STAKEHOLDER GOLD CORP.
MANAGEMENT DISCUSSION & ANALYSIS
FISCAL YEAR ENDED DECEMBER 31, 2014

The following management's discussion and analysis (the "MD&A") of the financial condition and results of the operations of Stakeholder Gold Corp. ("Stakeholder" or "the Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2014 and 2013. This MD&A should be read in conjunction with the Company's annual financial statements and related notes for the year ended December 31, 2014. The financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") and reported in Canadian dollars unless otherwise stated.

Further information regarding the Company and its operations are filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada and can be obtained from www.sedar.com.

DATE OF MD&A

This MD&A was prepared on April 24, 2015.

FORWARD-LOOKING INFORMATION

This management's discussion and analysis may contain forward-looking statements reflecting the Company's objectives, estimates and expectations. These statements are identified by the use of verbs such as "estimate", "believe", "anticipate", "intend", "expect", "plan", "may", "should", "will", and the negative thereof, or other variations thereon or comparable terminology. By their very nature, these types of statements involve risk and uncertainty. Consequently, results could differ materially from the Company's projections or expectations.

NATURE OF ACTIVITIES

Stakeholder is a mineral exploration company engaged in the acquisition, exploration and development of mineral resource properties. The Company is currently focusing its exploration activities in Canada on precious metals properties located in the Yukon and in Nova Scotia, and continues to evaluate and will acquire additional properties as capital and opportunities present themselves.

The Company was incorporated on February 1, 2011 under the Canada Business Corporations Act, as a wholly-owned subsidiary of Hinterland Metals Inc. ('Hinterland").

ARRANGEMENT

On June 20, 2011, Hinterland completed a Plan of Arrangement (the "Arrangement") with the Company, which was a wholly-owned subsidiary of Hinterland.

The Yukon assets included the Ballarat, Culvert, Erin, Divide, Coffee and Thistle Mountain gold properties (the "Yukon Assets"). The Yukon Assets were transferred to the Company for a purchase price equal to their fair market value of $3, 108,996 in consideration for (i) 20,726,642 shares of the Company at a price of $0.15 per share, and (ii) a 1% net smelter returns royalty on the Yukon Assets in favor of Hinterland. The Yukon Assets were recorded at Hinterland's book value of $602,454, and consequently, a $2,506,542 debit was recorded in the Company's deficit as an adjustment to carrying value.

Of the 20,726,642 shares the Company issued, 92.5% were distributed pro rata to existing shareholders of Hinterland and 7.5% were retained by Hinterland.

The consideration deemed issued under the acquisition was as follows:

	Consideration deemed issued
	$
Capital stock at fair value	3,108,996
Contributed surplus – value attributed to reserved shares	207,854
Deficit – adjustment to carrying value of net assets transferred	(2,506,542)
	810,308

The value of the net assets acquired by the Company is summarized as follows:

	Total
Assets acquired	**$**
Exploration and evaluation assets, at carrying value of Hinterland	602,454
Exploration and evaluation assets, value attributed to reserved shares	207,854
Net assets acquired	**810,308**

The commitments of the option agreement for Ballarat and Culvert originally signed by Hinterland were taken over by the Company.

RECENT EVENTS

On November 28, 2013 Chris Berlet BSc. (Mining), CFA was appointed President, Chief Executive Officer and Director of the Company. On December 24, 2013 the Company announced that Raymond Leach and Nick Ierfino were appointed to the Board of Directors. On October 16, 2014 Robert Lelovic CPA, CA was appointed as the Company's Chief Financial Officer and joined the Board as a Director of the Company.

