010 to test targets identified by the trenching programs. Eight of these holes were drilled in targets in the Granby Zone, and two were drilled on the South Zone.

DDH No.	Easting	Northing	Elevation	Depth(m)	Angle	Azimuth	Year	Zone
DDH-MM-09-11	5484501	684010	944	241.46	-90	180	2009	Granby
DDH-MM-09-12	5483194	682886	791	103.2	-90	180	2009	South
DDH-MM-09-13	5483194	682886	791	151.79	-73	65	2009	South
DDH-MM-10-14	5484551	684010	941	200.25	-90	N/A	2010	Granby
DDH-MM-10-15	5484600	684009	937	125.72	-90	N/A	2010	Granby
DDH-MM-10-16	5484500	684060	945	133.2	-90	N/A	2010	Granby
DDH-MM-10-17	5484500	684110	947	108.81	-90	N/A	2010	Granby
DDH-MM-10-18	5484454	684061	948	90.53	-90	N/A	2011	Granby
DDH-MM-10-19	5484230	683895	956	127.1	-50	0	2011	Granby

The two holes in the South Zone MM-09-12 and MM-09-13 (Figure 10) did not intercept appreciable mineralization except for one spot of high 4 ppm gold over 3 metres which could not be reproduced.

Highlights of the drilling in the Granby Zone include:

<u>DDH-MM-09-11</u>
From 15.85m to 78.64, 0.355% Cu, 0.165 g/t Au, 2.52 g/t Ag, m including 10.76 metres of 0.48% Cu, 0.24 g/t Au, and 3.38 g/t Ag from 35.97m to 46.73 m, and 27.44 metres of 0.49% Cu, 0.26 g/t Au, and 3.38 g/t Ag from 51.2 m – 78.64 m including 6.1 m of 0.91% Cu, 0.54 g/t Au, from 72.54 m – 78.64m

A second zone from 137.55m to 172.64m (35.09m) was mineralized with up to 2688 ppm copper.

<u>DDH-MM-10-16</u>
From 12.19m to 108.81m, 0.31% Cu, 0.08 g/t Au, 1.76 g/t Ag including from 23.47 to 44.81 - 21.34 m of 0.33% Cu, 0.1 g/t Au, 2.73 g/t Ag and from 69.19 to 108.81 - 39.62m of 0.5% Cu, 0.1 g/t Au, 2.27 g/t Ag, which includes from 72.24 to 75.29 -3.05m- 1.45% Cu, 0.15 g/t Au, 5.7 g/t Ag

Miner Mountain Property (cont'd)

2010 (cont'd)

DDH-MM-10-18
From 13.72 to 32.61 m 0.24% Cu, 0.26 g/t Au, 1.23 g/t Ag

DDH-MM-10-19
From 66.69 to 127.1 m of 0.27% Cu, 0.16 g/t Au, 0.72 g/t Ag including from 87.48m to 114.91m - 27.43m of 0.42% Cu, 0.3 g/t Au, 1.45 g/t Ag which includes 102.72 – 105.77 -3.05m- 1.67% Cu, 1.16 g/t Au, 3.9 g/t Ag

DDH-MM-10-20
From 26.52 to 93.57 of 0.13% Cu, 0.16 g/t Au, 0.68 g/t Ag including from 26.52 to 50.90m - 24.38 m of 0.16% Cu, 0.33 g/t Au, 0.96 g/t Ag which includes 32.61 to 35.66 -3.05m- 0.15% Cu ,0.89 g/t Au, 1.3 g/t Ag

With the exception of hole MM-10-19 all the 2009 and 2010 Granby Zone drilling was collared in the Northern Granby to test extensions of the mineralization encountered in the 2008 drilling.

MM-10-14, did not intercept appreciable mineralization even through it was in close proximity to MM-09-11 which had significant mineralization. To the north of MM-10-14, MM-10-15 was more mineralized (up to 1000 ppm Cu and 0.1 g/t Au) than MM-10-14 but still did not contain significant widths or grades. Likewise MM-10-17 encountered heavily altered rock which was enriched with copper-gold but no significant grades were found.

All holes intercepted substantial alteration hosted in either Nicola Group volcanic or intrusive rocks.

Of note, is a large area of gypsum – pyrite – albite ± clay brecciation/veining which occurs at depth in holes 11, 14, and 16 and in holes 8 and 10 of the 2008 drilling, and in the extant 2000 and 1997 core. This alteration assemblage appears to mark the lower boundary, or outer boundary of better metal grades. It dips to the northwest and comes to surface in the south and east of the Granby zone.

The dominant alteration is propylitic (chlorite-epidote ± actinolite ± hematite ± albite± pyrite), but large areas of albitization (Na-feldspar), sericite/illite ± rutile, carbonate and potassic alteration (K-Feldspar ±Magnetite) were encountered as well.

Sulphide minerals are principally Bornite and Chalcopyrite with rims of Chalcocite and Covellite. Pyrite is ubiquitous outside the copper-gold zones, but subordinate to Bornite and Chalcopyrite within.

