

DEVERON RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Deveron Resources Ltd. ("Deveron" 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. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited financial statements of the Company for the years ended December 31, 2014 and 2013, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. Information contained herein is presented as of February 12, 2015, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Deveron common shares ("Common Shares"); (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Additional information relating to the Company is available free of charge on the System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com.

Caution Regarding Forward-looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
Potential of Deveron's properties to contain economic deposits of gold or silver and/or other metals	Financing will be available for future exploration and development of Deveron's properties; the actual results of Deveron's exploration and development activities will be favourable; operating, exploration and development costs will not exceed Deveron's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to Deveron, and applicable political and economic conditions are favourable to Deveron; the price of gold or silver and/or other applicable metals and applicable interest and exchange rates will be favourable to Deveron; no title disputes exist with respect to the Company's properties	Gold or silver price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with Deveron's expectations; availability of financing for and actual results of Deveron's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff
The Company's ability to meet its working capital needs at the current level for the twelve-month period ending December 31, 2015 The Company expects to incur further losses in the development of its business Should the Company not raise sufficient capital, it may cease to be a reporting issuer	The operating and exploration activities of the Company for the twelve-month period ending December 31, 2015, and the costs associated therewith, will be consistent with Deveron's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to Deveron	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions
The Company's ability to carry out anticipated exploration on its property interests	The exploration activities of the Company for the twelve months ended December 31, 2015, and the costs associated therewith, will be consistent with Deveron's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to Deveron	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions; receipt of applicable permits
Plans, costs, timing and capital for future exploration and development of Deveron's property interests, including the costs and potential impact of	Financing will be available for Deveron's exploration and development activities and the results thereof will be favourable;	Gold or silver price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the

complying with existing and proposed laws and regulations	actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to Deveron; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to Deveron; the price of gold or silver and/or other applicable metals will be favourable to Deveron; no title disputes exist with respect to Deveron's properties	uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with Deveron's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff
Management's outlook regarding future trends	Financing will be available for Deveron's exploration and operating activities; the price of gold or silver and/or other applicable metals will be favourable to Deveron	Gold or silver price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions
Sensitivity analysis of financial instruments	Interest rates will not be subject to change in excess of plus or minus 1% The Company's long-term investment in Boreal Agrominerals Inc. ("Boreal") will not be subject to change in excess of plus or minus 10% Based on management's knowledge and experience of the financial markets, the Company believes that there would be no material changes to its results for the twelve months ended December 31, 2014, as a result of changes in foreign exchange rates	Changes in debt and equity markets; interest rate and exchange rate fluctuations
A total of \$260,000 has been estimated for Phase 1 for the Nechako Property, and \$108,500 for the Rockstone Property but this is not likely to occur before a financing is completed	Actual costs of the various line items of the budget are consistent with the costs that management anticipates	Costs could vary from management's expectations
Deveron will continue to focus its exploration efforts on existing targets located on both the Nechako and	New targets are not discovered that take precedence over these targets	Management may change its plans based on future exploration results

Rockstone properties		
Prices and price volatility for gold or silver	The price of gold or silver will be favourable; debt and equity markets, interest and exchange rates and other economic factors which may impact the price of gold or silver will be favourable	Changes in debt and equity markets and the spot price of gold or silver; interest rate and exchange rate fluctuations; changes in economic and political conditions

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Deveron's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Deveron's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

Deveron was incorporated under the laws of the Province of Ontario on March 28, 2011. Deveron is a mineral resource company primarily focused on acquisition, exploration and evaluation of mineral properties. The Company is currently considered to be in the exploration stage and has a 100% interest in the Nechako property (the "Nechako Property"), which consists of 28 contiguous mineral claims covering an area of approximately 12,968 hectares located approximately 110 kilometres southwest of Vanderhoof, British Columbia, in the Omineca Mining Division. The primary office is located at 36 Toronto Street, Suite 1000, Toronto, Ontario, M5C 2C5.

The Company is in the exploration stage and is subject to the same risks and challenges as other companies in a comparable stage of development. These risks include, but are not limited to, the dependence on key individuals, successful exploration, and the ability to secure adequate financing to meet the minimum capital required to successfully complete its planned work programs on mineral properties. The financial statements for the year ended December 31, 2014, have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves and the Company's ability to dispose of its interests on an advantageous basis.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest in accordance with industry standards, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or

regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory requirements.

The financial statements have been prepared in accordance with IFRS applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to sell its assets and liquidate its liabilities at amounts different from those presented in the financial statements. These adjustments could be material.

On November 27, 2012, Deveron's Common Shares started trading on the TSX Venture Exchange under the symbol "DVR".

The securities offered have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

On April 9, 2013, Deveron announced that the Company has acquired an initial stake in Boreal. Deveron has purchased a 6% interest in Boreal for \$200,000, which owns and operates a significant carbonatite quarry near Sudbury, Ontario. On May 27, 2013, Deveron announced that the Company has acquired an additional stake in Boreal for \$400,000. By means of a private placement, the Company has increased its interest to 13.6% in Boreal.

In connection with the purchase, Greencastle Resources Ltd. ("Greencastle"), the Company's parent, has loaned Deveron \$400,000, which bears interest at prime plus two percent (2%) and is due on demand. As security for the loan Deveron has granted Greencastle a security interest over all of its assets and undertaking.

Boreal's operation includes exploration, testing, developing and producing of organic-certified agromineral fertilizers and soil amendment products, targeting the purest and most reactive minerals that are superior for organic as well as conventional farming enterprises.

The carbonatite product is referred to as Spanish River Carbonatite ("SRC"). The material is designated by the Organic Materials Review Institute in Eugene, Oregon, as "OMRI Listed" and therefore may be used in certified organic production. SRC has also passed the various Ontario and British Columbia Ministry of Environment tests which are required to have the product included as a compost amendment at various major landfill/composting sites and as a soil amendment in those jurisdictions where parks, playing fields, lawns, forests and gardens are being legislated as chemical free.

The calcium carbonate (CaCO_3) in SRC is one of the most reactive calcium carbonate products (aglime) available in bulk in North America. With additional credits for its other macro/micronutrients (including phosphorus and potassium), and high activity clay, SRC is one of the best quality, and the only magmatic high-calcium aglime available within North America's Agricultural Core.

