BE RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED

SEPTEMBER 30, 2014

(EXPRESSED IN US DOLLARS UNLESS OTHERWISE NOTED)

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of BE Resources Inc. (the "Company" or "BE") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and nine months ended September 30, 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 annual consolidated financial statements of the Company for the years ended December 31, 2013 and 2012, as well as the unaudited condensed interim consolidated financial statements of the Company for the three and nine months ended September 30, 2014, together with the notes thereto. The Company's reporting currency is the US dollar. All references to "dollars" in this MD&A refer to US dollars unless specific reference is made to Canadian dollars ("Cdn"). 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 at November 21, 2014, unless otherwise indicated.

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). The unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB and interpretations issued by the IFRIC.

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 BE 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.

Further information about the Company and its operations is available on SEDAR at **www.sedar.com**.

Cautionary Note Regarding Forward-Looking Information

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 the Company's properties to contain economic deposits of gold and/or other metals	Financing will be available for future exploration and development of the Company's properties; the actual results of the Company's exploration and development activities will be favourable; operating, exploration and development costs will not exceed the Company'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 the Company, and applicable political and economic conditions are favourable to the Company; the price of gold and/or other applicable metals and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties	Gold 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 the Company's expectations; availability of financing for and actual results of the Company'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 believes it has sufficient cash on hand to continue operations for twelve months after September 30, 2014	The Company has anticipated all material costs and the operating activities of the Company for the twelve-month period ending September 30, 2015, and the costs associated therewith, will be consistent with the Company's current expectations	Unforeseen costs to the Company will arise; any particular operating costs increase or decrease from the date of the estimation; changes in economic conditions
The Company will be able to carry out anticipated business plans	The operating and exploration activities of the Company for the twelve-month period ending September 30, 2015, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company; financing will be available for the Company's exploration and development activities and the results thereof will be favourable; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for	Mineral resource price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company'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 may be unable to retain and attract

	exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; the price of gold and/or other applicable metals will be favourable to the Company; no title disputes exist with respect to the Company's properties	skilled staff; receipt of applicable permits
A total of Cdn$176,000 has been estimated for phase I of the work program for the LaFlamme property, but likely not 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
Management's outlook regarding future trends	Financing will be available for the Company's future business or property acquisition and operating activities; the price of gold and/or other applicable metals will be favourable to the Company	Mineral resource 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	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 three and nine months ended September 30, 2014, as a result of the change in liquidity, interest rate, foreign exchange and commodity price risks	Changes in debt and equity markets; interest rate and exchange rate fluctuations

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company'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 the Company'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

The Company's focus is currently on the exploration of its LaFlamme property as well as on acquiring additional interests in mineral resource exploration and development properties (see "Proposed Transaction" below).

The ability of the Company to continue as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary equity financing to continue operations and the attainment of profitable operations. BE's unaudited condensed interim consolidated financial statements have been prepared on the basis that the Company is a going concern and do not include adjustments that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

Proposed Transaction

The Company is focused on the identification and evaluation of suitable exploration and development properties. Although there are projects that are extremely promising, the Company will likely have to raise additional capital to fund any new project.

On July 31, 2014, the Company announced it has entered into a Letter of Intent ("LOI") with Cunningham Energy, LLC ("Cunningham"), of Charleston, West Virginia to acquire approximately 425 acres of oil leases in the Stringtown, Rock Creek, and Green Creek oil fields (collectively known as the "Oil Leases") within the Smithfield District in West Virginia, and not less than approximately 400 additional acres to be agreed upon, contiguous to the Oil Leases. The Company will further have the first right of refusal to acquire additional oil leases to be agreed, being a minimum of 1,000 acres in area and allowing for a potential of up to an additional 15 horizontal oil wells.

The Company will acquire a 73% net revenue interest in the Oil Leases, Cunningham, an experienced independent producer of oil and gas based in Charleston, West Virginia will be the project operator with a 14.5% net revenue interest, with land owners retaining the remaining 12.5% net revenue interest.

The Company will begin the development program with an initial 3 well horizontal drilling pad. In consideration for the majority 73% net revenue interest in the Oil Field leases, the Company has agreed to pay the first $6.5 million of drilling and development costs of the first three wells, with Cunningham funding any and all further such costs for the first three horizontal wells. Additional sets of three wells each, if their development is agreed on by the Company and Cunningham, will be funded under the same conditions.