Miner Mountain Property (cont'd)

2010 (cont'd)

Drill hole MM-10-19, was collared approximately 300 metres to the southwest of the above mentioned zone of mineralization to test at depth the mineralization previously encountered in Trench 95, and to determine the extent of a unit of barren maroon volcanics found at the southern end of the trench. This hole was successful in determining the extent at depth of the barren volcanics and their contact relationship, a fault, with mineralized microdiorite to the north. Most significantly this hole continued in microdiorite hosted mineralization to its bottom at 127.1 metres and thus was the reason for the excavation of trenches 96, 97, and 98. The hole was stopped at 127.1 metres due to drilling difficulties.

A second petrographic study was completed by K. Dunne, P. Geo on May 7, 2010. In total the 2009 and 2010 studies included 28 samples taken from drill core and trench material. The work confirmed the presence of multiple intrusives and intrusive phases from microdiorite and quartz monzonite to syenite, and elucidated the variety of volcanic rocks from crystal tuffs to amygdaloidal basalts. In many cases the work discovered previously unsuspected phases of alteration, and defined multiple stages of veining.

2011

Exploration work completed in 2011 consists of 102 percussion drill holes totalling 7260 metres, in three phases. The program was designed to test a broad east-west zone across the southern part of the Granby Zone that is underlain by an arcuate chargeability anomaly, and to penetrate underneath the leach cap encountered in trenches 97 and 98 in 2010 overlying the anomaly.

On July 22, 2011, the Company received a Multi-Year Area Based Permit from the Ministry of Energy and Mines that is valid for 5 years. The permit is for percussion drilling, diamond drilling and trenching on the SEGO's Miner Mountain Project near Princeton, B.C.

The Company started percussion drilling on July 25, 2011 with an initial percussion drill program as recommended by consultant Vic Preto, Ph.D., P.Eng. in his report of June 17, 2011. This report is available on SEGO's website.

In Phase 1, the assay results show that 19 of the 34 percussion holes intersected significant widths of copper-gold mineralization (greater than 0.1% Cu and 0.1 g/t Au), with several intersecting exceptional grades of copper mineralization including PDH 9 which intersected 4m of 3.999% Cu, 6.925 g/t Au and 23.45 g/t Ag. Also of note is than many of the holes bottomed in copper mineralization, leaving wide areas open at depth.

Miner Mountain Property (cont'd)

2011 (cont'd)

Phase 1 Percussion drilling highlights are as follows:

PDH 1 From 24 to 48 m 0.156% Cu.

PDH 2 From 60 to 70 m 0.355% Cu, 0.446 g/t Au, 1.2 g/t Ag.

PDH 6 From 16 to 20 m 0.128% Cu, 0.179 g/t Au (and Isolated hits between 10 to 30m)

PDH 8 From 38 to 56 m 0.186% Cu, 0.138 g/t Au, and from 68 to 72 m 0.226 g/t Au.

PDH 9 From 12 to 64 m 1.264% Cu, 1.061 g/t Au, 3.79 g/t Ag, Including 12 to 44 m 1.845% Cu, 1.628 g/t Au, 5.569 g/t Ag including from 16 to 24 m 3.681% Cu, 5.256 g/t Au, and 15.975 g/t Ag which includes from 18 to 22 m 3.999% Cu, 6.925 g/t Au, and 23.450 g/t Ag.

PDH 12 Isolated 0.1% Cu from 70 to 82 m.

PDH 13 from36 to 38 m from 0.139% Cu, 0.083 g/t Au, 64 to 68 m 0.272% Cu, 0.237 g/t Au 0.50 g/t Ag.

PDH 14 From 20 to 70m 0.126% Cu, 0.087 g/t Au.

PDH 15 From 24 to 50m 0.161% Cu 0.4 g/t Au, 0.43 g/t Ag including from 32 to 38 m 0.191% Cu 1.053 G/t Au.

PDH 16 From 14 to 20 m 0.237% Cu, 0.16 g/t Au, and from 28 to 40 m 0.141% Cu, 0.096 g/t Au.

PDH 17 From 32 to 44 m 0.135% Cu, 0.094 g/t Au, (isolated Cu and Au from 28 to 48 m)

PDH 18 From 34 to 38 0.216% Cu, 0.030 g/t Au, and from 40 to 56 m 0.186% Cu, 0.046 g/t Au and from 68 to 74m 0.112% Cu, and 0.021 G/t Au.

PDH 19 From 44 to 46 0.121% Cu, 0.029 g/t Au.

PDH 20 From 10 to 22 m 0.197%, Cu 0.257 g/t Au.

PDH 21 From 16 to 28 m 0.8 % Cu, 0.647 g/t Au, 1.367 g/t Ag including 18 to 24 m 1.342% Cu, 1.064 g/t Au and 2.067 g/t Ag and from 44 to 50 m 0.295% Cu 0.173 g/t Au.

Miner Mountain Property (cont'd)

2011 (cont'd)

PDH 22 From 12 to 22 m 0.142% Cu, 0.071 g/t Au, and from 32 to 42m 0.145% Cu, 0.122 g/t Au.

PDH 26 From 38 to 42 m 0.14% Cu, 0.056 g/t Au.

PDH 28 From 14 to 28 m 0.15% Cu, 0.261 g/t Au, 40 – 44 m 0.16% Cu, 0.769 g/t Au.

PDH 31 From 32 to 42 m 0.21% Cu, 0.121 g/t Au.