At December 31, 2014, the Company had a working capital deficit of \$460,360 (December 31, 2013 – working capital deficit of \$331,910). The Company had accumulated losses of \$1,392,129 (December 31, 2013 - \$1,333,911) and expects to incur further losses in the development of its business.

While the Company has been successful in securing financing, there is no assurance that it will be able to do so in the future. The Company will require additional financing in order to conduct its planned work

programs on mineral properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. Accordingly, the financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption is not used, then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to the financial statements.

Overall Performance

During the year ended December 31, 2014, the Company earned no revenue and reported a loss of \$130,418 (year ended December 30, 2014 - \$0.01 basic and diluted loss per share). That compares with a loss of \$285,771 for the year ended December 31, 2013 (year ended December 31, 2013 - \$0.02 basic and diluted loss per share). Losses in the periods presented mainly represent exploration and evaluation expenditures (recovery), professional fees, shareholder relations and other general and administrative expenses.

During the period, the Chief Executive Officer ("CEO") of Deveron and the CEO of Greencastle have agreed to forego their consulting fees until market conditions improve.

On May 29, 2014, Mr. James Borland was elected as a new member of the Deveron Board of Directors replacing Mr. Michael Power, who did not stand for re-election.

On October 28, 2014, the Company entered into a letter agreement ("Letter Agreement") with Greencastle relating to Greencastle's Rockstone Property located near Thunder Bay, in north-west Ontario. Under the terms of the Letter Agreement, Deveron will pay total cash considerations of \$150,000 and incur \$2,000,000 in exploration expenditures over a three year period to earn a 60% interest in the Rockstone Property. Deveron can elect to earn 100% interest in the Rockstone Property by incurring all expenditures required to produce a bankable feasibility study, subject to Greencastle retaining a 3% net smelter return royalty. The transaction was approved by the TSX Venture Exchange.

In connection with the Letter Agreement, Greencastle has also loaned Deveron \$200,000, which bears interest at prime plus two percent and is due on demand. As security for the loan, Deveron has granted Greencastle a security interest over all of its assets and undertakings.

On January 21, 2015, the Letter Agreement between the Company and Greencastle was amended to include 10 additional claims for a total of 21 claims in the Rockstone Property

Trends

Currently, the Company's main focus is on the exploration and development of both the Nechako and Rockstone properties. In Q2 2014, the Company decided to allow the claims at the ROK West property to expire. The Company may continue to negotiate and acquire additional mineral properties which may be located in Canada or elsewhere. Also, depending upon the Company's ability to continue to obtain necessary funding to conduct exploration and development activities on its mineral properties and upon the results from its exploration activities, it may consider "optioning", disposing of or abandoning any or a portion of these properties. The financing, exploration and development of any properties the Company proposes to acquire will be subject to a number of factors including the price of gold or other minerals, applicable laws and regulations, political conditions, currency fluctuations, the hiring of qualified people and obtaining necessary services in jurisdictions where the Company operates. The current trends relating to these factors could change at any time and negatively affect the Company's operations and business. See "Risk Factors" for risk factors affecting the Company.

Exploration Program

Nechako Property

Current and Future Plans Related to the Nechako Property

The following table summarizes the Company's current exploration programs at the Nechako Property, total estimated cost to complete each exploration program, and total expenditures incurred to date. For more information about exploration expenditures incurred by category in fiscal 2014 and 2013, please see "Additional Disclosure for Entities without Significant Revenue" below.

Summary of Completed Activities (Year Ended December 31, 2014)	(A) Spent	Plans for the Project	(B) Planned Expenditures
Based on the Company's working capital deficit of \$460,360 at December 31, 2014, the Company will have to raise equity capital in calendar 2015 in amounts sufficient to fund its exploration work requirements. The major variables are expected to be the size, timing and results of the Company's exploration program and its ability to continue to access capital to fund its ongoing operations	\$498,098	Proposed 2015 Program (Note 1)	\$260,000
Year ended December 31, 2014 – no activities were completed		Phase 2 - Diamond drilling (Note 2)	\$375,000
The project claims are in good standing until August 2016		Care and maintenance until the Company completes a financing	
Subtotals	\$498,098		\$635,000
Total (A+B)			\$1,133,098

Note 1

To trace the lateral extent of the mineralization through the overburden cover will require a phase 1 program of detailed grid soil geochemistry, geological mapping, possibly followed by 3D induced polarization (3DIP) geophysical surveys over the identified anomalous areas.

Detailed field evaluation should be carried out on other areas with anomalous gold, silver, copper and zinc in several of the soil grids. In addition, follow-up exploration will be required to assess several locations where anomalous gold and copper values were identified in stream sediment samples. This would include additional stream sediment sampling, mapping and soil sampling where appropriate.

Note 2

Following the recommended work in note 1 and contingent on the results thereof, a provision should be made for a second phase of work including a program of some 1,500 metres of diamond drilling to test any targets with potential for porphyry and/or epithermal precious metal mineralization.

Costs

The following is a detailed list of expenditures incurred to date on the Company's mineral property as at December 31, 2014 and 2013:

Nechako Property	Total December 31, 2014	Total December 31, 2013
Acquisition costs	\$320,109	\$320,109
Claim staking, maintenance fees	2,682	2,682
Laboratory and analysis	23,497	23,497
Geochemical costs	151,508	156,959
Geological costs	302	302
Total	\$498,098	\$503,549

ROK West Property

A total of \$40,000 was estimated for a Phase 1 program of geological mapping, prospecting and soil sampling on the ROK West property, but since no financing had been completed, the claims were allowed to expire on their anniversary date. For more information about exploration expenditures incurred by category in fiscal 2014 and 2013, please see "Additional Disclosure for Entities without Significant Revenue" below.

Costs

The following is a detailed list of expenditures incurred to date on the Company's mineral property as at December 31, 2014 and 2013:

ROK West Property	Total December 31, 2014	Total December 31, 2013
Assays and analysis	\$306	\$306
Claim staking, maintenance fees	4,515	4,515
Travel and accommodation	4,666	4,666
Total	\$9,487	\$9,487

Rockstone Property

On October 28, 2014, the Company entered into a Letter Agreement with Greencastle relating to Greencastle's Rockstone Property located near Thunder Bay, in north-west Ontario. The Rockstone Property consists of 11 claims.