As consideration, the Company will issue a total of 3.5 million common shares, to be held in escrow and released to Cunningham as follows: a) 500,000 upon execution of a definitive development agreement and operating agreement; b) 1,000,000 upon completion of the initial 3 wells; c) 500,000 upon a minimum of 350 bpd output (60 consecutive day average daily output measured from the date of initial production ("Average Output")); d) 500,000 upon a minimum of 550 bpd Average Output; e) 500,000 upon a minimum of 750 bpd Average Output; f) 500,000 upon a minimum of 1,000 bpd Average Output.

The LOI is conditional on: the Company and Cunningham board of director approval; regulatory approval; due diligence by the Company; the Company closing a financing of not less than $6.5 million; and finalizing a definitive development agreement. The Company and Cunningham are currently in on-going discussions to develop the definitive development agreement.

The Company is in discussions with the TSX Venture Exchange (the "Exchange") to determine whether the LOI will be deemed a change of business pursuant to Policy 5.2 of the Exchange.

The Company intends to make filings with the Exchange in accordance with Exchange policies in connection with the reinstatement of trading of the Company's shares and conditional approval of the LOI. Trading in the Company's shares will be reinstated upon receipt by the Exchange of what the Exchange determines is satisfactory documentation to effect a resumption of trading.

Overall Performance

On May 22, 2014, the Company released an amended National Instrument 43-101 report on its LaFlamme Property originally dated March 31, 2014 and amended on April 29, 2014. The report is available on SEDAR at **www.sedar.com**.

During the nine months ended September 30, 2014, the Company earned no revenue and reported a net loss of $250,046 ($0.01 basic and diluted loss per share). That compares with net loss of $393,200 for the nine months ended September 30, 2013 ($0.03 basic and diluted loss per share).

At September 30, 2014, the Company had assets of $235,020 (December 31, 2013 - $359,409) and shareholders' deficiency of $248,273 (December 31, 2013 - shareholders' equity of $2,305). At September 30, 2014, the Company had $483,293 of current liabilities (December 31, 2013 - $357,104).

At September 30, 2014, the Company had working capital deficit of $248,273 (December 31, 2013 - working capital of $2,305). The Company had cash of $230,893 at September 30, 2014 (December 31, 2013 - $341,439).

The Company will use its cash balance to fund its operating expenses and its exploration and evaluation expenses although additional financing will be required to complete exploration and evaluation activities. See "Liquidity and Financial Position" section below.

Exploration Program

LaFlamme Property

The Company, through its 100% owned Canadian Subsidiary, 8716650 Canada Limited, closed the acquisition of an option (the "Option") from Gary Reid (the "Optionor") of a 100% interest in the LaFlamme Graphite Property located in Bernetz Township in the Abitibi area of Quebec.

The consideration for the Option is Cdn$20,000 ($9,708 paid) and 200,000 common shares of the Company, of which Cdn$10,000 and the 200,000 common shares payable to the Optionor being conditional upon: (1) the Company closing a flow-through financing, introduced to the Company by the Optionor, of between Cdn$500,000 to Cdn$1,000,000 at a subscription price of not less than Cdn$0.35 per flow-through share, and (2) the Company closing a hard dollar, non-flow-through, financing of not less than Cdn$300,000.

Recommendations

The technical report dated March 31, 2014 and amended on April 29, 2014 and entitled "Technical Review and Evaluation of the Exploration Potential on the "Laflamme graphite" Mining Property, Bernetz Township, Abitibi Mining District, Province of Quebec; NTS 32C/13 & 32F/04" authored by Claude P.

Larouche, ing., Consulting Geological Engineer, as filed on SEDAR (**www.sedar.com**), recommends the following activities:

A multi-phased exploration program is recommended based on the project compiled technical data. This program is judged to be fully warranted in order to adequately appraise and evaluate in a reasonable and progressive manner, the remaining mineral and discovery potential of a large portion of the Chibougamau Mining Camp.

An improved understanding of the geologic, structural and alteration features of the mineralization will serve to enable the Company to better define priorities, areas with the highest potential of discovery in its search for graphite. The potential of the area for gold exploration should not be overlooked.

It is recommended that a detailed compilation of all geological, geochemical and geophysical work both historic and internally generated, be completed over the entire claim holdings to adequately test for the presence of graphite mineralization.