PDH 34 From 24 to 48 m 0.22% Cu, 0.144 g/t Au, includes 30 – 36 m 0.38% Cu, 0.234 g/t Au, and, 30 – 32 m 0.52% Cu, 0.238 g/t Au.

This phase 2 program was designed to test for northern and eastern extensions of the mineralization found in spring 2011. During this program 43 percussion drill holes were drilled for a total of 3394 metres on a the same arcuate chargeability high, as phase 1 but now called the Cuba Zone.

On November 28, 2011 Sego Resources announced it had received all fire assays from its September 2011 percussion drilling program. In Phase 2 the assay results show that 24 of the 53 holes intersected significant widths of copper gold mineralization (greater than 0.1% Cu and 0.1 g/t Au), with several intersecting exceptional grades of copper mineralization including PDH 77 54m of 0.342% Cu with 0.473 g/t Au. Also of note is than many of the holes bottomed in copper mineralization, leaving wide areas open at depth.

PDH 35 From	36-52m	16m	0.367% Cu with 0.595 g/t Au
PDH 37 From	20-32m	12m	0.14% Cu with 0.0.93 g/t Au
PDH 38 From	34- 40m	6m	0.114% Cu and 0.041 g/t Au
	42-52m	10m	0.199% Cu and 0.71 g/t Au
PDH 52 From	52- 60m	8m	0.114% Cu with 0.070 g/t Au
PDH 55 From	72 -101m	29m of	0.154% Cu with 0.251 g/t Au
PDH 57 From	28 -34m	6 m	0.134% Cu with 0.039 g/t Au
	54 – 89m	35m	0.217% Cu with 0.325 g/t Au

Miner Mountain Property (cont'd)

2011 (cont'd)

PDH 58 From	44-54m	12m 0.171% Cu and 0.085 g/t Au
	58-78m	20m 0.153% Cu and 0.117 g/t Au
	83-98m	15m 0.278% Cu and 0.227 g/t Au and 0.58 g/t Ag
		Including 2m of 0.411% Cu and 0.226 g/t Au and 1 g/t Ag
PDH 59 From	22-30m	8m of 0.164% Cu with 0.064 G/t Au
	32 -40m	8m of 0.14% Cu with 0.076 G/t Au
	46-54m	8m of 0.192% Cu with 0.095 g/t Au
PDH 60 From	10-28m	18m of 0.23% Cu with 0.157 g/t Au
	30-38m	8m 0.162% Cu with 0.127 g/t Au
	68-83m	15m of 0.34% Cu with 0.374 g/t Au
		including 2m 0.633% Cu with 0.359 g/t Au
	95-101m	6m of 0.21 g/t Au
PDH 61 From	10-22m	12m 0.185% Cu with 0.272 g/t Au
	24-56m	32m of 0.224% Cu with 0.326 g/t Au
		including 2m of 0.932% Cu with 0.783 g/t Au
	80 -94m	14m of 0.337% Cu with 0.289 g/t Au
PDH 62 From	26-46m	20m of 0.106% Cu with 0.062 g/t Au
	68-76m	8m of 0.108% Cu with 0.085 g/t Au
	78-86m	8m of 0.110% Cu with 0.042 g/t Au
PDH 63 From	52-56m	6m of 0.136% Cu with 0.71 g/t Au
	74-80m	6m of 0.105% Cu with 0.026 g/t Au
PDH 64 From	36-44m	8m of 0.492% Cu with 0.101 g/t Au
PDH 65 From	8-16m	8m 0.187% Cu with 0.24 g/t Au
	18-32m	14m of 0.242% Cu with 0.333 g/t Au
PDH 66 From	0-6m	6m 0.217% Cu with 0.267 g/t Au
	8-54m	*46m 0.509% Cu with 0.5 g/t Au inc 12m of 1.13% Cu with 0.806 g/t Au
	98-110m	12m 0.142% Cu with 0.02 g/t Au

*two ICP samples inserted to make a composite intersection.

Miner Mountain Property (cont'd)

2011 (cont'd)

PDH 67 From 6-26m *20m 0.529% Cu with 0.325 g/t Au incl 2m of 1.67% Cu with 0.93 g/t Au
*one ICP sample inserted to make a composite intersection.

PDH 68 From 22-48m 26m 0.842% Cu with 0.834 g/t Au
includes 4m of 2.53% Cu with 2.47 g/t Au
66-68m 2m of 1.113% Cu 0.312g/t Au

PDH 69 From 14-32m 18m 0.138% Cu with 0.66 g/t Au

PDH 70 From 16 to 46m 30m 0.255% Cu with 0.028 g/t au
52-58m 6m 0.244% Cu with 0.034 g/t Au
60-66m 6m 0.165% with 0.987 g/t Au

PDH 71 From 18 -30m 12m 0.242% Cu with 0.211 g/t Au

PDH 72 From 6-14m 8m 0.142% Cu 0.136 g/t Au
26-36m 10m of 0.284% Cu with 0.722 g/t Au
46-52m 6m of 0.246% Cu with 0.501 g/t Au

PDH 73 From 28-30m 10m 0.095% Cu with 0.107 g/t Au

PDH 74 From 10 -16m 6m 0.19% Cu with 0.307 g/t Au
28-30m 2m 0.506% Cu with 1.765 g/t Au
32-34m 2m 0.599% Cu with 0.445 g/t Au

PDH 75 From 14m of 0.193% Cu with 0.25 g/t Au

PDH 77 From 4-14m 10m of 0.215% Cu with 0.148 g/t Au
20-26m 6m of 0.218% Cu with 0.185 g/t Au
38- 93m 54m of 0.342% Cu with 0.473 g/t Au
including 7m 0.76% Cu with 1.508 g/t Au

On November 22, 2011 Sego Resources Inc. reported that it had begun a 2,000 metre third phase percussion drill program targeting the eastern extensions of the new zone outlined in the phase 2 program.

