MANAGEMENT DISCUSSION AND ANALYSIS

DESCRIPTION OF BUSINESS

The Board of Directors of Royal Sapphire Corp. (the "Company" or "Royal Sapphire") is pleased to present to its shareholders a summary of the Company's activities for the quarter ended February 28, 2015, and any other pertinent events subsequent to that date up to and including April 28, 2015.

The Company has property interests in the Lorn mineral property, located in the Clinton and Lillooet Mining Division of British Columbia, and has signed a purchase agreement for mineral claims in the Yukon Territories of Canada. The transaction has been completed and received approval from the TSX Venture Exchange.

The following information should be read in conjunction with the February 28, 2015 unaudited interim financial statements and related notes, which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), and IAS 34 Interim Reporting.

The Company is a "reporting" company in the provinces of British Columbia, Alberta and Ontario. The Company's principal business activity is the identification and evaluation of mineral resource assets.

The head office, principal address, records office, and registered address of the Company is located at 595 Howe Street, Suite 704, Vancouver, BC V6C 2T5.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

The Company was incorporated in March 2011 and began operations immediately.

In March 2011, the Company optioned the Lorn Property and conducted a phase one exploration program which resulted in the discovery of several new anomalies and areas requiring further exploration. As a result the Company engaged an independent expert to prepare a 43-101, and based on the recommendations contained in this report, management determined it was time to seek an initial public listing.

The Company's prospectus was receipted in April 2012 and re-filed and receipted on October 22, 2012. The Company commenced trading on the TSX-V exchange on November 9, 2012.

In November 2013, management decided to pursue the acquisition of an Ontario company that had rights to certain claims and other assets related to tin mining in Rwanda. The Company and the target company continued to pursue these assets and hoped to have Rwandan government approval of an exploration license and regulatory approval of the transaction. The Company decided to suspend activities related to the proposed acquisition and has re-focused its efforts on the Lorn Property.

On February 27, 2015, The Company entered into an amendment agreement further amending the terms of its original Lorn Property Agreement, under the terms of which, John A. Chapman and KGE Management Ltd. (the "Optionors") granted the Company an option to acquire a 100% interest in the Lorn Property. Under the terms of the amendment agreement, certain due dates of cash payments, exploration expenditures, share issuances and advance royalty payments have been extended. As a result of the amendment agreement, the Company was no longer in default of the terms of the Lorn Property Agreement, as previously amended, and the Company's option has returned to good standing.

Prior to entering into the February 27, 2015 amendment agreement, the Company had completed a total of $210,000 in exploration expenditures on the Property, paid $35,000 in cash payments to the Optionors and issued 8,000 shares to the Optionors. In order to exercise its option, the Company must complete the following remaining exploration expenditures, cash payments and share issuances:

Due Date	Exploration Expenditures	Cash Payments	Share Issuances
March 15, 2015	$Nil	$10,000	5,000
December 31, 2015	$30,000	$30,000	18,000
December 31, 2016	$60,000	$45,000	17,000
December 31, 2017	$2,300,000	$55,000	12,000
Total	**$2,390,000**	**$140,000**	**52,000**

The Company will also be required to issue an additional 60,000 shares upon completion of a feasibility study. The commencement date of the annual advance royalty payments has been extended from December 31, 2015 to December 31, 2018.

On March 20, 2015, the Company entered into a property acquisition agreement with North of Sixty Ventures Inc., under the term of which the Company will acquire 10 mineral claims in the Yukon Territory in exchange for 150,000 common shares of the Company. The transaction has been completed and received approval from the TSX Venture Exchange.

SUMMARY OF QUARTERLY RESULTS

Quarter-Ended	02/28/15	11/30/14	08/31/14	05/31/14	02/28/14	11/30/13	08/31/13	05/31/13
Net sales	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Loss for the period	$(71,144)	$(84,591)	$(71,562)	$(60,701)	$(71,562)	$(353,800)	$(26,736)	$(130,673)
Basic and diluted Loss per share	$(0.05)	$(0.06)	$(0.05)	$(0.04)	$(0.05)	$(0.23)	$(0.02)	$(0.09)
Total assets	$35,091	$8,990	$16,309	$50,599	$128,368	$205,212	$562,563	$642,617
Long-term liabilities	$nil	$nil	$nil	$nil	$nil	$nil	$nil	$nil
Cash dividends	$nil	$nil	$nil	$nil	$nil	$nil	$nil	$nil

Comparing the first quarter of the 2015 and 2014 year, the Company's increase in consulting expenses and decrease in management fees are directly related to the resignation of a director. While the director resigned, they remained as consultants with the Company. Higher transfer agent and filings fees in the first quarter of 2015, when compared to the same quarter of 2014, reflects the Company's share consolidation that occurred in February 2015.