On January 22, 2014 the Company announced that it had entered into a Letter of Intent (the "LOI") with Cogonov Inc. ("Cogonov") for Stakeholder to secure the right to earn a 51% interest in the Bass River Iron-Oxide-Copper-Gold (IOCG) project ("Bass River" or the "Project") by making certain expenditures and work commitments. Subsequent to the execution of the LOI, the Company completed a definitive agreement (the Agreement") on Bass River. On May 15, 2014 Stakeholder announced that it had enhanced the deal terms for Bass River by signing an amended agreement permitting Stakeholder to earn a 70% interest in the Project pursuant to having earned the 51% interest. The terms of the amendment were press released on May 15, 2014. Stakeholder also has a Right of First Refusal ("ROFR") over the remaining interest in the project.

On November 24th, 2014 Stakeholder announced signing of a contract for 3,500 metres of diamond drilling and the initiation of the Bass River drill program. On January 15th, 2014 Stakeholder announced visible Copper-Lead-Zinc in cores, and on March 19th 2015 the Company announced completion of drilling at Bass River.

Stakeholder is currently negotiating terms with Cogonov Inc. for drilling of the Castlereagh anomaly detected during the VTEM survey conducted in February, 2015. Stakeholder management believes that the mineral grades encountered, and the minimal showing of copper in assays, merit a renegotiation of terms for further work on the property.

Chris Berlet, Director and CEO of the Company, is a director and shareholder of Cogonov Inc.; therefore, the transactions with Cogonov are considered related party transactions.

Yukon Gold Exploration

On April 22nd, 2015 Stakeholder announced initiation of geological data review by GroundTruth Exploration Inc. (a Shawn Ryan exploration Company) of Dawson City, Yukon. GroundTruth have commenced review of the Company's Ballarat gold property exploration data, and Shawn Ryan has joined the Company's Exploration Advisory Committee for review and consultation on Ballarat as well as other properties in the White Gold District. In the year ahead, the Company is expecting a renewed focus on gold exploration opportunities in the Yukon.

Bass River Exploration Program Review & Background

Cogonov staked the Bass River claims in central Nova Scotia as part of their regional and provincial exploration and ground acquisition initiatives. The Bass River claims cover select Iron-Oxide-Copper-Gold (IOCG) exploration targets previously delineated by Minotaur Exploration (Australia) ("Minotaur") along the Cobequid-Chedabucto Fault Zone (CCFZ). The CCFZ is a 300 km long fault structure that hosts over 100 mineral occurrences, past producing mines and small deposits of Iron - Oxide, Copper, Cobalt, Gold, Nickel and Barite.

In 2009, Minotaur ranked the Bass River gravity high anomalies as their top IOCG targets in the province and recommended drilling. In 2012, Cogonov flew an airborne Versatile Time Domain Electromagnetic (VTEM) survey over the claims and after secondary processing, 9 discreet targets were identified and recommended for ground follow up (prior to drilling). One target in particular was a standout, the interpretation suggesting that the gravity high NS23 was caused by a vertically extensive source. Geological mapping, geochemistry and ground geophysics were conducted to further refine these exploration targets in 2014.

On March 31, 2014 Stakeholder received approval for the Agreement with Cogonov. from the TSX Venture Exchange. Under the terms of the Agreement, Stakeholder is able to earn a 51% interest in the Bass River Iron-Oxide-Copper-Gold (IOCG) project under the following conditions:

<u>On execution of the option</u>
By issuing 1,000,000 common shares of Stakeholder to Cogonov. The Company exercised this option in March, 2014. The common shares were issued at a price of $0.05 per share.

<u>Six months from execution of the option</u>
By incurring expenditures of at least $600,000 on Bass River over a period of up to six months from the execution of the Option, and by issuing an additional 1,000,000 common shares of Stakeholder to Cogonov by six months from the execution of the option. In September, 2014 the Company issued the 1,000,000 common shares at a price of $0.20 per share.

<u>Two years from execution of option</u>
By incurring expenditures of at least a total of $2,000,000 (including the initial $600,000) on Bass River over a period of up to two years from the execution of the option.

Upon completion of the terms above, the Company would own a 40% interest. Stakeholder then has the right to earn a further 11% in Bass River, in advance of exercising the right of first refusal, by spending an additional $1,000,000 for a period of up to eighteen months. Stakeholder would also have a right of first refusal over the remaining 49% of Bass River.