Miner Mountain Property (cont'd)

2011 (cont'd)

In Phase 3 the assay results show that 13 of the 25 holes intersected significant widths of copper-gold mineralization (greater than 0.1% Cu and 0.1 g/t Au), with several intersecting exceptional grades of copper mineralization including PDH 94 which intersected 26m of 1.72% with 0.921 g/t Au.

PDH 78 From 18 to 32m 14m of 0.145% Cu with 0.209 g/t Au

PDH 84 From 54 to 70m 16m of 0.164% Cu with 0.179 g/t Au

PDH 85 From 38 to 60m 22m 0.136% Cu with 0.147 g/t Au

PDH 86 From 50 to 64m 16m of 0.161% Cu with 0.056 g/t Au

PDH 87 From 12 to 54m 42m of 0.128% Cu with 0.088 g/t Au ,
including 2m of 0.433% Cu with 0.337 g/t Au from 26-28m

PDH 88 From 2 to 16m 14m of 0.136% Cu with 0.056 g/t Au
and 28 to 38m 10m of 0.154% Cu with 0.088 g/t Au

PDH 89 From 8 to 22m 14m of 0.109% Cu with 0.343 g/t Au

PDH 91 From 24 to 52m 28m of 0.146% Cu with 0.037 g/t Au
and 62 to 78m 16m of 0.127% Cu with 0.024 g/t Au

PDH 94 From 18 to 100m 82m 1.006% Cu, 0.576 g/t Au 1.69 g/t Ag
including from 20 -46m 26m of 1.72% 0.921 g/t Au

PDH 96 From 44 to 52m 8m 0.127% Cu with 0.142 g/t Au
and 62 to 102m 40m of 0.23% Cu with 0.053 g/t Au
PDH 97 From 70 to 80m 10m of 0.348% Cu with 0.095 g/t Au

PDH 101 From 18 to 58m 40m of 0.134% Cu with 0.071 g/t Au
including 2m of 0.39% Cu with 0.139 g/t Au from 44-46m

PDH 102 From 36 to 66m 30m of 0.145% Cu with 0.027 g/t Au

Miner Mountain Property (cont'd)

2012

On March 12, 2012 the Company announced the results of its January 2012 diamond drilling program at its Miner Mountain. Eight HQ holes totaling 1621.97 metres were drilled along the surface trace of the Cuba zone, which has been the focus of SEGO's 2011 exploration program. The hole locations were chosen to twin reported percussion drill holes to confirm the grade of, and test for extensions at depth of copper-gold mineralization reported from the 2011 percussion drilling program.

The drilling consisted of 6 vertical holes (DDH 21-26) and 2 (DDH 27 -28) angled holes collared at 120° to test for extensions of mineralization between the vertical holes. The results from west to east:

DDH 21 (Twin of PDH 9)

from 10.06m to 110.45m, 100.39m of 0.946% Cu 0.55 g/t Au 3.473 g/t Ag including from 10.06 to 45.11m, 35.05m of 2.457% Cu 1.35 g/t Au 8.896 g/t Ag

DDH 23 (Twin of PDH 02)

from 43.5m to 74.98m, 31.48m 0.172% Cu 0.228 g/t Au 0.619 g/t Ag including from 62.79m to 74.98m, 12.19m of 0.3 % Cu 0.469 g/t Au 0.951 g/t Ag

DDH 24 (Twin of PDH 77)

from 11.58 to 139.6m, 128.02m of 0.344% Cu 0.296 g/t Au 0.975 g/t Ag including from 42.06m to 84.73m, 42.67m of 0.737% Cu 0.751 g/t Au 1.57g/t Ag

DDH 25 (Twin of PDH 94)

from 11.28m to 17.37m , 5.99m of 1.372% Cu 0.677 g/t Au

DDH 26 (Twin of PDH 94)

from 17.37m to 29.57m , 12.2m of 1.163% Cu 0.759 g/t Au

DDH 27

from 8.23 to 96.62m, 88.39m of 0.222% Cu 0.192 g/t Au 0.428 g/t Ag including from 60.05 to 78.33m, 18.28m 0.546% Cu 0.339 g/t Au and 0.733 g/t Ag

DDH 28

from 7.62 to 77.12m, 69.5m 0.257% Cu 0.193 g/t Au 0.644 g/t Ag including from 38.1 to 62.48, 24.38m 0.451% Cu 0.32 g/t Au and 0.9 g/t Ag. Final two intervals of DDH 28 from 199.64m to 205.74m are 3m of 4233 ppm Cu 117.9 ppb Au and 3m of 5890 ppm Cu with 259 ppb Au respectively

Miner Mountain Property (cont'd)

2012 (cont'd)

On August 10, 2012 the Company announced the creation of a Technical Advisory Board to enhance and accelerate the exploration and development of the Miner Mountain Porphyry Copper-Gold Project. The Advisory Board's breadth and depth of experience in porphyry copper exploration, development and project finance represents a significant step forward in the company's strategic capabilities and a key milestone in corporate development. The members of the Technical Advisory Board are:

<u>Nick Carter, Ph.D., P.Eng.</u>

Nick Carter obtained a B.Sc. in Geology from the University of New Brunswick in 1960, an M.S. from Michigan Technological University in 1962 and a Ph.D. from The University of British Columbia in 1974. He has been registered with the Association of Professional Engineers and Geoscientists of British Columbia since 1966 and, with Dr. Vic Preto, served on a Task Force which was instrumental in achieving the registration of Professional Geoscientists within the Association.