The August 2013 quarter loss was lower as the Company reduced consulting fees by not using third party contractors during this period.

All other quarters have costs that reflect the costs of managing a public company and are in a range of $60,000 to $74,000 per quarter. These costs are consistent since the Company went public and include consulting, management, and office rental agreements.

The 2013 fourth quarter increase in net loss and decrease in net assets reflect the Company's write off of its interest in the Lorn Option and increased administration costs after going public in November of 2012.

The 2015 first quarter increase in total assets is due entirely to a loan from the CEO of the Company in February of 2015. This loan is used to finance the Company and pay for expenses as it undergoes the process of becoming US listed entity.

FIRST QUARTER RESULTS

On February 10, 2015, the Company consolidated all of the issued and outstanding common shares on a one for ten basis. The consolidation has reduced the number of common shares issued and outstanding from 15,121,765 pre-consolidated common shares to 1,512,176 post-consolidated common shares. As a result of the share consolidation, the number of shares presented and the calculated weighted average number of common shares issued and outstanding for the purpose of earnings per share calculations are based on the post share consolidation common shares for all years and quarters presented.

Subsequent to the period end, on March 20, 2015 the Company signed a purchase agreement with North of Sixty Ventures Inc. to purchase an undivided 100% interest in 10 mineral claims located in the Yukon Territories, Canada in consideration for 150,000 common shares of the Company.

LIQUIDITY AND CAPITAL RESOURCES

The Company has a history of operating losses and of negative cash flows from operations. While management identifies projects of merit for acquisition, the Company will remain reliant on capital markets for future funding to meet its ongoing obligations**.**

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements at the time of this management discussion and analysis.

RELATED PARTY TRANSACTIONS

The remuneration of key directors and other members of key management personnel during the period ended February 28, 2015 is summarized below:

Services rendered to the Company	**2015**	**2014**
To Greg Amor, a current officer of the Company, for professional fees	$ -	$ 7,500
To Greg Amor, a current officer of the Company, for management fees	5,000	-
To BridgeMark Financial Corp., a Company controlled by an officer, for professional fees	7,500	-
To Lion Management, a company controlled by a former officer of the Company, for contracted management fees	-	29,000
To Lion Management, a company controlled by a former officer of the Company, for rental fees	-	15,000
	$ 12,500	$ 51,500

The transactions noted above were measured at exchange amounts which were agreed upon by the transacting parties.

		2015		**2014**
Accounts payable and accrued liabilities	$	18,456	$	20,054

Accounts payable and accrued liabilities as of February 28, 2015 to related parties are comprised of:

- $18,375 to BridgeMark Financial Corp. for professional fees.
- $4,304 to Greg Amor for expenses paid on behalf of the Company.

FINANCIAL INSTRUMENTS

As at February 28, 2015 the Company's financial instruments consist of cash and accounts payable and accrued liabilities. The fair value of these financial instruments approximates carrying value since they are short term in nature and are receivable or payable on demand.

ACCOUNTING POLICIES

Accounting standards adopted during the year

The mandatory adoption of the following new and revised accounting standards on December 1, 2013 had no significant impact on the Company's financial statements for the years presented:

a) IFRS 10 – Consolidated Financial Statements

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

b) IFRS 11 – Joint Arrangements

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or a joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under IFRS 11, proportionate consolidation is no longer permitted.

c) IFRS 12 – Disclosure of Interests in Other Entities

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

d) IFRS 13 – Fair Value Measurements

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It also establishes disclosures about fair value measurement.

e) IAS 1 – Presentation of Financial Statements

In June 2011, the IASB issued an amendment to IAS 1, which requires entities to separately present items in other comprehensive income based on whether or not they may be reclassified to profit or loss in future periods.