Under the terms of the Letter Agreement, Deveron will pay total cash considerations of \$150,000 and incur \$2,000,000 in exploration expenditures over a three year period to earn a 60% interest in the Rockstone Property. Deveron can elect to earn 100% interest in the Rockstone Property by incurring all expenditures required to produce a bankable feasibility study, subject to Greencastle retaining a 3% net smelter return royalty. The transaction was approved by the TSX Venture Exchange.

On January 21, 2015, the Letter Agreement between the Company and Greencastle was amended to add 10 additional claims for a total of 21 claims in the Rockstone Property.

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A Phase 1 exploration program of ground geophysics, mapping and sampling at an estimated cost of \$108,500 is recommended to evaluate the Rockstone Property. The ground geophysics will be comprised of magnetic and electromagnetic surveys on cut lines. Due to the lack of outcrop and known complexity of folding and deformation of the supracrustal rocks, the magnetic survey will help define the geological stratigraphy and structure. The electromagnetic survey will be used to better refine the VTEM anomalies in preparation for diamond drilling. The mapping and sampling will assess the geological environment around the conductive zones and assist in defining stratigraphic and structural setting of potential drill targets.

Once the results of the Phase 1 field work and detailed evaluation of the geophysical data are available, a number of targets will be identified and it is anticipated that a Phase 2 diamond drilling program of 2,000 metres in 8 holes at an estimated cost of \$340,000 will test the priority targets.

Current and Future Plans Related to the Rockstone Property

The following table summarizes the Company's current exploration programs at the Rockstone Property, total estimated cost to complete each exploration program, and total expenditures incurred to date.

Summary of Completed Activities (Year Ended December 31, 2014)	(A) Spent	Plans for the Project	(B) Planned Expenditures
Based on the Company's working capital deficit of \$460,360 at December 31, 2014, the Company will have to raise equity capital in calendar 2015 in amounts sufficient to fund its exploration work requirements. The major variables are expected to be the size, timing and results of the Company's exploration program and its ability to continue to access capital to fund its ongoing operations	\$nil	A Phase 1 exploration program of ground geophysics, mapping and sampling	\$108,500
Year ended December 31, 2014 – no activities were completed		Phase 2 - Diamond drilling	\$340,000
All the project claims are in good standing		This next phase of work is subject to the Company completing a financing	
Subtotals	\$nil		\$448,500
Total (A+B)			\$448,500

Technical Disclosure

All technical disclosure covering the Company's properties was prepared under the supervision of James Pirie, Ph.D., P. Eng., the CEO and a director of the Company and a "Qualified Person" within the meaning of National Instrument 43-101.

Business Objectives and Milestones

The Company's principal business is the acquisition, exploration and development of mineral properties. The Company intends to complete a financing, if available, to carry out planned exploration on both the Nechako and Rockstone properties and for working capital purposes. See "Liquidity and Financial Position".

On an ongoing basis, the Company will review and evaluate new opportunities to acquire other mineral properties. See "Caution Regarding Forward-looking Statements".

Capital Resources

The Company has limited capital resources and has to rely upon the sale of its equity and/or debt securities for cash required for acquisition, exploration and development of mineral resource properties. Since the Company does not expect to generate any revenues in the near future, it must continue to rely upon the sale of its equity and/or debt securities to raise capital. There can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required at any particular time or for any period or, if available, that it can be obtained on terms satisfactory to the Company.

The Company's use of cash is currently and is expected to continue to be focused on two principal areas, namely the funding of its general and administrative expenditures and the funding of its investment activities. Investing activities include the cash components of the cost of acquiring and exploring the Company's mineral claims. The Company will require additional financing in order to conduct its planned work programs on mineral properties, meet its ongoing corporate overhead and discharge its liabilities as they come due.

The Company has a need for equity capital and financing for working capital and exploration and development of the Nechako and Rockstone properties. Because of ongoing operating losses, the Company's continuance as a going concern is dependent on its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operation.

Other than as disclosed in this MD&A, the Company does not have any commitments for capital expenditures as at the date hereof.

See "Caution Regarding Forward-looking Statements" and "Risk Factors".

Selected Annual Financial Information

The following is selected financial data derived from the audited annual financial statements of the Company as at December 31, 2014, 2013 and 2012 and for the years then ended.

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
Total revenues	\$nil	\$nil	\$nil
Total loss	\$(130,418)	\$(285,771)	\$(884,752)
Net loss per share – basic	\$(0.01)	\$(0.02)	\$(0.10)
Net loss per share – diluted	\$(0.01)	\$(0.02)	\$(0.10)
	As at December 31, 2014	As at December 31, 2013	As at December 31, 2012
Total assets	\$797,337	\$702,129	\$587,275
Total non-current financial liabilities	\$nil	\$nil	\$nil
Distribution of cash dividends	\$nil	\$nil	\$nil

- The net loss for the year ended December 31, 2014, consisted primarily of (i) share-based payments of \$1,968; (ii) professional fees of \$62,245; and (iii) other working capital expenditures incurred to maintain the operations of the Company.
- The net loss for the year ended December 31, 2013, consisted primarily of (i) consulting fees of \$116,000; (ii) share-based payments of \$28,932; (iii) professional fees of \$75,367; and (iv) other working capital expenditures incurred to maintain the operations of the Company.
- The net loss for the year ended December 31, 2012, consisted primarily of (i) exploration and evaluation expenditures of \$500,828; (ii) share-based payments of \$228,000; (iii) loss on short-term investments of \$3,000; and (iv) other working capital expenditures incurred to maintain the operations of the Company.
- As the Company has no recurring revenue, its ability to fund its operations is dependent upon securing financing. See "Trends" above and "Risk Factors" below.

