

ROMIOS GOLD RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and six months ended December 31, 2014

ROMIOS GOLD RESOURCES INC.

Management's Discussion and Analysis – December 31, 2014 As of February 17, 2015

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Romios Gold Resources Inc. ("Romios" or the "Company") constitutes management's review of the factors that affected the Company's condensed interim consolidated financial and operating performance for the six months ended December 31, 2014. The MD&A was prepared as of February 17, 2015 and should be read in conjunction with the unaudited condensed interim consolidated financial statements ("Financial Statements") of the Company for the six months ended December 31, 2014 and the audited consolidated financial statements for the year ended June 30, 2014, including the notes thereto. Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars. These Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as described in Note 2 to the Financial Statements.

Executive Summary

Romios is a Canadian mineral exploration company with a primary focus on gold, copper and silver. Its projects are located in British Columbia, Ontario, Quebec, and Nevada. Exploration and evaluation costs for all areas during the six months ended December 31, 2014 were \$188,697.

The 2014 summer program confirmed 2013 assays and extended the mineralized Burgundy Ridge Zone from 300 metres to 350 metres at its Newmont Lake property within the Golden Triangle in British Columbia. The airborne geophysical surveys performed in 2013 over the Newmont Lake Project area, notably the ZTEM electromagnetic survey, identified magnetic anomalies, some of which have yet to be explained geologically and could represent significant exploration targets.

The evaluation of the Timmins-Hislop Property indicates four parallel gold-bearing zones which transect the property and extend to the neighbouring properties.

The Company is optimistic that the next drilling program on the Lundmark-Akow Lake property to follow up on earlier drill results and the recent airborne geophysical survey over an area of widespread gold mineralization, will confirm conductors at depth identified by recent work.

The Company had a cash balance of \$644,253 as at December 31, 2014 and expects to be able to raise additional funds at the appropriate time to continue its exploration and evaluation programs. Sufficient work has been done on the properties that there will be only limited carrying costs to maintain title to most of its claims in the foreseeable future.

Mineral Properties

The following is a summary report on the Company's exploration activities on its mineral properties in the six months ended December 31, 2014.

British Columbia

Golden Triangle Area Properties

The principal mineral claims in the Golden Triangle area of northwestern British Columbia include Trek and Newmont Lake, which includes zones known as Burgundy Ridge, Northwest, Telena, 72, Ken, Argent and Andrei zones. In addition to a NI 43-101 Inferred Resource of 1.4 million tonnes @ 4.4 g/t Au, 0.22%Cu and 6.4 g/t Ag within the Northwest Zone, there are a number of mineralized showings on each of these properties being explored by the Company.

The Company's total land position is approximately 76,000 hectares (188,000 acres) in the Golden Triangle area.

Northwestern British Columbia hosts a number of significant copper-gold porphyry and VMS gold deposits as well as polymetallic massive sulphide occurrences. The Federal and British Columbia governments have funded the Northwest Transmission Line which has brought the electrical power grid to within 20 kilometres of the Newmont Lake Project area.

Access to the provincial power grid will facilitate the construction of infrastructure and help expedite project development. The first of the run-of-river hydroelectric facilities at Forrest Kerr, within 10 km of the Newmont Lake property, is currently providing power to the grid.

The exploration and evaluation activities undertaken in the Golden Triangle for the six months ended December 31, 2014 cost \$175,935.

Summer 2014 program

Burgundy Ridge

In August 2013, a prospecting, sampling and mapping program was carried out over several new zones within the southern portion of the Newmont Lake Project area. Higher summer temperatures reduced the snowpack, and in the Burgundy Ridge Zone exposed a 300 metre-long by 225 metre-wide area and a cliff face extending to over 50 metres high. The total relief of the exposed mineralization extends over 150 metres in elevation, and both the assay and geologic mapping strongly support a continuation of the mineralization to the north, west, and south.