f) IAS 27 – Separate Financial Statements

As a result of the issue of IFRS 10, IFRS 11 and IFRS 12, IAS 27 has been reissued, as the consolidation guidance will now be included in IFRS 10. IAS 27 has been reissued to only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.

g) IAS 28 – Investments in Associates and Joint Ventures

As a consequence of the issuance of IFRS 10, IFRS 11 and IFRS 12, IAS 28 has been amended to provide accounting guidance for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The amended IAS 28 is applied by all entities that are investors with joint control of, or significant influence over, an investee.

Standards, amendments and interpretations not yet effective

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning December 1, 2014 or later years.

The following accounting policies will be adopted by the Company effective December 1, 2016:

a) IAS 32 – Financial Instruments: Presentation

In December 2011, the IASB issued an amendment to clarify the meaning of the offsetting criterion and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement. Earlier application is permitted when applied with corresponding amendment to IFRS 7 Financial Instruments: Disclosures.

b) IAS 36 – Impairment of Assets

In May 2013, the IASB issued an amendment to address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

c) IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets

In May 2014, the IASB issued amendments to IAS 16 and IAS 38. The amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

The following accounting policies will be adopted by the Company effective December 1, 2017:

d) IFRS 15 – Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 which supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers, and SIC 31 Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

The following accounting policies will be adopted by the Company effective December 1, 2018:

e) IFRS 9 – Financial Instruments

IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 Financial Instruments: Recognition and Measurement for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, others gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

IFRS 9 was subsequently amended in November 2013 to add new general hedge accounting requirements. The final version of IFRS 9 was issued in July 2014 and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

Management is currently evaluating any impact that the above standards may have on the Company's financial statements and this assessment has not yet been finished.

LEGAL MATTERS

None outstanding.

DISCLOSURE CONTROLS AND PROCEDURES

As at February 28, 2015, the Company carried out an evaluation of the effectiveness of its disclosure controls and procedures as required by Canadian securities laws. Based on this evaluation, management has concluded that the Company's disclosure control and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws, and that material information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

The Company has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in Canada.

The Company has a limited number of employees and therefore internal controls that rely on segregation of duties are not possible in some cases. In these instances, the Company relies on senior management review and approval to ensure that the controls are as effective as possible.

This Management Discussion and Analysis contains several forward-looking statements. The forward-looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect Management's analysis only as of the date hereof. Readers should be aware the Company is under no obligation to publicly release the results of any revision to these forward-looking statements, which may not reflect circumstances, or occurrences of unanticipated events after the date of this document.

SUBSEQUENT EVENTS

On March 20, 2015, the Company entered into a property acquisition agreement with North of Sixty Ventures Inc., under the term of which the Company will acquire 10 mineral claims in the Yukon Territory in exchange for 150,000 common shares of the Company.

On April 15, 2015 the Company announced a private placement of up to 25,000,000 units at a price of $0.055 per unit. Each unit shall consist of share and one transferable share purchase warrant. The completion of the transaction is subject to approval of the TSX Venture Exchange.

RISKS AND UNCERTAINTIES

The Company is in the business of acquiring and exploring natural resource properties in Canada. Due to the nature of the Company's proposed business and the present stage of exploration of its resource properties, which are at very early stages, the following risk factors, amongst others, will apply:

Exploration Stage Company

The Company does not hold any known mineral reserves of any kind and does not generate any revenues from production. The Company's success will depend largely upon its ability to locate commercially productive mineral reserves. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful.

Success in establishing reserves is a result of a number of factors, including the quality of management, the level of geological and technical expertise, and the quality of property available for exploration. Once mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change.

Substantial expenditures are required to establish proven and probable reserves through drilling and bulk sampling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities. Because of these uncertainties, no assurance can be given that any future exploration programs will result in the establishment or expansion of resources or reserves.