Stakeholder would be the operator of Bass River.

On August 28, 2014 the Company announced that it had signed an amendment to this Agreement. The Company is entitled to expand its interest in the Project to 70%, after earning its initial 51%, by spending a further $4,000,000 on project exploration over 24 months, by making a cash payment of $1,000,000 to Cogonov within 6 months of earning the 51% interest and by making share payments totaling 2,000,000 common shares of Stakeholder. Share issuances are subject to TSX-V Exchange approval.

On September 4, 2014 the Company reported on progress for the Bass River Project. Initial work focused on two specific, high priority geophysical targets which were delineated by ground and airborne surveys. These targets included the extensive gravity anomaly NS23, and a large cluster of Versatile Time Domain Electromagnetic (VTEM) anomalies defined along a corridor extending north east from NS23. The VTEM anomalies are referred to collectively as VT-BR-05. Soil samples were collected on grids covering each of these two independent geophysical targets.

At the NS23 gravity target, preliminary soil results outlined a copper anomaly extending approximately 2,000 metres in strike length. Copper concentrations up to 683ppm Cu were returned. Gravity high anomaly NS23 was previously identified as a high priority target by Minotaur Exploration Ltd. (Australia) who proposed 2 drill holes into the body to test for IOCG style mineralization. The detection of extensive copper in soils further corroborated the IOCG model and potential of this structure.

On the north flank of NS23 is the cluster of VTEM anomalies collectively called VT-BR-05. Prospecting, geological mapping and soil geochemistry was successful in outlining extensive lead and zinc concentrations in soils. These anomalies were almost coincident, trending in a northerly direction, overlying and extending both north and south from the modeled VTEM targets. Lead and zinc concentrations in soils of up to 1,370 ppm and 643 ppm respectively, were returned from samples taken in this anomalous area. Initial sampling of mineralization discovered within the geochemical anomaly returned 2.28% combined Pb+Zn. The target area is underlain by rhyolites, sheared metasediments and felsic tuffs.

The exploration program was managed by Cogonov with oversight provided by their Technical Advisory Committee comprised of: Dr. Tony Belperio (Minotaur Exploration Limited (Australia)), Dr. Murray Hitzman (Colorado School of Mines) and Dr. Clifford Stanley (Acadia University).

On April 15, 2015 the Company announced completion of drilling at Bass River. The drill results suggested that a reasonable mineralized system may be present at Bass River, and that the key target area for further work would be the newly detected Catlereagh VTEM anomaly located between 500 metres and 1,000 metres northeast from drill hole GL-06. Management concluded that given the results received and the investment required a renegotiation of terms would be required to merit further work on the property.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUES WITHOUT SIGNIFICANT REVENUE

Bass River Expenditures

A total spend of approximately $1,292,467 on the Bass River project was accounted for approximately as follows: $314,177 was allocated for the option payment of which $250,000 was non-cash, $240,000 was paid to management and corporate management, $347,750 was paid to consultants, drillers, surveyors and field staff, $154,632 was spent on analysis and assays, $36,421 was required for leases, vehicles and equipment, $5,292 was spent on field supplies, $15,339 was spent on mapping, $15,503 was spent on line-cutting, $93,505 was accrued for drilling and $68,846 was spent on transportation, meals, accommodation, and general site and vehicle maintenance and repairs.

	Year Ended December 31, 2014 $	**Year Ended December 31, 2013 $**
Capitalized exploration expenditures (Bass River)	1,292, 467	-
Impairment of exploration and evaluation assets	-	600,683
Management and consulting fees	344,267	99,750
Investor and shareholder investor relation expenses	265,058	31,215
Professional fees	21,636	74,856
Travelling and promotion	20,433	6,602
Office expense	44,330	27,006
Exploration expenses	8,528	6,290
Stock-based compensation	31,092	-
Premium paid on flow-through shares	23,462	-
Management fee income	-	15,000
Interest income	594	330

OVERVIEW

As of December 31, 2014 the Company incurred a net loss of $711,288 (December 31, 2013–$831,072) and had a deficit of $6,306,690 (December 31, 2013–$5,595,402). The Company had a positive working capital position of $681,768 as at December 31, 2014; however, the Company had a negative working capital position of $62,346 as at December 31, 2013.