In September 2013, Geotech Ltd. completed a 372 line kilometre helicopter-borne Z-Axis Tipper Electromagnetic ("ZTEM") and Aeromagnetic Geophysical Survey along lines oriented east-west and spaced 300 metres apart. This covered an area that encompassed the Northwest Zone, Telena Zone, Ken Zone, '72 Zone and the recently discovered Burgundy Ridge Zone, an area of significant widespread copper-gold-silver mineralization exposed over a 350 metre-long by 225 metre-wide area.

More than seventeen discrete magnetic anomalies were outlined in the survey, of which nine are yet to be explained geologically and represent exploration targets.

Based on a geophysical target model for alkaline porphyry mineral deposits and related skarn-type occurrences, at least fourteen favourable resistivity and magnetic high priority exploration targets have been identified.

During the 2014 summer exploration program, contiguous chip samples of rock, each 1.5 metres in length, were collected along a number of lines oriented essentially northwest-southeast. The location of the sample lines was based on the favourable results obtained in the 2013 sampling program and the proximity to the skarn contact between the intrusive porphyries and the reactive dolostone and limestone/marbles. In total 314 rock chip samples were collected in the sampling program of which 173 were applicable to Burgundy Ridge. In the northeast corner of the zone, a line of 30 contiguous samples, 45 metres in length, averaged 0.30% copper, 0.07g/t gold and 3.19 g/t silver. A further 24 metre line of samples, approximately 65 metres to the southwest, averaged 0.72% copper, 0.12 g/t gold and 5.17 g/t silver. A further 130 metres to the southwest, a 6 metre line of samples averaged 2.27% copper, 12.14g/t gold and 48.77g/t silver. Approximately 50 metres further southwest, two lines of samples, one 22.5 metres in length and the other, 18 metres in length averaged 0.48% copper, 0.18 g/t gold, 2.55 g/t silver and 0.59% copper, 0.33 g/t gold, 4.93 g/t silver respectively. In the southeast corner of Burgundy Ridge, eight contiguous samples collected along a 12 metre long line averaged 0.43% copper, 0.38 g/t gold and 18.67 g/t silver. Higher grade zones of mineralization occur within or adjacent to the sample lines, the most notable of which is a 3.0 metre long rock chip sample that assayed 5.12% copper, 28.49 g/t gold and 89.65 g/t silver. This sample included 1.5 metres that assayed 9.11% copper, 51.2 g/t gold and 171.0 g/t silver. In the far northwest corner of Burgundy Ridge, a contiguous line of samples 9.0 metres in length averaged 0.87% copper, 0.12 g/t gold and 7.97 g/t silver.

The map of the chip sample lines at Burgundy Ridge, a table of assays and colour photographs of the mineralization can be found on the Company's website at www.romios.com.

Basic ground exploration of areas to the northeast and west of Burgundy Ridge resulted in the discovery of several zones of porphyry-related copper and gold-bearing skarns similar to those sampled at Burgundy Ridge. A number of grab samples from a zone referred to as the Baxter Zone located 1,800 metres west of Burgundy Ridge assayed as high as 4.07% in copper. Chip samples on the Baxter Zone over 1.5 metres and 0.3 metres assayed 1.47% copper, 0.27 g/t gold and 4.17% copper, 2.96 g/t gold respectively. At the Telena Zone, located 850 metres northeast of Burgundy Ridge and the subject of earlier exploration by Romios, porphyritic syenite dykes and other potassic porphyritic dykes were identified and sampled. Of particular note, a 10.5 metre “chip-line” sample averaged 1.17% copper and 0.384 g/t gold.

The assay results from the sampling carried out during 2013 and 2014 confirm the outstanding potential of the Burgundy Ridge discovery which is interpreted to be one of the principal epicentres for porphyry mineralization within the entire Newmont Lake Project area. It represents a significant, drill-ready target for future exploration programs. Further prospecting and mapping is planned at Burgundy Ridge to potentially extend the copper-gold-silver mineralization to the south, west and north as the snowpack continues to recede, in order to better outline the trend of the porphyritic intrusive and the related mineralized skarn zones and better define diamond drill targets.