A digital data bank summarizing all exploration information particularly that of diamond drilling data, is currently being compiled and analyzed with the objective of outlining quality exploration targets. The geological units along with diagnostic alteration features are being gathered and interpreted from the original drill logs and assays records.

This initial exploration phase includes three activities, namely: a) geophysical grid construction and localized ground geophysical surveys, b) the compilation and transformation of available technical information into digital format, and c) preliminary surface exploration drilling (1,250 m).

The second phase of exploration will be based on positive results of systematic compilation and preliminary drilling recommended in phase 1. A preliminary minimum meterage of 5,000 m of NQ-size drilling is anticipated for phase 2.

The aggregate expenditure covering the two phases of exploration is estimated to be Cdn$726,000.

Phase I Exploration Program

Table I: Proposed Phase I Budget

Activities	Expenditure in Canadian Dollars ($)
Data compilation (geological, geochemical and geophysical historical work and internally generated documents)	10,000
Grid lines and geophysical test surveys	25,000
Preliminary surface exploration drilling (all inclusive) 1,250 linear meters @ $100./m	125,000
Contingencies	16,000
Totals	**176,000**

Phase 1 will be commenced if and when sufficient and additional financing is raised.

Phase II Exploration Program

Table II: Proposed Phase II Budget

Activities	Expenditure in Canadian Dollars ($)
Surface diamond drilling (all inclusive) 5,000 linear meters @ $100./m	500,000
Contingencies	50,000
Totals	**550,000**

Trends

Due to the decline in commodity prices, market participants have re-evaluated their positions and are exercising far greater discipline, caution and depth of analysis when evaluating current and future investment opportunities. Merger and acquisition activity has slowed, share prices for resource companies are down, resource funds have experienced significant redemptions as investors reallocate their funds, and the ability to raise equity financing for exploration projects has been substantially curtailed. As a result, funding for junior exploration companies remains difficult in the current economic environment resulting in management decisions to modify programs and their time frames for completion.

Apart from these and the risk factors noted under the heading "Risk Factors" and "Cautionary Note Regarding Forward-Looking Information", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Selected Quarterly Information

Three Months Ended (*)	Net Revenues ($)	Net Income (Loss) [9][10] ($)	
September 30, 2014	nil	(72,112) [1]	(0.00)
June 30, 2014	nil	(97,910) [2]	(0.01)
March 31, 2014	nil	(80,024) [3]	(0.00)
December 31, 2013	nil	(126,379) [4]	(0.01)
September 30, 2013	nil	(185,129) [5]	(0.01)
June 30, 2013	nil	(103,632) [6]	(0.01)
March 31, 2013	nil	(104,439) [7]	(0.01)
December 31, 2012	nil	(132,346) [8]	(0.01)

(*) All periods presented are under IFRS.

Notes:

(1) Net loss of $72,112 principally related to transfer agent and filing fees of $2,920, management and consulting fees of $27,537, professional fees of $25,097, and geological consulting fees of $13,775.

(2) Net loss of $97,910 principally related to transfer agent and filing fees of $3,439, management and consulting fees of $27,519, professional fees of $51,591, and geological consulting fees of $13,777.

(3) Net loss of $80,024 principally related to transfer agent and filing fees of $11,969, management and consulting fees of $27,177, professional fees of $24,809, and geological consulting fees of $16,306.

(4) Net loss of $126,379 principally related to share-based compensation of $16,150, management and consulting fees of $29,088, professional fees of $27,459, and geological consulting fees of $17,866.

(5) Net loss of $185,129 principally related to share-based compensation of $103,377, management and consulting fees of $29,178, professional fees of $28,894, and geological consulting fees of $17,008.

(6) Net loss of $103,632 principally related to management and consulting fees of $27,230, professional fees of $63,477, and geological consulting fees of $14,714.

(7) Net loss of $104,439 principally related to management and consulting fees of $29,400, professional fees of $25,878, transfer agent and filing fees of $24,892 and geological consulting fees of $14,812.

(8) Net loss of $132,346 principally related to management and consulting fees of $30,153, impairment of uncollectible reclamation bond of $25,946, geological consulting fees of $16,746 and professional fees of $15,457.

(9) Basic and diluted adjusted to reflect the consolidation of the Company's common shares. See "Share Capital" below.

(10) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

Overall Objective

For the remainder of fiscal 2014 and 2015, the Company plans to continue to search for suitable assets or businesses to acquire or merge with, with a view to maximizing value for shareholders. See "Risk Factors" below and "Proposed Transaction" above.