OPERATING ACTIVITIES

For 2014, the Company incurred a loss of $711,288 (2013–$831,072). The main expenses for 2014 are as follows:

- $nil (2013–$600,683) There were no write-offs of exploration and evaluation assets during the year. In the prior year Marion ($276,084), Selwyn ($180,376), Sourdough Hill ($34,859) and Other ($109,364) were impaired causing the significant difference year on year;

- $344,267 (2013–$99,750) Management and consulting fees. The large increase of $244,517 (245%) is principally a result of Bass River. Included in the expense are senior management fees including a portion of the CEO fees and all of the CFO consulting fees. Additionally, management employs a consultant who assists with company direction and strategy, oversight of Bass River and general assistance and networking;

- $265,058 (2013–$31,215) Investor and shareholder relation expenses. The increase year over year is $233,843 (749%). Of the increase, $100,000 was a non-cash share based payment for a firm to provide investment and financing leads. The remaining change year on year is principally due to the increased financing activities specific to Bass River. Also affecting the increase year on year is the volume of private placements and other documents requiring approval from the TSXV. Lastly, there was increase in transfer agent fees which is in part due to the larger shareholder base;

- $21,636 (2013–$74,856) Decrease in professional fees year on year was $53,220 (71%) and is partly due to lower legal fees. Other professional fees such as accounting fees remained the same year on year;

- $20,433 (2013–$6,602) Travel and promotion increased by $13,831 (209%) due to more frequent travel due to increased financing and site visits around Bass River;

- $44,330 (2013–$27,006) Office expenditures increased for a variety of reasons, the first of which is Canadian Pension Plan payments that the Company was required to make upon the exercise of certain stock options during the year. The increased activity around Bass River also precipitated additional general expense requirements.

INVESTING ACTIVITIES

The Company holds a portfolio of mineral properties located in the Yukon and Nova Scotia. The Company explores for its own account. The Company also derives revenue and furthers exploration or development by farming out mineral property interests in whole, or in part, to other exploration companies for a mix of cash, shares and work expenditure commitments.

Sourdough Hill

In October 2012, Stakeholder entered into an arm's length agreement with a syndicate of local prospectors (the "Vendors") whereby it may earn a 100% interest in the 23-claim "Sourdough Hill" property located in the Keno Hill Silver Camp of central Yukon, approximately 330km north of Whitehorse.

On October 15, 2013, the Company dropped the option on the Sourdough Hill property and consequently wrote-off the exploration and evaluation assets in the amount of $34,859.

White Gold Area

The Dawson Range area overlaps with the Klondike and Stewart gold camps where over 20 million ounces of placer gold have been produced to date. The hard rock gold potential of the Dawson Range had not been fully recognized until 2009 when Underworld Resources Inc. announced the Golden Saddle discovery. This discovery led to a massive staking rush in 2010, followed by a second major discovery by Kaminak Gold Corp. on its Coffee Creek project. The Dawson Range is currently one of the busiest exploration districts in Canada. Stakeholder holds a total of 17,046 hectares in the Dawson Range. Ballarat is located midway between Golden Saddle (now held by Kinross) and Coffee Creek. The Selwyn, Marion, Thistle Mountain and Coffee properties are also located in the district.