Dr. Carter spent two years with the International Nickel Company in Sudbury prior to joining the then B.C. Department of Mines and Petroleum Resources in Victoria in 1964. His 16 year career with this organization included the examination of, and reporting on, a variety of mineral deposits and occurrences in a number of mineral districts and the supervision of a number of geological projects and regional geochemical surveys throughout British Columbia. Over the past 27 years, Dr. Carter has served as a director, officer and as a member of technical advisory boards for a number of junior mining companies and has provided professional services to numerous junior and senior mining companies engaged in a variety of mineral projects throughout Canada, the western U.S. , Mexico, and parts of South America and Asia. Dr. Carter is the author of numerous publications on molybdenum and copper porphyry deposits.

<u>Vic Preto, PhD., P.Eng.</u>

Dr. Preto has mapped extensively in the Nicola Belt and studied its copper -gold alkalic porphyry deposits during his 31 years of service with the B.C. Ministry of Energy, Mines and Petroleum Resources. As a result of these studies he authored or co-authored several referred papers and led numerous field trips to the Nicola Belt and its mineral deposits. His publications include:

- Geology and Mineral Deposits of the Copper Mountain Camp (EMPR Bulletin 59)
- Geology and Mineral Deposits of the Nicola Belt (EMPR Bulletin 69) - Where the Miner Mountain project is located.

Miner Mountain Property (cont'd)

2012 (cont'd)

In addition to his extensive field studies Dr. Preto represented the Geological Survey Branch on the Mine Development Steering Committee for several years, was Manager of District Geology and Coal Resources, Director of Prospectors' Assistance and Training, and Manager of two major assistance programs to stimulate mineral exploration. He also served on Council for the Association of Professional Engineers and Geoscientists of B.C. (APEGBC) and, with Dr. Nick Carter, served on a Task Force which was instrumental in achieving the registration of Professional Geoscientists within the Association. A member of APEGBC since October 1967, Dr. Preto's geological and mineral deposits knowledge and experience as well as his knowledge of the Provincial Government inner workings, regulations, and of the Environmental Review and Permitting Process will be an asset as the Miner Mountain Project moves forward. Dr. Preto was previously Sego's independent consultant.

Christos Doulis, CFA

Research Analyst, Mining - Precious Metals Stonecap Securities

Prior to joining Stonecap Securities in September 2010, Mr. Doulis spent sixteen years in a wide variety of roles with a focus on the global mining sector. Most recently, Mr. Doulis was a Partner at Gryphon Partners, a diversified global corporate advisory consultancy specializing in mining and resource company mandates. From 2006 to 2008, Mr. Doulis was a Vice President in the Mining Investment Banking group at Blackmont Capital (now Macquarie Private Wealth). Mr. Doulis began his professional career in 1994 with Scotia Capital as an equity research associate.

2013

On May 8, 2013, SEGO announced that it has contracted Precision GeoSurveys Inc. to fly a helicopter-borne high resolution aeromagnetic and radiometric survey over its Miner Mountain Property. The survey will consist of 230 kilometres, of 100m spacing covering the entire area of the project, and 63 kilometres of 50m spacing co-incident with the area of the 2009 Titan 24 IP survey and the 2008-2012 drilling.

On June 28, 2013, SEGO announced a contract with Dr. Jules J. Lajoie PhD., P.Eng., former Chief Geophysicist of Cominco, Teck-Cominco and Teck Resources, to reanalyse and integrate the 2009 Titan 24 IP survey and the 2013 Precision Geosciences Airborne Geophysical Survey conducted over SEGO's Miner Mountain Property, near Princeton, BC. The work is now completed and Sego has received the final report entitled "Titan 24 Re Processing, Heli Magnetics and Radiometrics Interpretation".

Miner Mountain Property (cont'd)

2013 (cont'd)

The report detailed eight separate target zones on the property worthy of further investigation through drilling and/or further geophysics.

Targets #1&2 respectively are the Cuba Zone for which IP strongly suggests extension to the WNW and ESE, and the yet untested Quintana Zone, located about 700 m NE of the Cuba Zone and consisting of a 500 m diameter IP response that coincides with a Mag low, as occurs over the Cuba Zone mineralization (100.39m of 0.946% Cu 0.55 g/t Au 3.473 g/t Ag in DDH 21, and 128.02m of 0.344% Cu 0.296 g/t Au 0.975 g/t Ag in DDH 24 in the Cuba Zone-NR March 12, 2012).