Selected Quarterly Information

Three Months Ended	Total Revenue (\$)	Profit or Loss		Total Assets (\$)
		Total (\$)	Basic and Diluted Loss Per Share (\$) ⁽⁹⁾	
2013-March 31	-	(64,824) ⁽¹⁾	(0.01)	477,188
2013-June 30	-	(88,964) ⁽²⁾	(0.01)	800,479
2013-September 30	-	(75,313) ⁽³⁾	(0.01)	766,471
2013-December 31	-	(56,670) ⁽⁴⁾	(0.00)	702,129
2014-March 31	-	(21,525) ⁽⁵⁾	(0.00)	678,897
2014-June 30	-	(24,389) ⁽⁶⁾	(0.00)	656,159
2014-September 30	-	(29,947) ⁽⁷⁾	(0.00)	631,296
2014-December 31	-	(54,557) ⁽⁸⁾	(0.00)	797,337

Notes:

- (1) The Company's net loss totaled \$64,824 for the three months ended March 31, 2013, with basic and diluted loss per share of \$0.01. Activities for the three months ended March 31, 2013, principally involved exploration and evaluation expenditures of \$2,721 for claim staking and maintenance fees on the Nechako Property; consulting fees of \$24,000; director fees of \$18,000; shareholder relations of \$7,643 pertaining to regulatory filing fees; professional fees of \$11,647; representing costs incurred for general legal, accounting and audit services; and office and general of \$813.
- (2) The Company's net loss totaled \$88,964 for the three months ended June 30, 2013, with basic and diluted loss per share of \$0.01. Activities for the three months ended June 30, 2013, principally involved exploration and evaluation expenditures of \$4,515 for claim staking and maintenance fees on the Rok West Property; consulting fees of \$39,000; shareholder relations of \$7,766 pertaining to regulatory filing fees; professional fees of \$15,543, representing costs

incurred for general legal, accounting and audit services; share-based payments of \$17,946; interest expenses of \$1,863; travel expenses of \$613; and office and general of \$1,718.

- (3) The Company's net loss totaled \$75,313 for the three months ended September 30, 2013, with basic and diluted loss per share of \$0.01. Activities for the three months ended September 30, 2013, principally involved exploration and evaluation expenditures of \$4,972 for claim staking and maintenance fees, assays and analysis fees and travel and accommodation on the Rok West Property; consulting fees of \$29,000; shareholder relations of \$1,783 pertaining to regulatory filing fees; professional fees of \$26,846, representing costs incurred for general legal, accounting and audit services; share-based payments of \$7,013; interest expenses of \$5,041; and office and general of \$658.
- (4) The Company's net loss totaled \$56,670 for the three months ended December 31, 2013, with basic and diluted loss per share of \$0.00. Activities for the three months ended December 31, 2013, principally involved consulting fees of \$24,000; shareholder relations of \$2,178 pertaining to regulatory filing fees; professional fees of \$21,331, representing costs incurred for general legal, accounting and audit services; share-based payments of \$3,973; interest expenses of \$5,041; and office and general of \$147.
- (5) The Company's net loss totaled \$21,525 for the three months ended March 31, 2014, with basic and diluted loss per share of \$0.00. Activities for the three months ended March 31, 2014, principally involved shareholder relations of \$5,730 pertaining to regulatory filing fees; professional fees of \$14,222, representing costs incurred for general legal, accounting and audit services; exploration and evaluation recovery of \$5,451; share-based payments of \$1,905; interest expenses of \$4,932; and office and general of \$187.
- (6) The Company's net loss totaled \$24,389 for the three months ended June 30, 2014, with basic and diluted loss per share of \$0.00. Activities for the three months ended June 30, 2014, principally involved shareholder relations of \$7,871 pertaining to regulatory filing fees; professional fees of \$11,296, representing costs incurred for general legal, accounting and audit services; share-based payments of \$63; interest expenses of \$4,986; and office and general of \$173.
- (7) The Company's net loss totaled \$29,947 for the three months ended September 30, 2014, with basic and diluted loss per share of \$0.00. Activities for the three months ended September 30, 2014, principally involved shareholder relations of \$7,172 pertaining to regulatory filing fees; professional fees of \$14,307, representing costs incurred for general legal, accounting and audit services; interest expenses of \$5,041; and office and general of \$3,427.
- (8) The Company's net loss totaled \$54,557 for the three months ended December 31, 2014, with basic and diluted loss per share of \$0.00. Activities for the three months ended December 31, 2014, principally involved shareholder relations of \$25,502 pertaining to regulatory filing fees; professional fees of \$22,420, representing costs incurred for general legal, accounting and audit services; interest expenses of \$6,767; office and general of \$3,964; and income tax recovery of \$4,294.
- (9) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

Discussion of Operations

Year ended December 31, 2014, compared with year ended December 31, 2013

The Company's net loss totaled \$130,418 for the year ended December 31, 2014, with basic and diluted loss per share of \$0.01. Activities for the year ended December 31, 2014, principally involved shareholder relations of \$46,275 pertaining to regulatory filing fees; professional fees of \$62,245, representing costs incurred for general legal, accounting and audit services; exploration and evaluation recovery of \$5,451; share-based payments of \$1,968; interest expenses of \$21,726; travel expenses of \$198; office and general of \$7,751; and income tax recovery of \$4,294.

The Company's net loss totaled \$285,771 for the year ended December 31, 2013, with basic and diluted loss per share of \$0.02. Activities for the year ended December 31, 2013, principally involved exploration and evaluation expenditures of \$12,208 for claim staking and maintenance fees, assays and analyses fees, travel and accommodation and geological costs on both the Nechako and Rok West properties; consulting fees of \$116,000; director fees of \$18,000; shareholder relations of \$19,370 pertaining to regulatory filing fees; professional fees of \$75,367, representing costs incurred for general legal, accounting and audit services; share-based payments of \$28,932; interest expenses of \$11,945; travel expenses of \$613; and office and general of \$3,336.

Three months ended December 31, 2014, compared with three months ended December 31, 2013

The Company's net loss totaled \$54,557 for the three months ended December 31, 2014, with basic and diluted loss per share of \$0.00. Activities for the three months ended December 31, 2014, principally involved shareholder relations of \$25,502 pertaining to regulatory filing fees; professional fees of \$22,420, representing costs incurred for general legal, accounting and audit services; interest expenses of \$6,767; travel expenses of \$198; office and general of \$3,964; and income tax recovery of \$4,294.

The Company's net loss totaled \$56,670 for the three months ended December 31, 2013, with basic and diluted loss per share of \$0.00. Activities for the three months ended December 31, 2013, principally involved consulting fees of \$24,000; shareholder relations of \$2,178 pertaining to regulatory filing fees; professional fees of \$21,331, representing costs incurred for general legal, accounting and audit services; share-based payments of \$3,973; interest expenses of \$5,041; and office and general of \$147.

Liquidity and Financial Position

The activities of the Company, principally the acquisition, exploration, and development of properties prospective for base and precious minerals, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. No options or warrants were exercised and the Company did not complete an equity offering in fiscal 2014. There is no assurance that future equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all. See "Caution Regarding Forward-looking Statements" and "Risk Factors".