The Dawson Range remained free of ice during the last period of glaciation. Because of this, the region is characterized by rolling hills with steep-sided, V-shaped valleys. There is very little bedrock exposure and a thick local soil has developed which prevented early prospectors from finding much by traditional "pack and boots" prospecting. Modern, GPS-guided soil geochemical surveys have proven to be a very effective tool for identifying large mineralized systems. At this early stage, it appears that the geology is prospective for a range of deposits from narrow, low-tonnage, high-grade deposits to broad, large-tonnage, low-grade gold deposits. This part of Yukon is relatively accessible by a number of summer roads and airstrips built by placer miners. The Yukon River also offers a transportation corridor to barge in fuel, equipment and supplies.

Ballarat

The 200 claim (4,140ha) Ballarat property lies approximately 100km due south of Dawson City, Yukon. Stakeholder holds Ballarat 100% subject to a 2% royalty on mineral production. In July 2012, the Company completed a five hole, 753 metre core drilling program to test two strong gold-in-soil trends outlined in 2010. Drill results were below expectations although low grade gold mineralization was intersected in three of the five holes. Consequently, the Company wrote off all development expenses as at December 31, 2012 for $1,142,847. Geochemical surveys completed in 2011 identified a number of gold-in-soil anomalies in the eastern part of the property which require more investigation with detailed soil sampling, followed by surface trenching and sampling at a cost of $40,000.

Coffee

Stakeholder holds the 10-claim (208ha) Coffee property adjacent to, and enclosed by, Kaminak's Coffee property. These claims are located approximately 5km east of Kaminak's Supremo discovery, announced on May 26, 2010.

FINANCING ACTIVITIES

On March 7, 2014 the Company closed a non-brokered private placement of $700,000 through the issuance of 14,000,000 common shares at $0.05 per share. All common shares issued were subject to a four-month hold period ending July 6, 2014.

On July 11, 2014 the Company closed a non-brokered private placement of $723,698 consisting of $469,500 of flow-through financing (issuance of 1,878,000 units priced at $0.25 with a two year half warrant priced at $0.35) and $254,198 of hard dollar financing (issuance of 1,270,990 units priced at $0.20 with a two year half warrant priced at $0.30). Two Company directors subscribed for a total of $300,000 (or 41%) of the funds raised, constituting 1,200,000 flow-through units. A commission comprised of $560 and 2,240 two-year warrants priced at $0.35 was paid to Wolverton Securities Ltd for a portion of this financing.

On December 11, 2014 the Company closed a non-brokered private placement totalling $641,000. The private placement consisted of $35,000 of flow-through financing (issuance of 140,000 units priced at $0.25 with a two-year half warrant priced at $0.35) and $606,000 of hard dollar financing (issuance of 3,030,000 units priced at $0.20 with a two-year half warrant priced at $0.30). A commission of $1,600 was paid.

On December 31, 2014 the Company closed a non-brokered private placement totaling $173,646. This private placement consisted of $60,000 of flow-through financing (issuance of 240,000 units priced at

$0.25 with a two-year half warrant priced at $0.35) and $113,646 of hard dollar financing (issuance of 568,228 units priced at $0.20 with a two-year half warrant priced at $0.30).

LIQUIDITY

As of December 31, 2014 the Company incurred a net loss of $711,288 (December 31, 2013–$831,072) and had a deficit of $6,306,690 (December 31, 2013–$5,595,402). The Company had a positive working capital position of $681,768 as at December 31, 2014; however, the Company had a negative working capital position of $62,346 as at December 31, 2013. Management continues to source additional financing; however, there is no assurance that such financing will be available when required, or under terms that are favourable to the Company. The Company may also elect to advance the exploration and development of mineral properties through joint-venture participation. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its activities, or may slow its activities until conditions improve

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FOURTH QUARTER

The Company's loss for the three-month period ended December 31, 2014 was $121,204 ($668,897 for the three-month period ended December 31, 2013).