Target #3 is immediately south and upslope of the Regal Zone which contains attractive copper grades and has been interpreted to be a post-glacial landslide deposit.

Target #4 is in the approximately 1.5 km, and open, E-W IP high in the SW part of the survey area, and is "located immediately north of strong magnetic anomalies, a situation not unlike that at Copper Mountain". As a start three holes are recommended for this target.

Targets #5&6 are in the south-eastern part of the Titan 24 IP survey. Target #6 shows increasing chargeability at depth and to the east, with depth to the top of the deep chargeability indicated to be in the 100-200 m range on the easternmost line.

Targets #7&8 are both in the northern part of the property, in excess of 1 km north of the Quintana Zone (Target #2) in an area not covered by the Titan 24 IP survey. Target #7 is a strong mag low. Target #8 is a sub-circular area about 1 km in diameter "...displaying unusually quiet mag (magnetite destruction) with the center showing somewhat elevated mag and K/Th ratio, as one might expect for the central core of a porphyry system." IP coverage is recommended for both areas.

SEGO has already located mineralization and/or alteration in target areas 1 through 7, with surface exploration including trenching, soil geochemistry and surface geological mapping. The report is now being reviewed by Sego's Exploration team.

On September 8, 2013, SEGO announced the completion of 1743 metres of percussion drilling in 32 holes. All drill cuttings were analyzed by a Niton XL2 Goldd portable x-ray fluorescent analyzer for copper grade and mineralized cuttings were sent to Acme Labs for analysis. The focus of the program was to test new zones identified by a recent airborne survey and subsequent data re-analysis of the Titan 24 Survey data. Priority was given to targets with coincidental magnetic, IP chargeability, and soil geochemical anomalies.

Miner Mountain Property (cont'd)

2013 (cont'd)

The Company has received analytical results from the most significant hole completed in the Upper Regal Zone, the first area tested in the 2013 drilling program. This zone is topographically above the large Regal slide block (~500, 000 tonnes at 0.5% Copper) in an area where soil geochemistry results and geomorphology studies suggested that the block had moved only a short distance downslope. The zone was tested with ten short percussion drill holes for a total of 474 metres along a north-south road that transects the target area which is southwest of the known mineralization in the Cuba Zone. Based on the Niton XL2 results only hole PDH 109 was submitted for assay. Logging of the drill cuttings revealed broad zones of chlorite-albite-pyrite alteration containing copper mineralization similar to the Cuba Zone, plus indications of skarn type mineralization. The alteration and mineralization patterns suggest that drilling to date may have intercepted the upper levels of an alkalic porphyry system.

The most significant results from this zone were encountered in PDH-13-109 which was drilled on the flank of a large magnetic anomaly. Results are as follows:

- 30 metres of 0.31% Copper and 0.15 g/t Gold from 32m to 62m
- Including 10 metres of 0.55% Copper and 0.36 g/t Gold from 46m to 56m
- And 2 metres of 1.026% Copper and 0.4 g/t Gold from 48m to 50m

The mineralization consists of bornite and chalcopyrite in potassium feldspar veins within a large magnetite-rich zone, bounded by a halo of epidote-magnetite alteration containing lower copper grades. This alteration halo extends at least 50 metres north and south from PDH 109, and a least 120 metres to the southeast. The main magnetic anomaly extends 170 metres northwest and will be further tested by subsequent exploration.

Christopher J. Sampson, P.Eng., is the Company's designated qualified person for this MD&A within the meaning of NI 43-101 and has reviewed and approved the technical information contained in this MD&A for the Miner Mountain project.

SELECTED ANNUAL INFORMATION

The following table sets out selected annual financial information for the Company for the years ended:

	June 30 2014 $	June 30 2013 $	June 30 2012 $
Revenues	Nil	Nil	Nil
Net and comprehensive loss	(393,437)	(357,447)	(655,670)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)
Total assets	3,760,851	3,568,288	3,812,384
Non-current financial liabilities	Nil	Nil	Nil
Dividends	Nil	Nil	Nil

All the financial statements were prepared using International Financial Reporting Standards. All figures are in Canadian dollars.

DISCUSSION OF OPERATIONS

The Company recorded a net and comprehensive loss of $110,765 for the six months ended December 31, 2014 compared to $281,410 for the six months ended December 31, 2013.

Expenditures on exploration and evaluation assets decreased to $4,798 for the six months ended December 31, 2014 compared to $227,035 for the six months ended December 31, 2013 due to a lack of funding for the Company's planned exploration program at Miner Mountain.

Share-based payments decreased to $Nil for the six months ended December 31, 2014 compared to $94,758 for the six months ended December 31, 2013. The Company granted 2,049,735 stock options during the six months ended December 31, 2013.

Administrative fees and consulting fees decreased by a combined $42,828 during the 2014 period when compared with the 2013 period due to the decreased activity level of the Company.

Professional fees decreased to $21,181 for the six months ended December 31, 2014 compared to $54,034 for the six months ended December 31, 2013 as a result of decreased legal fees.

During the six months ended December 31, 2014, due to related parties increased from $174,169 to $276,612 as the directors of the Company have financed the operations of the Company while evaluating financing alternatives.

SUMMARY OF QUARTERLY RESULTS

The figures for the quarters ended June 30, 2014 and 2013 are derived from the Company's audited annual financial statements. All other quarterly figures are derived from the Company's unaudited condensed interim financial statements. All the financial statements were prepared using International Financial Reporting Standards. All figures are in Canadian dollars.