As at December 31, 2014, the Company had a working capital deficit of \$460,360 (December 31, 2013 – working capital deficit of \$331,910). The Company's continuing operations are dependent on its ability to secure equity and/or debt financing, with which it intends to maintain its proposed mineral exploration programs on the claims and also identify, evaluate and acquire, if appropriate, interests in other mineral properties. The circumstances that could affect the Company's ability to secure equity and/or debt financing that are reasonably likely to occur are, without limitation, as follows:

- the state of capital markets generally;

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- the prevailing market prices for base and precious minerals;
- the potential abandonment of both the Nechako and Rockstone properties as exploration results provide further information relating to the underlying value of the projects;
- changes in laws, regulations and political conditions; and
- the ability of the Company to realize satisfactory terms in its negotiation of work contracts relating to both the Nechako and Rockstone properties.

The current trends are relatively unfavourable for the Company as junior exploration companies are finding it difficult to complete financings. This could negatively affect the Company's operations and business. Other than as disclosed in this MD&A, the Company is not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on its business, financial condition or results of operations. See "Caution Regarding Forward-looking Statements" and "Risk Factors".

Expected use of funds for the following twelve months (January 1, 2015 to December 31, 2015) includes:

Use of Total Available Funds ⁽³⁾	Amount
Phase 1 - Surface Program ⁽¹⁾⁽³⁾	\$260,000
Rockstone - Phase 1 ⁽³⁾⁽⁴⁾	\$108,500
Repayment of Greencastle demand loan	\$633,671
General and Administrative Expenses ⁽²⁾⁽³⁾	\$224,000
Total	\$1,226,171

Notes:

- (1) A total of \$260,000 has been estimated for the Phase 1 for the Nechako Property. Phase 1 will be commenced if and when sufficient and additional financing is raised.
- (2) General and administrative expenses

Description	Amount
Consulting	\$114,000
Professional fees	60,000
Shareholder relations	40,000
Office and operating costs	10,000
Total	\$224,000

- (3) Discretionary and subject to change.
- (4) A total of \$108,500 has been estimated for the Phase 1 for the Rockstone Property. Phase 1 will be commenced if and when sufficient and additional financing is raised.

In addition, the Company has made a \$600,000 investment in Boreal for a 13.6% interest, to assist Boreal in pursuing its business plan of producing and selling its agromineral fertilizers and soil amendment products. The plan projects that Boreal will produce future cash flows, which can be distributed to its shareholders through dividends although this is not anticipated in the near term.

Based on the rate of expenditure above, the Company will have to raise equity capital in fiscal 2015 in amounts sufficient to fund both exploration work and working capital requirements. The major variables are expected to be the size, timing and results of the Company's exploration program and its ability to

continue to access capital to fund its ongoing operations. Any further significant exploration programs on both the Nechako and Rockstone properties are subject to the Company raising capital. Payments on select accounts payable will be deferred until a financing is completed. The Company's cash balance at December 31, 2014, is not sufficient to fund its operating expenses at current levels. At the date hereof, the Company's cash balance has diminished as a result of normal business operations and management is attempting to defer all payments, to the extent practical. Should the Company not raise sufficient capital, it may cease to be a reporting issuer.

Off-Balance-Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Proposed Transactions

There are no proposed transactions of a material nature being considered by the Company other than that which is disclosed in this MD&A. The Company continues to evaluate properties and corporate entities that it may acquire in the future.

Major Shareholder and Related Party Transactions

Major shareholder

The Company is controlled by Greencastle. At December 31, 2014, Greencastle owned and/or exercised control over 7,756,005 common shares of Deveron, representing approximately 65.8% of the issued and outstanding common shares of the Company. The CEO of Deveron is the president, secretary and director of Greencastle and both companies have the same Chief Financial Officer ("CFO"). The remaining 34.2% of the shares are widely held, which includes various small holdings which are owned by directors of Deveron. These holdings can change at any time at the discretion of the owner.

The Company's major shareholder does not have different voting rights than other holders of the Company's common shares.

The Company is not aware of any arrangements that may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, other than Greencastle, who owns or controls, directly or indirectly, approximately 65.8% of the issued and outstanding shares of the Company, the Company is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

Related party transactions

During the year ended December 31, 2014, the Company paid professional fees of \$33,540 (year ended December 31, 2013 - \$34,470) to Marrelli Support Services Inc. ("Marrelli Support"), an organization of which Carmelo Marrelli is president. Mr. Marrelli is the CFO of Deveron. These services were incurred in the normal course of operations for general accounting and financial reporting matters. Marrelli Support also provides bookkeeping services to the Company. All services were made on terms equivalent to those that prevail with arm's length transactions. As at December 31, 2014, Marrelli Support is owed \$2,798 (December 31, 2013 - \$8,592) and this amount is included in accounts payable and other liabilities.

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During the year ended December 31, 2014, the Company paid professional fees of \$8,827 (year ended December 31, 2013 - \$7,800) to DSA Corporate Services Inc. ("DSA"), an organization of which Mr. Marrelli is also the corporate secretary and sole director of DSA. These services were incurred in the normal course of operations for corporate secretarial matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As December 31, 2014, DSA is owed \$735 (December 31, 2013 - \$735) and this amount is included in accounts payable and other liabilities.

During the year ended December 31, 2014, the Company also incurred legal fees of \$9,840 (year ended December 31, 2013 - \$18,674) to Irwin Lowy LLP for legal services. Chris Irwin is the controlling party of Irwin Lowy LLP and a director of Deveron. Included in the December 31, 2014 amounts payable and other liabilities is \$6,592 due to Irwin Lowy LLP (December 31, 2013 - \$3,505).

On October 28, 2014, the Company entered into a Letter Agreement with its parent company, Greencastle.

For the year ended December 31, 2014, consulting fees of \$nil (year ended December 31, 2013 - \$48,000) were charged by the CEO of Greencastle, for performing advisory services for Deveron.

Greencastle loaned Deveron \$400,000 on May 22, 2013 and \$200,000 on October 29, 2014, which bears interest at prime plus two percent and is due on demand. As security for the loans Deveron granted Greencastle a security interest over all assets of the Company. The carrying value of all the assets is \$797,337, being the value of the investments in Boreal and cash. The Company's interest in the Nechako property and its option to earn 100% interest in the Rockstone property is carried at \$nil until such time as the project has been established as commercially viable and technically feasible. Included in due to related party as at December 31, 2014 is \$633,671 due to Greencastle (December 31, 2013 - \$411,945). For the year ended December 31, 2014, interest of \$21,726 (year ended December 31, 2013 - \$11,945) has been accrued and is included in interest expenses in the statements of comprehensive loss.