Exploration and Development Risks

The business of exploring for minerals and mining involves a high degree of risk. There is no assurance the Company's mineral exploration activities will be successful. Few properties that are explored are ultimately developed into producing mines. In exploring and developing any future mineral deposits the Company will be subjected to an array of complex economic factors and technical considerations. Delays in obtaining governmental approvals, inability to obtain financing or other factors could cause delays in exploring and developing properties. Such delays could materially adversely affect the financial performance of the Company. Unusual or unexpected formations, formation pressures, power outages, labour disruptions, flooding, explosions, cave-ins, landslides, environmental hazards, the discharge of toxic chemicals and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. The Company has limited experience in the development and operation of mines and in the construction of facilities required to bring mines into production. The Company has relied and may continue to rely upon consultants and others for operating expertise. Depending on the price of minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

Financing

The Company's objective is to ensure that there are sufficient committed financial resources to meet its short-term business requirements for a minimum of twelve months. Currently, the Company does not have sufficient funds on hand to continue operating for the next twelve months as they have previously been and will need to obtain additional financing. The Company has no formal credit facilities at this time and given the Company's current stage of development, it is not expected that such credit facilities would be available to the Company.

Future exploration, development, mining, and processing of minerals from any of the Company's future properties will require substantial additional financing. The only current sources of funds available to the Company are the sale of additional equity capital, which if available, may result in substantial dilution to existing shareholders. There is no assurance that such funding will be available to the Company, or that it will be obtained on terms favourable to the Company. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development, or production on any or all of the Company's properties, or even a loss of property interests.

Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other mining companies, many of which have greater financial resources than the Company, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Management believes the Company's overall liquidity risk has increased from the prior year due to the current global credit crisis and lack of financing available in the equity markets.

Difficulties in Raising Development Capital

Recent market events and conditions, including disruptions in the Canadian, United States and international credit markets and other financial systems and the deterioration of the Canadian, United States and global economic conditions, could, among other things, impede access to capital or increase the cost of capital, which would have an adverse effect on the Company's ability to fund its capital requirements to pursue the acquisition and exploration of any significant mineral projects or to secure its share of development financing following a decision to place any of its current or future mineral properties into production (whether on its own or on a joint venture basis).

Permits and Licenses

The operations of the Company will 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, on reasonable terms or at all. Delay or failure to obtain such licenses and permits or failure to comply with the terms of any such licenses and permits that the Company does obtain, could have a material adverse effect on the Company.

Acquisition of Mineral Concessions under Agreements

In the junior natural resource industry, it is typical for companies to enter into option agreement which allow the optionee to acquire the property over time while performing initial exploration activities. If the Company continues to enter into these types of agreements, the Company may have to make a series of cash payments and/or share issuances over certain time periods, expend certain minimum amounts on the exploration of the properties or contribute its share of ongoing expenditures. Failure by the Company to make such payments, issue such shares or make such expenditures in a timely fashion may result in the Company losing its interest in such properties. There can be no assurance that the Company will have, or be able to obtain, the necessary financial resources to be able to maintain all of its property agreements in good standing, or to be able to comply with all of its obligations thereunder, with the result that the Company could forfeit its interest in one or more of its mineral properties.

Environmental and Other Regulatory Requirements

Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before production can commence on any properties, the Company must obtain regulatory approval and there is no assurance that such approvals will be obtained. Although the Company believes its mineral and exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

Uninsured Risks

The Company may become subject to liability for cave-ins, pollution or other hazards against which it cannot insure or against which it may elect not to insure because of high premium costs or other reasons.

The payment of such liabilities would reduce the funds available for exploration and mining activities. In particular, the Company is not insured for environmental liability or earthquake damage.

Operating Hazards and Risks

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of base metals, any of which could result in work stoppages, damage to property, and possible environmental damage. The Company currently does not maintain liability insurance against such liabilities. Although the Company currently intends to obtain insurance when it commences operations of reasonable significance, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a materially adverse effect upon its financial condition.

Title Matters

Often, the mining claims in which the Company could acquire an interest in have not been surveyed and, accordingly, the precise location of the boundaries of the claims and ownership of mineral rights on specific tracts of land comprising the claims may be in doubt. Such claims would not be converted to lease and tenure, and are, accordingly, subject to annual compliance with assessment work requirement.

Other parties may dispute the Company's title to its mining properties. While the Company has diligently investigated title to all mineral claims and, to the best of its knowledge, title to all properties is in good standing; this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements, first nation's land claim or transfers of land claims and titles which may be affected by undetected defects.