	December 31 2014 $	September 30 2014 $	June 30 2014 $	March 31 2014 $
Revenues	Nil	Nil	Nil	Nil
Net and comprehensive loss	(65,774)	(44,991)	(44,230)	(67,797)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

	December 31 2013 $	September 30 2013 $	June 30 2013 $	March 31 2013 $
Revenues	Nil	Nil	Nil	Nil
Net and comprehensive loss	(116,993)	(164,417)	(75,260)	(102,907)
Basic and diluted loss per share	(0.00)	(0.01)	(0.00)	(0.00)

Variances in quarterly results can be due to share-based payments incurred in a quarter as the Company's stock options generally vest on the grant date and therefore are fully expensed in the quarter in which they are granted.

In the quarter ended September 30, 2013, the Company recorded share-based payments expense of $94,758 related to 2,049,735 stock options granted during that quarter.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations and mineral property exploration and evaluation programs to date primarily through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity, debt financing, the sale or joint venture of its assets and loans from its directors.

The Company's financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has not generated revenue from operations and has not yet determined whether its mineral properties contain economically recoverable reserves. The continuing operations of the Company are dependent upon its ability to obtain the necessary financing to meet its ongoing commitments and further its exploration programs. The continued uncertainty in the capital markets, especially as it relates to the speculative junior mining industry may make it difficult to raise capital through the private placement of shares. The Company will have to raise funds to continue operations and although the Company is using its best efforts to achieve its business plans by examining various financing alternatives, there is no assurance that the Company will be successful with any financing ventures.

The Company estimates that the administration of its corporate affairs will cost in the order of $180,000 for the year ended June 30, 2015. Operations are currently being funded by the directors of the Company.

At December 31, 2014, the Company has a working capital deficiency of $290,126 (June 30, 2014: $175,800).

The Company intends to complete equity financings in the near future to meet its future exploration and administrative commitments.

Financing Activities During the Six Months Ended December 31, 2013:

On July 18, 2013, the Company completed a brokered private placement and issued 5,000,000 units at $0.10 per unit for gross proceeds of $500,000. Each unit consisted of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one common share at $0.20 until July 18, 2018.

With respect to this private placement, the Company paid fees and expenses of $111,800 and issued 1,250,000 agent options exercisable at $0.10 into one unit having the same terms as the private placement units. The agent's options had a fair value of $139,415 and are exercisable until July 18, 2018.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS BETWEEN RELATED PARTIES

Management Changes

In February 2015, Andrew Watson resigned as a director of the Company and Tyler Ducharme resigned as Chief Financial Officer and a director of the Company. The Company wishes to thank them for their service. Selina Tribe, PhD and P Geo., was appointed a director of the Company and Brent Petterson, CGA, was appointed as Chief Financial Officer and a director of the Company.

Directors and Officers

At March 2, 2015, the directors of the Company are J Paul Stevenson, Allan Hilton, Chris Sampson, Shelley Hallock, Kenneth Willington, Selina Tribe and Brent Petterson. The officers of the Company are J Paul Stevenson, Chief Executive Officer and Brent Petterson, Chief Financial Officer.

Commitments

The Company has entered into a year to year renewable agreement with J Paul Stevenson & Associates, a company operated by J Paul Stevenson, the CEO of SEGO Resources Inc.

The agreement provides for bookkeeping, secretarial and website services at $6,038 per month, GIS data management and mapping services at $6,038 per month, rental of office space at $6,125 per month, management fees at $3,000 per month and telephone services at $540 per month. The agreement also provides the Company with geological services on an as needed basis. The agreement has no terms and can be changed on agreement between the Company and the CEO. The provision of bookkeeping, secretarial and website services at $6,038 per month and GIS data management and mapping services at $6,038 per month was suspended in March 2014.

Allan Hilton charged $1,800 for deferred exploration costs - geological and $1,800 for consulting fees during the six months ended December 31, 2013.

Brent Petterson will charge administrative fees of $2,000 per month starting February 2015 through his private company MBP Management Ltd. Tyler Ducharme charged administrative fees of $5,400 during the six months ended December 31, 2014.

The Company incurred the following charges by directors of the Company or by a company with a director in common with the Company during the six months ended December 31, 2014 and 2013:

	2014	2013
Deferred exploration costs – geological (J Paul Stevenson/Allan Hilton)	$ 3,600	$ 49,428
Administrative fees (Tyler Ducharme/J Paul Stevenson)	5,400	36,228
Consulting fees (J Paul Stevenson/Allan Hilton)	-	12,000
Management fees (J Paul Stevenson)	18,000	18,000
Rent (J Paul Stevenson)	36,750	36,750
Telephone (J Paul Stevenson)	3,240	3,240
	$ 66,990	$ 155,646

TRANSACTIONS BETWEEN RELATED PARTIES – (cont'd)

The Company incurred the following share-based payments charges for options granted to the directors of the Company during the six months ended December 31, 2014 and 2013:

	2014	2013
J Paul Stevenson	$ -	$ 26,970
Chris Sampson	-	16,225
Shelley Hallock	-	5,623
Allan Hilton	-	16,225
Tyler Ducharme	-	8,053
Ken Willington	-	21,662
Andrew Watson	-	3,249
	$ -	$ 98,007