Remuneration of directors and key management personnel of the Company was as follows:

	Year Ended December 31, 2014 (\$)	Year Ended December 31, 2013 (\$)
Director fees		
Chris Irwin, director	nil	8,000
David MacMillan, director	nil	2,000
Michael Power, former director	nil	8,000
Total	nil	18,000

	Year Ended December 31, 2014 (\$)	Year Ended December 31, 2013 (\$)
Consulting fees		
James Pirie, CEO (i)	nil	48,000
Total	nil	48,000

(i) For the year ended December 31, 2014, consulting fees of \$nil (year ended December 31, 2013 - \$48,000) were charged by the CEO of the Company.

Change in Accounting Policies

The following new standard has been adopted:

IAS 32 - Financial Instruments, Presentation ("IAS 32") was amended to clarify that the right of offset must be available on the current date and cannot be contingent on a future date. At January 1, 2014 the Company adopted this pronouncement and there was no material impact on the Company's financial statements.

Recent Accounting Pronouncements

IFRS 9 - Financial Instruments ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). 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. IFRS 9 is to be effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

Capital Management

The Company includes equity, comprising issued share capital, reserves and deficit, in the definition of capital, which as at December 31, 2014, totaled \$139,640 (December 31, 2013 - \$268,090).

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund its exploration commitments. To secure the additional capital necessary to continue with the exploration of mineral properties, the Company may attempt to raise additional funds through the issuance of debt or equity. The Company is not subject to any capital requirements imposed by a lending institution.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares and adjusting capital spending. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

There were no changes in the Company's process, policies and approach to capital management during the year ended December 31, 2014.

Financial Instruments

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and equity price risk).

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Cash is held with a Canadian chartered bank, from which management believes the risk of loss to be minimal.

Amounts receivable consists of sales tax receivable from government authorities in Canada. Amounts receivable are in good standing as of December 31, 2014. Management believes that the credit risk with respect to these amounts receivable is minimal.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2014, the Company had cash of \$177,778 (December 31, 2013 - \$97,283) to settle current liabilities of \$657,697 (December 31, 2013 - \$434,039). All of the Company's financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms except for the amount due to related party which bears interest at prime plus two percent and is due on demand. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

On May 22, 2013, the Company obtained a \$400,000 loan from Greencastle. On October 29, 2014, the Company obtained an additional \$200,000 loan from Greencastle. The loans bear interest at prime annual rate plus 2%, calculated on a monthly basis. The principal and unpaid interest shall become due and be paid in full on demand.

The Company obtained its financing through the equity market. Negative trend in the general equity market and the fall in commodity prices can adversely impact the Company's ability to obtain financing at favourable terms. If the Company cannot obtain the necessary financing to fund its operating and exploration activities, the Company might not be able to continue as a going concern entity.

There can be no assurance that additional financing or shareholder loans from Greencastle, if and when required, will be available or on terms acceptable to the Company.

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(a) Interest rate risk

The Company has cash balances and interest-bearing debt. The Company's current policy is to invest surplus cash in high yield savings accounts with a Canadian chartered bank with which it keeps its bank accounts. As at December 31, 2014, the Company did not have any surplus cash. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered bank. The Company is exposed to interest rate risk on the amount due to related party bearing interest at prime rate plus two percent per annum.

(b) Foreign currency risk

The Company's functional and presentation currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company is not exposed to foreign currency risk.

(c) Price risk

The Company is exposed to price risk with respect to equity prices and commodity prices. Equity price risk is defined as the potential adverse impact on the Company's loss due to movements in individual equity prices or general movements in the level of stock market. Commodity price risk is defined as the potential adverse impact and economic value due to commodity price movements and volatilities.

The Company has \$600,000 investment in shares of a Canadian private company, which operates in the organic fertilizer industry. This investment is not very liquid as the shares of the private company are not listed on any exchange and it might take time and effort for the Company to locate a suitable buyer of these investments in case the Company would like to dispose of the investment for cash. The amount of proceeds the Company can get from the disposition of the investment will depend on how profitable the investee is at the time of disposition, the expected future profitability of the investee, the overall performance of the equity market, the specific performance of the industry in which the investee operates, the commodity price of organic fertilizer, and other factors concerning investments in shares of private companies, such as marketability and cost of locating buyers as mentioned above.

The Company closely monitors the performance of the investee and the overall performance of the organic fertilizer industry to determine what course of action it should take.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve month period:

(i) The amount due to related party is subject to interest rate risk. The promissory notes of \$400,000 and \$200,000, obtained from Greencastle on May 22, 2013 and October 29, 2014, respectively, bears an annual interest of prime plus 2%. As at December 31, 2014, if interest rates had decreased/increased by 1% with all other variables held constant, it would affect the reported loss and comprehensive loss for the year ended December 31, 2014, by approximately \$4,300. The \$600,000 of investment in long-term investment is subject to equity and commodity price risks. In case of a 10% decrease in overall value of the investment due to a prolonged decrease in general market demand for organic fertilizer and commodity price of organic fertilizer, the lack of market for the investment, and difficulties in locating buyers without taking a significant discount in the sale price, it would affect the Company's impairment loss by approximately \$60,000 and equity by \$60,000.

(ii) The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

Share Capital

As at the date of this MD&A, the Company had a total of 11,794,505 common shares issued and outstanding. An additional 8,431,090 common shares are subject to issuance pursuant to the following: 1,175,000 stock options and 7,256,090 outstanding warrants. Each warrant will be exercisable to acquire one common share at a price of \$0.30 per common share with an expiry date of July 31, 2016.

Disclosure Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the 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 years presented by the financial statements; and (ii) the 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 years 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"), the Company uses the Venture Issuer Basic Certificate, which 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 the time periods specified in securities legislation; and
- ii) a 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's generally accepted accounting principles (IFRS). 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.

Events after the Reporting Period

(i) On January 12, 2015, the Company granted 125,000 stock options to a director with each option exercisable into one common share of the Company at an exercise price of \$0.25 per share until November 29, 2017. A fair value of \$7,138 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: share price - \$0.10; dividend yield - 0%; expected volatility - 125.13%; risk-free interest rate - 0.93%; and an expected life - 2.88 years. The options vest immediately.