Conflicts of Interest

Certain of the Company's directors and officers serve as directors or officers of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. Under the laws of the Province of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Share Price Volatility

There can be no assurance that significant fluctuations in the trading price of the Company's common shares will not occur, or that such fluctuations will not materially adversely impact on the Company's ability to raise equity funding without significant dilution to its existing shareholders, or at all.

Fluctuation of Metal Prices

The market price of precious metals and other minerals is volatile and cannot be controlled. If the price of precious metals and other minerals should drop significantly, the economic prospects of the projects which the Company has an interest in could be significantly reduced or rendered uneconomic. There is no assurance that, even if commercial quantities of ore are discovered, a profitable market may exist for the sale of same. Factors beyond the control of the Company may affect the marketability of any minerals discovered. Mineral prices have fluctuated widely, particularly in recent years. The marketability of minerals is also affected by numerous other factors beyond the control of the Company, including government regulations relating to royalties, allowable production and importing and exporting of minerals, the effect of which cannot be accurately predicted.

PERSONNEL

Greg Amor, Director, CEO

Anthony Jackson, Director, CFO

Mike Blady, Director, President

Brayden Sutton, Director

Additional information is available on SEDAR at www.sedar.com.

ADDITIONAL INFORMATION FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

General and Administrative Costs

	2015	2014
	$	$
EXPENSES		
Consulting	30,000	9,000
Interest expense	499	-
Investor relations	-	899
Office	387	69
Management fees (Note 7)	5,000	29,000
Professional fees (Note 7)	11,033	16,700
Rent (Note 7)	15,000	15,000
Transfer agent and filing fees	9,225	894
NET LOSS AND COMPREHENSIVE LOSS	(71,144)	(71,562)
LOSS PER SHARE, basic and diluted	(0.05)	(0.05)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	1,512,176	1,512,176

Mineral Property Expenses

On March 16, 2011, the Company entered into an option to earn a 100% undivided interest in eight contiguous claims known as the Lorn Property, Clinton and Lillooet Mining Division. This agreement was amended a first time on February 25, 2012, and on October 5, 2012, and on October 30, 2013. In November 2013, the Company decided to suspend activities with respect to the Lorn Property and the Company’s exploration activities were written off during the 2013 fiscal year.

On February 27, 2015, The Company entered into an amendment agreement further amending the terms of its original Lorn Property Agreement, under the terms of which, John A. Chapman and KGE Management Ltd. (the “Optionors”) granted the Company an option to acquire a 100% interest in the Lorn Property. Under the terms of the amendment agreement, certain due dates of cash payments, exploration expenditures, share issuances and advance royalty payments have been extended. As a result of the amendment agreement, the Company was no longer in default of the terms of the Lorn Property Agreement, as previously amended, and the Company’s option has returned to good standing.

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Total	**$2,390,000**	**$140,000**	**52,000**

The Company will also be required to issue an additional 60,000 shares upon completion of a feasibility study. The commencement date of the annual advance royalty payments has been extended from December 31, 2015 to December 31, 2018.

On March 20, 2015, the Company entered into a property acquisition agreement with North of Sixty Ventures Inc., under the term of which the Company will acquire 10 mineral claims in the Yukon Territory in exchange for 150,000 common shares of the Company. This transaction remains subject to approval from the TSX Venture Exchange.

On September 30, 2013, the Company announced a letter of intent on the proposed acquisition of Afritin Resources Inc. Terms of the acquisition call for a cash payment of $25,000 and the issuance of 6,666,667 units of the Company. Each unit to be issued will consist of one share and one share purchase warrant, exercisable for three years at $0.20 per share. The transaction is subject to regulatory approval. A finder fee of 550,000 units is payable upon closing. As at August 31, 2014 the Company had incurred expenses of $11,410 in connection with this transaction. In the 4th quarter of fiscal 2014, the Company decided to suspend activities related to the acquisition of Afritin Resources Inc. and the property investigation costs were written off.

As of the date of this Management Discussion and Analysis

SCHEDULE OF SHARE CAPITAL

Common shares outstanding	1,670,176
Options outstanding	-
Fully diluted share capital	1,670,176