Discussion of Operations

Nine months ended September 30, 2014, compared with nine months ended September 30, 2013

For the nine months ended September 30, 2014, BE realized a net loss of $250,046 (nine months ended September 30, 2013: net loss of $393,200) or loss of $0.01 per share (nine months ended September 30, 2013: loss of $0.03 per share), on no revenue.

During the nine months ended September 30, 2014, there were increases/decreases in professional fees, office and general, foreign exchange gain/loss, share-based compensation and transfer agent and filing fees. Each of these items are analyzed in more detail immediately below:

- Professional fees decreased by $16,752 for the nine months ended September 30, 2014, from the comparative period in 2013. This is mainly due to the weakness of the Canadian dollar as the majority of these expenses are denominated in Canadian dollars and legal fees in the previous period related to corporate restructuring.

- Office and general decreased by $10,639 for the nine months ended September 30, 2014, from the comparative period in 2013. This is mainly due to the writing off of old accounts payable balances.
- Foreign exchange went from a gain of $3,210 for the nine months ended September 30, 2013 to a loss of $3,795 in the nine months ended September 30, 2014 due to fluctuations of the Canadian dollar against the US dollar during the nine months ended September 30, 2014.
- Transfer agent and filing fees decreased by $13,140 for the nine months ended September 30, 2014, from the comparative period in 2013. This is mainly due to the costs incurred on the share consolidation completed in March 2013.
- The Company incurred share-based payments of $nil for the nine months ended September 30, 2014 compared to $103,377 for the nine months ended September 30, 2013. The decrease can be attributed to the grant of 1,150,000 stock options during the 2013 period while no stock options were granted in the 2014 period. The stock options issued were as detailed below:

  i. On August 7, 2013, 1,150,000 incentive stock options were granted to directors, officers and consultants of the Company pursuant to its incentive stock option plan. The options vested immediately and are exercisable until August 7, 2018 at a price of CDN $0.10. The fair value of the stock options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 154% (which is based on historical volatility of the Company's share price); risk free interest rate of 1.76%; expected forfeiture rate of nil; and an expected life of 5 years.

  The Company expenses its stock options in accordance with the vesting terms of the stock options granted.

Three months ended September 30, 2014, compared with three months ended September 30, 2013

For the three months ended September 30, 2014, BE realized a net loss of $72,112 (three months ended September 30, 2013: net loss of $185,129) or loss of $0.00 per share (three months ended September 30, 2013: loss of $0.01 per share), on no revenue.

During the three months ended September 30, 2014, there were increases/decreases in professional fees, geological consulting fees and share-based compensation. Each of these items are analyzed in more detail immediately below:

- Professional fees decreased by $3,797 for the three months ended September 30, 2014, from the comparative period in 2013. This is mainly due to the weakness of the Canadian dollar as the majority of these expenses are denominated in Canadian dollars.
- Geological consulting fees decreased by $3,233 for the three months ended September 30, 2014, from the comparative period in 2013. This is mainly due to the weakness of the Canadian dollar as the majority of these expenses are denominated in Canadian dollars.
- The Company incurred share-based payments of $nil for the three months ended September 30, 2014 compared to $103,377 for the three months ended September 30, 2013. The decrease can be attributed to the grant of 1,150,000 stock options during the 2013 period while no stock options were granted in the 2014 period. The stock options issued were as detailed below:

  i. On August 7, 2013, 1,150,000 incentive stock options were granted to directors, officers and consultants of the Company pursuant to its incentive stock option plan. The options vested immediately and are exercisable until August 7, 2018 at a price of CDN $0.10.

The fair value of the stock options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 154% (which is based on historical volatility of the Company's share price); risk free interest rate of 1.76%; expected forfeiture rate of nil; and an expected life of 5 years.

The Company expenses its stock options in accordance with the vesting terms of the stock options granted.

BE expects to incur losses until such time, if ever, it identifies commercial amounts of mineralized material and successfully extracts such material for sale to third parties or otherwise identifies another business venture.

Liquidity and Financial Position

As of September 30, 2014, the Company had a working capital deficit of $248,273 (December 31, 2013 - working capital of $2,305), consisting of current assets of $235,020 (December 31, 2013 - $359,409) and current liabilities of $483,293 (December 31, 2013 - $357,104). BE's working capital at September 30, 2014, represents a decrease in its working capital of $250,578 from working capital at December 31, 2013. The decrease is due to ongoing corporate overhead charges to keep the Company compliant with its public company reporting and disclosure obligations and for the investigation and negotiation of prospective merger and acquisition opportunities.