Argent Showing

The field crews visited the Argent Showing in the southeast portion of the Newmont Lake area during the summer of 2013. Two veins located within the southeast portion of the Argent Showing were found to contain anomalous values in silver and copper. Nine rock grab samples collected over a 10 metre long exposure of these veins returned assays greater than 31 grams of silver per tonne and significant copper values. The three highest grade samples assayed 840 g/t Ag, 1.25 % Cu; 917 g/t Ag, 1.69 % Cu, 0.15 g/t Au; and 1450 g/t Ag, 2.76 % Cu, and 0.22 g/t Au.

Two veins located approximately 300 metres further north, along the eastern side of the Argent Showing also contain elevated silver and copper. Grab samples from outcrops of these veins assayed 1.9 g/t Ag, 0.39% Cu; and 1.6 g/t Ag, 0.24% Cu. A sample from an exposed quartz vein located in the northwest portion of the Argent Showing assayed 11.8 g/t Au and 2.8 g/t Ag.

While these assays may not be representative of the entire Argent Showing, they do confirm the strongly mineralized nature of the showing, which appears similar to the vein and shear-hosted mineralization styles of the historic Johnny Mountain and Snip Gold deposits located approximately 15 kilometres to the southwest. Johnny Mountain produced approximately 220,000 tonnes grading 18.7 g/t Ag, 12.4 g/t Au, and 0.5% Cu. Barrick Gold mined the Snip Gold deposit and reported nearly 1 million tonnes grading approximately 31 g/t Au.

Metallurgical Testing

In 2013, scandium drill core samples from the 2012 drill program on the Ken Zone of the Newmont Lake Project area were submitted to SGS Minerals Services for scoping level mineralogical testing and beneficiation and metallurgical recovery testing. The results of beneficiation tests completed in August were not satisfactory. A number of different recovery methods on whole ore were tried, with an acid leach-bake test indicating 70% recovery, but with high acid usage. Further testing has been recommended, and as the samples were from only a small number of drill holes, further testing on additional drill intersections is also warranted.

Ontario

Timmins-Hislop

The Timmins-Hislop Property is located on the southwestern edge of the Porcupine-Destor Fault and is surrounded by a number of significant gold occurrences and deposits, including the St. Andrew Goldfields Ltd.'s Hislop mine, and within 400 metres of Brigus Gold Corp.'s recently discovered “Contact Zone”.

Visible gold was encountered in three of the four holes drilled on the Property in September, 2012.

The most notable gold mineralization was in drill hole R12-001 which intersected a 3.8 metre (12.46 feet) interval that averaged 9.0 g/t gold. A higher grade zone within this interval assayed 23.5 g/t gold over 0.80 metres (2.62 feet). In drill hole R12-003, an interval of 1.3 metres (4.26 feet) was intersected that averaged 21.4 g/t gold. Deeper in the hole, a second interval of 4.7 metres (15.42 feet) assayed 2.7 g/t gold.

On July 15, 2013 the Company reported on its review of all available previous exploration work carried out on the Property including 12 exploratory drill holes completed by Chevron in 1988. This review included re-logging and re-assaying the drill core, including previously un-assayed core, with the results of this work computerized and analyzed in detail. As previously reported, gold was encountered in most of the Chevron holes, the most notable being hole C-88-202 which intersected a zone 0.72 metre (2.36 feet) wide that assayed 12.12 g/t gold. Re-sampling the core in other drill holes identified a 1.0 metre (3.28 feet) wide zone in hole C-88-204 that assayed 2.6 g/t gold as well as a 1.0 metre (3.28 feet) wide zone in hole C-88-232 that assayed 4.51 g/t gold.

As a result of the comprehensive review of the results of exploration on the property, four potential, parallel gold-bearing zones transecting the Property with an azimuth of approximately 290 degrees were identified. This attitude is consistent with the orientation of several neighbouring gold zones south and southeast of the property. The property is approximately 65 hectares, is strategically located with regard to the neighbouring gold zones and is ready for drilling.