The main expenses for period are as follows:

- $nil (2013–$565,824) There were no impairments of exploration and evaluation assets in the current period. In the prior three-month period, Marion ($276,084), Selywn ($180,376) and Other ($109,364) were impaired;

- $237,718 (2013–$83,450) Certain management and consulting fees were reclassified at year end to conform with the prior year presentation and to better reflect the nature of the expense. The increase after removing of the reclassification is $83,700, which is comparable to the prior period;

- $26,562 (2013–$3,500) Investor and shareholder expenses increased by $23,062 period over period. The increase is a result of financings which occurred in the quarter and increase in the level of investor-relation activities tied to those financings and the Bass River project in general;

- $(153,185) (2013–$16,109) Certain professional fees for the period ended December 31, 2014 were reclassified to management and consulting fees so that presentation was more consistent with the prior year. Had the reclassification not been made, professional fees would have been $20,834 for the quarter. The increase period over period is a direct result of Bass River;

- $(745) (2013–$nil) Travel and promotion expense quarter over quarter is principally unchanged. For the period ending December 2014, travel expense had a credit balance which is principally due to reclassification of certain small expenses to conform with management's presentation in the current period;

- $21,422 (2013–$20) Office expenditures increased period over period due to increased activity surrounding Bass River. The increase is also a result of approximately $10,000 in payroll taxes that arose as a result of the Company's stock options being exercised.

SELECTED ANNUAL INFORMATION

	2014	2013	2012
	$	$	$
Net loss for the period	(711,288)	(831,072)	(2,080,653)
Net loss per share	(0.011)	(0.02)	(0.05)
Total assets	2,207,167	29,448	762,649

SUMMARY OF QUARTERLY INFORMATION

	Three months ending			
	December 31 2014	September 30 2014	June 30, 2014	March 31, 2014
	$	$	$	$
Net loss for the period	(121,204)	(317,162)	(135,320)	(137,602)
Net loss per share	(0.01)	(0.01)	(0.00)	(0.00)
Total assets	2,207,167	1,357,446	812,930	626,396

	Three months ending			
	December 31 2013	September 30 2013	June 30, 2013	March 31, 2013
	$	$	$	$
Net loss for the period	(668,897)	(52,461)	(60,846)	(48,867)
Net loss per share	(0.02)	(0.00)	(0.00)	(0.00)
Total assets	29,448	625,152	647,428	734,474

SUBSEQUENT EVENTS

On January 19, 2015 the Company issued 2,300,000 stock options to its directors and officers. The options were issued with a strike price of $0.25 per share, will vest in accordance with the Company's approved stock option plan and have an initial term of five years.

DISCLOSURE OF OUTSTANDING SHARE DATA (AS OF APRIL 24, 2015)

	Number
Shares	67,131,459
Options	3,600,000
Warrants	3,655,849
Reserved shares pursuant to the Arrangement	479,842
	74,867,150

FINANCIAL INSTRUMENTS

The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management manages financial risks. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes. The Company's main financial risk exposure and its financial risk management policies are as follows:

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The term deposits bear interest at a fixed rate and the Company is therefore exposed to the risk of changes in fair value resulting from interest rate fluctuations. Because these financial assets are recognized at amortized cost, the fair value variations have no impact on profit (loss).

Credit Risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is subject to concentrations of credit risk through cash and term deposits. The Company has no trade accounts. The exposure to credit risk for cash and term deposits is considered negligible since the counterparties are reputable banks with high quality external credit ratings. As at December 31, 2014, the Company's maximum exposure to credit risk is limited to the carrying amount of these financial assets at the reporting date totaling $772,761, and $19,931 as at December 31, 2013.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities. The Company manages its financial resources to ensure that there is sufficient working capital to fund near-term planned exploration work and operating expenditures. As of December 31, 2014, the Company had positive working capital; however, management is continuing to follow-up on additional financing opportunities including equity financing, participation by joint venture partners or by selling property interests in whole or in part. There is no assurance that such financing will be available when required, or under terms that are favourable to the Company. The Company may also elect to advance the exploration and development of mineral properties through joint-venture participation. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its activities, or may slow its activities until conditions improve. Accounts payable and accrued liabilities are due within three months.