Substantially all of BE's current assets at September 30, 2014, consisted of cash and prepaid expenses, deposits and other receivables. BE's current liabilities at September 30, 2014, consisted of accounts payable and accrued liabilities totaling $483,293 (December 31, 2013 - $357,104).

BE has financed all of its operations since inception through the sale of common stock and warrants and expects that to be the case for the foreseeable future.

At the date of this MD&A, the Company will not implement phase I of the recommended work program for the LaFlamme property in the amount of Cdn$176,000 until a financing is completed. The property will be on care and maintenance until such financing is completed.

The Company's long term ability to carry out its business plan is dependent on its achieving profitable operations or obtaining additional financing. As of the date of this MD&A, the Company believes it has sufficient cash on hand to continue operations for twelve months after September 30, 2014, subject to the Company identifying an additional property requiring additional financing and deferring certain payments, to the extent practical. In addition, phase I of the recommended work program for the LaFlamme property in the amount of Cdn$176,000 will be deferred until a financing is completed.

Further financing will be required to implement phase I of the recommended work program for the LaFlamme property and to continue operations beyond September 30, 2015. BE's outstanding warrants and outstanding exercisable stock options may provide some additional capital. If all those warrants and stock options are exercised, of which there is no assurance, BE would obtain additional proceeds of Cdn$1,176,417 ($1,050,422).

Related Party Transactions

The below noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

- During the three and nine months ended September 30, 2014, the Company incurred fees for accounting services rendered of $2,648 and $13,682, respectively (three and nine months ended September 30, 2013 - $5,473 and $18,838, respectively) charged by Marrelli Support Services Inc. ("Marrelli Support"), a corporation controlled by Carmelo Marrelli, an officer of the Company and consulting fees of $2,767 and $13,706, respectively (three and nine months ended September 30, 2013 - $5,778 and $17,588, respectively) charged by this officer. These amounts are included in professional fees in the unaudited condensed interim consolidated statement of loss and comprehensive loss. During the three and nine months ended September 30, 2014, the Company incurred fees for corporate secretarial services rendered of $3,442 and $10,279, respectively (three and nine months ended September 30, 2013 - $3,881 and $12,140, respectively) charged by DSA Corporate Services Inc. ("DSA") a corporation of which Carmelo Marrelli, an officer of the Company is also an officer and ultimate shareholder of DSA. Included in accounts payable as at September 30, 2014 is $5,368 (December 31, 2013 - $8,081) owing to Marrelli Support and $2,787 (December 31, 2013 - $1,771) owing to DSA. These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

- Starting February 23, 2012, the Company paid or accrued a monthly consulting fee of Cdn$10,000 to an officer and director (Jon Pereira) of the Company. During the three and nine months ended September 30, 2014, consulting fees of $27,537 and $82,233, respectively (three and nine months ended September 30, 2013 - $29,169 and $87,108, respectively) are included in management and consulting fees in the unaudited condensed interim consolidated statement of loss and comprehensive loss. Included in accounts payable as at September 30, 2014 is $149,829 (December 31, 2013 - $73,148) owing to the same officer and director (Jon Pereira) of the Company. This amount is unsecured, non-interest bearing with no fixed terms of repayment.

- During the three and nine months ended September 30, 2014, the Company incurred fees for geological consulting services rendered of $13,769 and $41,117, respectively (three and nine months ended September 30, 2013 - $17,008 and $46,534, respectively) charged by a corporation controlled by a former director (Slavko Marinkovich). Included in accounts payable as at September 30, 2014 is $45,404 (December 31, 2013 - $nil) owing to this corporation.

- During the three and nine months ended September 30, 2014, the Company incurred fees for legal services rendered of $13,769 and $41,117, respectively (three and nine months ended September 30, 2013 - $14,408 and $48,855, respectively) charged by a corporation controlled by a director (Gary Sugar) of the Company. These amounts are included in professional fees in the unaudited condensed interim consolidated statement of loss and comprehensive loss. Included in accounts payable as at September 30, 2014 is $50,478 (December 31, 2013 - $10,843) owing to this corporation.