(ii) On January 21, 2015, the Letter Agreement between the Company and Greencastle was amended to add 10 additional claims for a total of 21 claims in the Rockstone Property.

Additional Disclosure for Entities without Significant Revenue

	Year Ended December 31, 2014 (\$)	Year Ended December 31, 2013 (\$)
Consulting fees	nil	116,000
Professional fees	62,245	75,367
Director fees	nil	18,000
Share-based payments	1,968	28,932
Shareholder relations	46,275	19,370
Exploration and evaluation expenditures (recovery)	(5,451)	12,208
Office and general	7,751	3,336
Interest expenses	21,726	11,945
Travel	198	613
Income tax recovery	(4,294)	nil
Total	130,418	285,771

Year Ended December 31, 2014			
	Nechako Property (\$)	Rok West Property (\$)	Total (\$)
Exploration and evaluation recovery			
Geochemistry costs	(5,451)	nil	(5,451)
Total	(5,451)	nil	(5,451)

Year Ended December 31, 2013			
	Nechako Property (\$)	Rok West Property (\$)	Total (\$)
Exploration and evaluation expenditures			
Assays and analysis	nil	306	306
Claim staking, maintenance fees	2,682	4,515	7,197
Geological costs	39	nil	39
Travel and accommodation	nil	4,666	4,666
Total	2,721	9,487	12,208

Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

Fluctuating Gold Prices

The Company's profitability depends upon the world market price of gold and other metals. Prices fluctuate widely and are affected by numerous factors beyond the Company's control. The prices of metals are influenced by factors including industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of gold and other metals by producers and speculators as well as other global or regional political, social or economic events. The supply of gold and other metals consists of a combination of new mine production and existing stocks held by governments, producers, speculators and consumers.

If the market prices for gold or other metals fall below the Company's targeted production costs and remain at such levels for any sustained period of time, it may not be economically feasible to commence or continue production on the Company's projects. This would materially and adversely affect the decision to proceed and the ability to finance the development of properties, production, profitability and the Company's financial position. The Company may, depending on hedging practices, experience losses and may decide to discontinue exploration activities, operations or development of a project or mining at one or more of its properties. If the price of gold drops significantly, the economic prospects of the projects in which the Company has an interest could be significantly reduced or rendered uneconomic.

Gold prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of gold and other metals are produced, a profitable market will exist for them.

A decline in the market price of gold or other metals may also have a material and adverse effect on the Company's value, earnings and profitability.

Financial Capability and Additional Financing

With the proceeds of the initial public offering, the Company will have sufficient financial resources to undertake its planned exploration and development programs as discussed herein. However, the Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for further exploration and development of its projects. There can be no assurance that the Company will be able to obtain sufficient financing in the future to carry out exploration and development work on both the Nechako and Rockstone properties. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business performance of the Company. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production on any or all of its properties or even a loss of property interest.

There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company. Additional funds will be required for future exploration and development of both the Nechako and Rockstone properties.

If the Company raises additional funds through the sale of equity securities, shareholders may have their investment further diluted.

Limited Operating History

The Company has not yet recorded any revenues from its operations or commenced commercial production on both the Nechako and Rockstone properties. The Company does not expect to generate revenues from operations in the foreseeable future. The Company expects to continue to incur losses unless and until such time as either the Nechako and Rockstone properties enters into commercial production and generates sufficient revenues to fund its continuing operations. There can be no assurance that the Company will generate any revenues or achieve profitability or that any of the properties it may hereafter acquire or obtain an interest in will generate earnings, operate profitably or provide a return on investment in the future. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate. There can be no assurance that significant additional losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as needed consultants, personnel and equipment associated with advancing exploration, development and commercial production of its properties are added. The amount and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analysis and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, the Company's acquisition of additional properties and other factors, many of which are beyond the Company's control.

Mining Exploration and Development

The Company's business operations are subject to risks and hazards inherent in the mining industry. The exploration for and the development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines.

The Company's exploration and production may be hampered by mining, heritage and environmental legislation, industrial accidents, industrial disputes, cost overruns, land claims and compensation and other unforeseen contingencies. The success of the Company also depends on the delineation of economically recoverable reserves, the availability and cost of required development capital, movement in the price of commodities, securing and maintaining title to its exploration and mining claims as well as obtaining all necessary consents and approvals for the conduct of its exploration and production activities. The effect of these factors or a combination thereof, cannot be accurately predicted and could have an adverse impact on the Company.

Risks involved in mining operations include unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of any material, any of which could result in damage to life or property, environmental damage and possible legal liability. Further, weather conditions over a prolonged period can adversely affect exploration, production, mining and drilling operations and the timing of earning revenues.

Whether income will result from any of the Company's projects will depend on the successful establishment of mining operations. Factors including costs, actual mineralization, consistency and reliability of ore grades and commodity prices could affect successful project development, future cash flow and profitability, and there can be no assurance that current estimates of these factors will reflect actual results and performance. The design and construction of efficient processing facilities, the existence of competent operational management and prudent financial administration, as well as the availability and reliability of appropriately skilled and experienced consultants, also can affect successful project development. These factors and events may materially affect the financial performance of the Company.

No History of Earnings or Dividends

The Company has no history of earnings and as such it has not paid dividends on its common shares since incorporation and does not anticipate doing so in the foreseeable future. Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including operating results, the financial conditions of the Company and anticipated cash needs.

Limited Property Portfolio

The Company's only material mineral projects are the Nechako and Rockstone properties. Unless the Company acquires or develops additional material properties or projects, it will be solely dependent upon the Nechako and Rockstone properties.

Aboriginal Title and Rights Claims

Aboriginal title and rights may be claimed with respect to Crown properties or other types of tenure with respect to which mining rights have been conferred. The Company is not aware of any aboriginal land claims having been formally asserted or any legal actions relating to aboriginal issues having been instituted with respect to both the Nechako and Rockstone properties. There can be no assurance that such events will not occur or that title and rights claims will not be asserted in the future in respect of the Company's properties. In addition, other parties may dispute the Company's title to its properties and its properties may be subject to prior unregistered agreements or transfers or land claims by aboriginal peoples, and title may be affected by undetected encumbrances or defects or government actions.