At December 31, 2014, due to related parties includes $276,612 for cash advances, fees and expenses (June 30, 2014: $174,169) due to directors of the Company and to a company with a director in common with the Company. The amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

Details of amounts due to related parties are as follows:

	December 31, 2014	June 30, 2014
J Paul Stevenson – advances	$ 29,095	$ 3,900
J Paul Stevenson & Associates – fees and expenses	189,215	130,867
Tyler Ducharme – fees	11,100	5,700
Allan Hilton – advances	35,500	22,000
Allan Hilton – fees and expenses	11,702	11,702
	$ 276,612	$ 174,169

PROPOSED TRANSACTIONS

The Company has no proposed transactions.

CRITICAL ACCOUNTING ESTIMATES

Significant assumptions about the future and other sources of estimation uncertainty that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made relate to but are not limited to the following:

Exploration and Evaluation Assets

The carrying amount of the Company's exploration and evaluation assets properties does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

Share-based Payments

The inputs used in calculating the fair value for share-based compensation included in the comprehensive loss and share-based payments related to share issuance costs included in equity. The share-based payments expense is estimated using the Black-Scholes options-pricing model as measured on the grant date to estimate the fair value of stock options. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate.

Restoration and Environmental Liabilities

The recognition and valuation of liabilities for legal or constructive obligations associated with the retirement of exploration and evaluation assets and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the year incurred. The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

There were no changes in the Company's significant accounting policies during the six months ended December 31, 2014 that had a material effect on the condensed interim financial statements. The Company's significant accounting policies are disclosed in Note 3 to its condensed interim financial statements for the six months ended December 31, 2014.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash is classified as a financial asset at FVTPL; reclamation deposits are classified as held-to-maturity; due to related parties and accounts payable are classified as other financial liabilities, which are measured at amortized cost. The carrying value of these instruments approximates their fair values due to their short term to maturity.

The Company has exposure to the following risks from its use of financial instruments:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is held in a Canadian financial institution. The Company does not have any asset-backed commercial paper. The Company has minimal credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of December 31, 2014 are $356,464 (June 30, 2014 - $244,516). All of the contractual financial liabilities are current liabilities.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

As at December 31, 2014 and June 30, 2014, the Company is not exposed to significant market risk.

RISKS AND UNCERTAINTIES

In addition to the risks and uncertainties outlined earlier in this management discussion, the Company is also subject to other risks and uncertainties including the following:

General Risk Associated with the Mining Industry

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The main operating risks include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that claims and are in good standing and obtaining permits for drilling and other exploration activities. The market prices for gold and other metals can be volatile and there is no assurance that a profitable market will exist for a production decision to be made or for the ultimate sale of the metals even if commercial quantities of precious and other metals are discovered.

Exploration and development activities involve risks which careful evaluation, experience and knowledge may not, in some cases eliminate. The commercial viability of any mineral deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure, government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit.

Dependence on Key Personnel

Loss of certain members of the executive team or key operational leaders of the Company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and the competition is intense. The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

Title to Mineral Properties

Although the Company has taken steps to verify the title to the mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Company has entered into agreements to acquire and explore certain mineral properties located in British Columbia, Canada. Several Aboriginal groups are claiming inextinguishable Aboriginal title to the lands and resources in various regions of British Columbia, Canada, which may include one or more of the mineral claims beneficially owned by the Company. The extent to which any successful Aboriginal claim would materially affect the ability of the Company to exploit the mineral properties is not determinable at this time.

RISKS AND UNCERTAINTIES (cont'd)

Realization of Assets

The investment in and expenditures on mineral properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

The amounts shown for exploration and evaluation assets (property acquisition costs and deferred exploration costs) represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims allowed to lapse.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in the jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and evaluation on its mineral properties, the potential for production on the property may be diminished or negated.

The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

OUTSTANDING SHARE DATA

Number of issued and outstanding common shares at March 2, 2015 62,897,827

Options

At March 2, 2015, there were 7,550,735 stock options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number of Options Outstanding	Exercise Price	Expiry Date
1,821,000	$0.10	March 18, 2015
2,380,000	$0.17	February 11, 2016
100,000	$0.28	January 4, 2017
200,000	$0.30	March 30, 2017
1,000,000	$0.15	August 10, 2017
2,049,735	$0.15	July 25, 2018
7,550,735		

Warrants

At March 2, 2015, there were 7,350,000 share purchase warrants outstanding entitling the holders thereof the right to purchase one common share for each warrant held as follows:

Number of Warrants Outstanding	Exercise Price	Expiry Date
4,200,000	$0.33	July 7, 2017
650,000	$0.20	May 24, 2018
2,500,000	$0.10	July 18, 2018
7,350,000		

At March 2, 2015, there were 1,225,000 share purchase warrants contingently issuable in relation to agent's options to acquire units (below).

Agent's Options

At March 2, 2015, there were 1,850,000 agent's options outstanding entitling the holders thereof the right to purchase one unit for each agent's option held as follows:

Number of Options Outstanding	Exercise Price	Expiry Date
600,000	$0.25	July 7, 2016
1,250,000	$0.10	July 18, 2018
1,850,000		