- Certain officers and directors, either directly or through a company they control, purchased units in the August 1, 2013 private placement:

    - 2380775 Ontario Limited, a corporation controlled by an officer and director (Jon Pereira) of the Company, purchased 2,000,000 units.
    - C. Marrelli Services Limited, a corporation controlled by an officer (Carmelo Marrelli) of the Company, purchased 200,000 units.

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  - Mani Verma, a director of the Company, purchased 500,000 units.
  - Ed Godin, a director of the Company, purchased 100,000 units.
  - GMS Law Professional Corporation, a corporation controlled by a director (Gary Sugar) of the Company, purchased 1,000,000 units.

- As of September 30, 2014, an officer and director of the Company (Jon Pereira) controlled 2,000,000 common shares of the Company or approximately 10% of the total common shares outstanding.

- As of September 30, 2014, directors and officers of the Company (Ed Godin, Mani Verma, Gary Sugar and Carmelo Marrelli) with control of less than 10% of the common shares of the Company collectively controlled 2,009,904 common shares of the company or approximately 10% of the total common shares outstanding.

- To the knowledge of the directors and officers of the Company as of September 30, 2014, the remaining common shares of the Company were widely held.

Remuneration of Directors and key management personnel, other than consulting fees described above, of the Company was as follows:

	Share-Based Compensation (1)			
	Three Months Ended September 30, 2014 $	Three Months Ended September 30, 2013 $	Nine Months Ended September 30, 2014 $	Nine Months Ended September 30, 2013 $
Ed Godin, Director	nil	9,567	nil	9,567
Jon Pereira, Director and Chief Executive Officer	nil	35,632	nil	35,632
Gary Sugar, Director	nil	8,989	nil	8,989
GMS Law Professional Corporation (Gary Sugar, Director)	nil	17,979	nil	17,979
Mani Verma, Director	nil	8,989	nil	8,989
Carmelo Marrelli, Chief Financial Officer	nil	4,495	nil	4,495
Total	**nil**	**85,651**	**nil**	**85,651**

(1) Several variables are used when determining the value of stock options with the Black-Scholes option pricing model:

  - The expected term: the Company used the expected term of five years, which is the maximum term ascribed to the stock options issued, for the purposes of calculating their value. The Company chose the maximum term because it is difficult to determine with any reasonable degree of accuracy when these stock options will be exercised.
  - Volatility: the Company used historical information on the market price of its common shares to determine the degree of volatility at the date the stock options were granted. Therefore, depending on when the stock options are granted and the period of historical information examined, the degree of volatility can be different when calculating the value of different stock options.

- Risk-free interest rate: the Company used the interest rate available for government securities of an equivalent expected term at the date of the grant of the stock options. The risk-free interest rate will vary depending on the date of the grant of the stock options and their expected term.
- Dividend yield: the Company has not paid dividends in the past because it is in the exploration stage and has not yet earned any significant income. Also, the Company does not expect to pay dividends in the foreseeable future because it does not expect to bring its mineral properties into production and earn significant revenue any time soon. Therefore, a dividend rate of 0% was used for the purposes of the valuation of the stock options.

Off-Balance-Sheet Arrangements

The Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on its results of operations or financial condition, including, without limitation, such considerations as liquidity, capital expenditures and capital resources that would be considered material to investors.

Change in Accounting Policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after December 31, 2013. The following new standards have been adopted:

IAS 32 – Financial Instruments: Presentation ("IAS 32") was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. At January 1, 2014 the Company adopted this standard and there was no material impact on the Company's unaudited condensed interim consolidated 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. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

Financial Instruments

The Company is exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate risks and commodity price risks) as explained below. Risk management is carried out by the Company's management team with guidance from the Audit Committee and the Board of Directors. There have been no material changes in the risks, objectives, policies and procedures during the nine months ended September 30, 2014.

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash deposits. Cash deposits with a major Canadian chartered bank are insured by the Canadian Deposit Insurance Company up to Cdn$100,000. As at September 30, 2014, the Company held $230,893 (December 31 2013 - $341,439) with a major Canadian chartered bank.

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 September 30, 2014, the Company had cash of $230,893 (December 31, 2013 - $341,439) to settle current liabilities of $483,293 (December 31, 2013 - $357,104).

The Company expects to fund its corporate costs for twelve months after September 30, 2014, subject to the Company identifying an additional property requiring additional financing and deferring certain payments, to the extent practical. Further financing will be required to implement phase I of the recommended work program for the LaFlamme property and to continue operations beyond September 30, 2015.