Third Party Claims on both the Nechako and Rockstone properties

Title to, and the area of, resource claims may be disputed and additional amounts may be paid to surface rights owners in connection with any development of mining activity. Although the Company is satisfied, based on its due diligence, that its rights to both the Nechako and Rockstone properties are valid and exist as set out in this MD&A, there may be valid challenges, including aboriginal land claims, on both the Nechako and Rockstone properties which, if successful, could impair development and/or operations.

Infrastructure

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants affecting capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Insurance and Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, ground or slope failures, fires, floods, earthquakes, cyclones and other environmental occurrences, as well as political and social instability that could result in damage to or destruction of mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining caused by industrial accidents or labour disputes or changes in regulatory environment, monetary losses and possible legal liability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. Although the

Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all potential risks associated with its operations, and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company.

Environmental and Safety Regulations and Risks

Environmental laws and regulations may affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Furthermore, the permission to operate could be withdrawn temporarily where there is evidence of serious breaches of health and safety, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or non-compliance with environmental laws or regulations. Environmental legislation is evolving in a manner that may mean stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Permits from a variety of regulatory authorities are required for many aspects of mine development, operation and reclamation. Future legislation and regulations could cause additional expense, capital expenditures, restrictions, liabilities and delays in the development of the Company's properties, the extent of which cannot be predicted. In the context of environmental permits, including the approval of reclamation plans, the Company must comply with standards and laws and regulations which may entail costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority.

Competitive Conditions

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial resources and technical facilities. Competition in the precious metals mining industry is primarily for mineral rich properties which can be developed and produced economically and businesses compete for the technical expertise to find, develop, and produce such properties, the labour to operate the properties and the capital for the purpose of financing development of such properties. Many competitors not only explore for and mine precious metals, but conduct refining and marketing operations on a world-wide basis and some of these companies have much greater financial and technical resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties.

The Company's inability to compete with other mining companies for these mineral deposits could have a material adverse effect on its results of operation and business.

Management

The success of the Company is currently largely dependent on the performance of its management. Shareholders will be relying on the good faith, experience and judgment of the Company's management and advisers in supervising and providing for the effective management of the business of the Company. The loss of the services of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its management or other qualified personnel required to operate its business. Failure to do so could have a materially adverse effect on the Company and its prospects.

The Company has not purchased "key-man" insurance, nor has it entered into non-competition and non-disclosure agreements with management and has no current plans to do so.

Conflict of Interest

Certain directors and officers of the Company also serve as directors and officers of other companies involved in natural resource exploration, development and production, such as Greencastle. Consequently, there exists the possibility that such directors will be in a position of conflict of interest. Any decision made by such directors involving these other companies will be made in accordance with applicable laws and the duties and obligations to deal fairly and in good faith with the Company and these other companies. In addition, such directors must declare, and refrain from voting on, any matter in which such directors may have a material conflict of interest.

The Company has not entered into non-competition and non-disclosure agreements with management and has no current plans to do so. The Company may hire consultants and other geologists and technical expertise but there is no guarantee that the Company will be able to retain personnel with sufficient technical expertise to carry out future development of its properties.

Lags

The Company is unable to predict the amount of time which may elapse between the date when any new mineral resource may be discovered and the date when production will commence from any such discovery.

Speculative Nature of the Securities of the Company

The securities of the Company are speculative in nature due to the Company's activities. Mineral exploration is highly speculative and involves material risks. The securities of the Company are more suited to persons who can accept the risks inherent in holding shares of a mineral exploration company. No guarantee can be given that an economical viable deposit will be discovered.

Tax Issues

Income tax consequences in relation to the Common Shares will vary according to the circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers prior to investing in the Common Shares.

Permits and Government Regulation

The Company's planned mineral exploration and development activities will be subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use and other matters. There is no assurance that the Company can obtain, or that there will not be delays in obtaining, the permits necessary to develop both the Nechako and Rockstone properties. Government approvals and permits will be required, and may in the future be required, in connection with the Company's operations. To the extent such approvals are required and are delayed or not obtained, the Company may be curtailed or prohibited from continuing mining operations or from proceeding with planned exploration or development of both the Nechako and Rockstone properties. Neither can any assurance 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 exploration or development.

Many of the mineral rights and interests of the Company are subject to government approvals, licences and permits. The granting and enforcement of the terms of such approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. No assurance can be given that the Company will be successful in maintaining any or all of the various approvals, licences and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from continuing or proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permit requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws and regulations governing operations or more stringent implementation thereof could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or development costs or reduction in levels of production at producing properties, if any, or require abandonment or delays in the development of new mining properties.

Market Price of Common Shares

The Company's Common Shares trade on the TSX Venture Exchange. Securities of micro-cap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the Common Shares is also likely to be significantly affected by short-term changes in gold or other mineral prices, or in the Company's financial condition or results of operations as reflected in its quarterly financial reports. Other factors unrelated to the Company's performance that may affect the price of its Common Shares include the following: the extent of analyst coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow its securities; lessening in trading volume and general market interest in its securities may affect an investor's ability to trade significant numbers of Common Shares; the size of the Company's public float may limit the ability of some institutions to invest in its securities; and a substantial decline in the price of the common shares that persists for a significant period of time could cause its securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity.

As a result of any of these factors, the market price of the Company's Common Shares at any given point in time may not accurately reflect the Company's long-term value. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities.

The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Lack of Dividends

The Company has not paid dividends in the past and does not anticipate paying dividends in the near future. The Company expects to retain its earnings to finance further growth and, when appropriate, retire debt.

As a result of any of these factors, the market price of the common shares of the Company at any given point in time may decline below the issue price and may not accurately reflect the Company's long-term value.

Dependence on Key Employees

The Company's business and operations are dependent on retaining the services of a small number of key employees. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these employees. The loss of one or more of these employees could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key employees.

Potential Dilution

The issue of shares upon the exercise of stock options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional options and warrants or additional shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

Environmental Liabilities

The Company's exploration and evaluation activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations.

Extreme volatility

The extreme volatility occurring in the financial markets is a significant risk for the Company. As a result of the market turmoil, investors have been moving away from assets they perceive as risky to those they perceive as less so. Companies like Deveron are considered risk assets and as mentioned above are highly speculative. The volatility in the markets and investor sentiment may make it difficult for Deveron to access the capital markets to raise the capital it will need to fund its current level of expenditures.