Fair Value
The carrying value of cash, term deposits and accounts payable and accrued liabilities is considered to be an approximation of fair value because of the short-term maturity of these instruments.

COMPENSATION TO KEY MANAGEMENT AND RELATED PARTY DISCLOSURES

Compensation to key management

Key management includes directors, the chief executive officer and the chief financial officer. Key management compensation includes the following expenses:

	For the year ended December 31, 2014	For the year ended December 31, 2013
	$	$
Short-term compensation		
Management and consulting fees[1]	212,000	99,750
Professional fees	1,409	31,378
Total short-term compensation	213,409	131,128
Stock-based compensation	31,092	-
Total compensation	**244,501**	**131,128**

[1] $60,000 management and consulting fees was capitalized to exploration and evaluation assets.

In addition to the amounts listed above in the compensation to key management:

(a) The Company incurred professional fees relating to exploration work of $240,000 which was capitalized to exploration and evaluation assets (2013–$2,260), other professional fees of $nil (2012–$18,503), rent of $11,101 (2013–$13,650) and administrative fees of $nil (2013–$6,761), charged by companies controlled by officers and/or directors.

(b) The Company issued 2,000,000 common shares to a company controlled by officers and/or directors. The value of the common shares issued was $250,000, which was capitalized to exploration and evaluation assets (2013–$nil).

(c) The Company incurred legal expenses in the amount of $nil (2013–$748) from a legal firm in which a director and officer was a partner.

(d) During the year the Company settled debt to officers and directors in the amount of $nil through the issuance of common shares (2013–$31,630). As at December 31, 2014 accounts payable and accrued liabilities includes $13,500 (2013–$21,209) due to officers and directors.

(e) During the year the Company made rental payments for equipment of $21,104 which was capitalized to exploration and evaluation assets (2013–$nil), charged by companies controlled by officers and/or directors.

(f) Included in accounts payable and accrued liabilities is $148,189 (2013–$nil) payable to companies controlled by officers and/or directors.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

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

Significant management judgment

Impairment of exploration and evaluation assets
Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

Determining whether to test for impairment of E&E assets requires management's judgment, among others, regarding the following: the period for which the entity has the right to explore in the specific area has expired, or will expire, in the near future and is not expected to be renewed; substantive expenditure on further E&E of mineral resources in a specific area is neither budgeted nor planned; E&E of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the E&E asset is unlikely to be recovered in full from successful development or by sale.

Testing for impairment was conducted on the Bass River property. Management determined that no impairment was required. For 2013, management wrote-off E&E assets in the amount of $600,683 which was recognized in the statement of comprehensive loss. No reversal of impairment losses have been recognized for the reporting periods.

Provision for reclamation and rehabilitation
Determining when to account for reclamation and rehabilitation costs requires judgement. An obligation to incur restoration, rehabilitation and environmental costs arises when the environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors, such as the life and nature of the asset, the operation license conditions and, when applicable, the environment in which the mine operates. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset

through amortization, using either the unit-of-production or the straight line method. The corresponding liability is progressively increased as the effect of discounting unwinds, creating an expense in profit or loss. Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The Company has judgementally determined that there are no reclamation or rehabilitation costs to record at this time. The operations of the Company may, in the future, be affected from time to time in varying degrees by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

Deferred income taxes
The assessment of availability of future taxable profits involves judgment. A deferred tax asset is recognized to the extent that it is probable that taxable profits will be available, against which deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period.

Going concern
The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment.

Estimation uncertainty

Impairment of exploration and evaluation assets
When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit, to which the asset belongs, must be determined. Identifying the cash generating units requires considerable management judgment. In testing an individual asset or cash generating unit for impairment, and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit. This requires management to make several assumptions as to future events or circumstances. These assumptions and estimates are subject to change if new information becomes available.

Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Company’s assets and earnings may occur during the next period.

Share-based payments

The estimation of share-based payments costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own shares, the probable life of share options and warrants granted and the time of exercise of those share options and warrants. The model used by the Company is the Black-Scholes valuation model.