Interest Rate Risk

The Company currently does not have any short-term or long-term debt that is interest bearing and, as such, the Company's current exposure to interest rate risk is minimal.

Foreign Exchange Risk

Certain of the Company's expenses were incurred in Canadian currency and are therefore subject to gains or losses due to fluctuations in this currency. As at September 30, 2014, the Company held cash of Cdn$256,839 ($229,332) denominated in Canadian dollars (December 31, 2013 - Cdn$360,754 ($339,181)) and had accounts payable and accrued liabilities of Cdn$336,285 ($300,269) denominated in Canadian dollars (December 31, 2013 - Cdn$139,670 ($131,337)).

Commodity Price Risk

The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals. The Company's risk management objectives are to ensure that business and financial exposures to risk that have been identified and measured are minimized using the most effective and efficient methods to reduce, transfer and, when possible, eliminate such exposures. Operating decisions contemplate associated risks and management strives to structure proposed transactions to avoid or reduce risk whenever possible.

Capital Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and

(Expressed In US Dollars Unless Otherwise Noted)

- to maximize shareholder return.

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, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be shareholders' deficiency, which at September 30, 2014, totaled $248,273 (December 31, 2013 – shareholders' equity of $2,305). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on its exploration and development activities. Information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the three and nine months ended September 30, 2014. The Company is not subject to any capital requirements imposed by a lending institution.

Outlook

For the remainder of fiscal 2014 and 2015, the Company plans to continue to search for suitable assets or businesses to acquire or merge with, with a view to maximizing value for shareholders. See "Risk Factors" below and "Proposed Transaction" above.

Share Capital

On March 21, 2013, the Company completed the share consolidation of its issued and outstanding common shares on the basis of one post-consolidation common share for every six pre-consolidation common shares. As part of the share consolidation, the stock options and warrants were also consolidated and the exercise price adjusted to reflect the consolidation. The share consolidation has been reflected in the unaudited condensed interim consolidated financial statements and this MD&A and all applicable references to the number of shares, warrants and stock options, their strike price and per share information has been restated.

As of the date of this MD&A, the Company had 19,357,625 issued and outstanding common shares. In addition, the Company had 1,491,667 outstanding stock options exercisable for 1,491,667 common shares and 9,350,000 outstanding warrants exercisable for 9,350,000 common shares.

As at date of this MD&A, the following stock options were outstanding:

Expiration Date	Options Outstanding	Exercise Price
November 12, 2014	66,667	CDN$0.37
June 7, 2015	8,333	CDN$0.37
September 9, 2016	266,667	CDN$0.37
August 7, 2018	1,150,000	CDN$0.10
	1,491,667	

(Expressed In US Dollars Unless Otherwise Noted)

As at date of this MD&A, the following warrants were outstanding:

Expiration Date	Warrants Outstanding	Exercise Price
August 1, 2018	9,350,000	CDN$0.10
	9,350,000	

Disclosure of Internal 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 unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements; and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), 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.

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. Please refer to the section entitled "Risk Factors" in the Company's MD&A for the fiscal year ended December 31, 2013, available on SEDAR at **www.sedar.com.**

(Expressed In US Dollars Unless Otherwise Noted)

Additional Disclosure for Venture Issuers Without Significant Revenue

General and administrative

	Three months ended September 30, 2014 ($)	Three months ended September 30, 2013 ($)	Nine months ended September 30, 2014 ($)	Nine months ended September 30, 2013 ($)
Management and consulting fees	27,537	29,178	82,233	85,808
Office and general	1,772	3,108	335	10,974
Professional fees	2,471	(646)	22,713	20,828
Professional fees - related party	22,626	29,540	78,784	97,421
Foreign exchange (gain) loss	1,011	(497)	3,795	(3,210)
Share-based compensation	nil	103,377	nil	103,377
Transfer agent and filing fees	2,920	4,061	18,328	31,468
Total	**58,337**	**168,121**	**206,188**	**346,666**

Exploration and development costs

	Three months ended September 30, 2014 ($)	Three months ended September 30, 2013 ($)	Nine months ended September 30, 2014 ($)	Nine months ended September 30, 2013 ($)
Geological consulting fees	13,775	17,008	43,858	46,534
Total	**13,775**	**17,008**	**43,858**	**46,534**