Change in Accounting Policies

The Company adopted IAS 32—Financial Instruments in the current year. The objective of this Standard was to establish principles for presenting financial instruments as liabilities or equity, and for offsetting financial assets and financial liabilities. It focuses on four main areas: the meaning of ‘currently has a legally enforceable right of set-off’; the application of simultaneous realization and settlement; the offsetting of collateral amounts; and, the unit of account for applying the offsetting requirements. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and, the circumstances in which financial assets and financial liabilities should be offset. The principles in this Standard complement principles for recognizing and measuring financial assets and financial liabilities in IFRS 9, and for disclosing information about them in IFRS 7. The adoption of this standard had no impact on these financial statements.

Future Accounting Pronouncements

Standards issued but not yet effective up to the date of issuance of the Company's financial statements, but which may affect the financial statements, are listed below. The Company intends to adopt those standards when they become effective.

IFRS 9 was initially issued by the IASB in November 2009 and issued in its completed version in July 2014. 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, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39.

The Company intends to adopt the standard on its effective date and has not yet begun the process of assessing the impact on its financial statements.

RISK FACTORS

Exploration and Mining Risks
The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At present, there are no known bodies of commercial ore on the mineral properties of which the Company intends to acquire an interest, and the proposed exploration program is an exploratory search for ore. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs. The Company from time to time augments its internal exploration and operating expertise with due advice from consultants and others as required. The economics of developing gold and other mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined and fluctuations in the price of any minerals produced. There are no underground or surface plants or equipment on the Company's mineral properties, or any known body of commercial ore. Programs conducted on the Company's mineral property would be an exploratory search for ore.

Titles to Property
While the Company has diligently investigated title to the various properties in which it has interest, and to the best of its knowledge, title to those properties are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfer, or native or government land claims, and title may be affected by undetected defects.

Permits and Licenses
The Company's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

Metal Prices
Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect marketability of any minerals discovered. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

Competition

The mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees.

Environmental Regulations

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require submissions to, and approval of, environmental impact assessments. Environmental legislation is evolving in a manner, which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

Conflicts of Interest

Certain directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Stage of Development

The Company's properties are in the exploration stage and to date none of them have a proven ore body. The Company does not have a history of earnings or the provision of return on investment, and in future there is no assurance that it will produce revenue, operate profitably or provide a return on investment.

Industry Conditions

Mining and milling operations are subject to government regulations. Operations may be affected in varying degrees by government regulations such as restrictions on production, price controls, tax increases, expropriation of property, pollution controls or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Company, such as government regulations. The Company undertakes exploration in areas that are, or could be, the subject of native land claims. Such claims could delay work or increase exploration costs. The effect of these factors cannot be accurately determined.

Uninsured Hazards

Hazards such as unusual geological conditions are involved in exploring for and developing mineral deposits. The Company may become subject to liability for pollution or other hazards, which cannot be insured against, or against which the Company may elect not to insure, because of high premium costs or other reasons. The payment of any such liability could result in the loss of Company assets or the insolvency of the Company.

Future Financing

Completion of future programs may require additional financing, which may dilute the interests of existing shareholders.

Key Employees

Management of the Company rests on a few key officers, the loss of any of whom could have a detrimental effect on its operations.

Canada Revenue Agency and provincial agencies

No assurance can be made that Canada Revenue Agency or provincial agencies will agree with the Company's characterization of expenditures as Canadian exploration expenses or Canadian development expense or the eligibility of such expenses as Canadian exploration expense under the *Income Tax Act* (Canada) or any provincial equivalent.

DISCLOSURE ON INTERNAL CONTROLS

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence, that (i) the year-end Financial Statements do not contain any untrue statement of material fact, or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and, (ii) the year-end Financial Statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of, and for, the periods presented. 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"), this 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. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within time periods specified under securities legislation; and

ii) process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer accounting policies.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. 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.