Lundmark-Akow Lake

The Lundmark-Akow Lake property is located in the centre of the North Caribou Lake greenstone belt in northwestern Ontario. Exploration and drilling in earlier years identified evidence of widespread gold mineralization and a zone of copper mineralization believed to reflect a more massive sulphide occurrence at depth. A three-year exploration permit was received from the Ministry of Northern Development and Mines, Ontario in January, 2014. On February 19, 2014 the Company announced that a Letter of Intent had been entered into with the North Caribou Lake First Nations Community, and that both parties will work together towards completing a Memorandum of Understanding governing their relationship during the exploration stage on the property. An airborne VTEM geophysical survey of 262 line kilometres has recently provided more data enabling a more precise positioning of proposed drill holes to reach potentially significant deeper conductors.

Nevada

Romios owns the Scossa Gold property located 6 miles from the Rosebud Mine and 8 miles from the Hycroft Mine in northwestern Nevada. The property operated as a high grade, underground gold mine in the 1930s and encompasses a number of gold-bearing veins. Thirty historical drill holes were completed to test a number of gold-bearing epithermal quartz breccia veins and gold has been found in every hole to date. There has not been any current activity but additional drilling and exploration is justified to advance this prospect.

Quebec

The La Corne molybdenum, bismuth and lithium property is located in northwestern Quebec approximately 30 kilometres from the city of Val d'Or. It previously produced 3.8 million tons of ore grading 0.33% MoS₂ and 0.04% bismuth. Romios completed two drilling programs on the property by 2010. The Company also conducted a program to sample and evaluate the tailings on the property for possible reprocessing and intends to evaluate the bulk tonnage potential of the property. In December 2013, consultants completed a property survey of the 2008 drill core, testing the core for resistivity, chargeability and magnetism. A more detailed review of the data has been recommended, but induced polarization and resistivity is considered a favourable exploration method in this area. Recent work on the property included testing of the stockpiled waste rock confirming its suitability for mine road works, and confirming that the tailings are suitable for neutralizing or capping other tailing ponds.

Outlook

The Company's focus remains the systematic exploration of its properties in the Golden Triangle area of northwestern British Columbia. Since the summer of 2008 Romios has carried out extensive exploration programs in this area with considerable success.

The 2014 summer program confirmed 2013 assays and extended the mineralized zone from 300 metres to 350 metres at the Burgundy Ridge Zone. The airborne geophysical surveys over the Newmont Lake Project area, notably the ZTEM electromagnetic survey, identified magnetic anomalies, some of which are yet to be explained geologically and could represent promising exploration targets.

The overall evaluation of the Timmins-Hislop Property indicates that the four zones of strong gold mineralization and visible gold extend to the neighbouring properties, increasing the development potential. Discussions with other parties have been initiated.

The Company proposes to proceed with a drilling program on the Lundmark-Akow Lake property to follow up on earlier drill results and the recent airborne geophysical survey over an area of widespread gold mineralization as soon as possible.

The Company is considering further work at the La Corne molybdenum, bismuth and lithium property, subject to metal prices and financial market conditions, in order to evaluate the viability of open pit mining of the molybdenum bearing granite within and adjacent to old mine workings.

Romios is pursuing financing opportunities, including joint ventures and strategic alliances.

The Company had a cash balance of \$644,253 as at December 31, 2014 and anticipates that it will be able to raise additional funds at the appropriate time to finance future exploration and evaluation programs.

Results of Operations

Operating expenses for the three months ended December 31, 2014 were \$159,220 compared to \$129,952 in 2013. The major changes to the year over year increase is the increase in non-cash share-based compensation to \$35,505 (2013 - \$1,478), and the decrease in professional fees expenses to \$22,009 (2013 - \$27,037).

Interest income was \$2,358 for the three months ended December 31, 2014, compared to \$4,653 for 2013. The decrease is due to decreased cash balances held during the year.

The Company's net loss and comprehensive loss for the three months ended December 31, 2014 was \$156,862 compared with \$125,299 in 2013.

Operating expenses were \$291,027 for the six months ended December 31, 2014 compared to \$249,647 in 2013. The major changes to the year over year increase is the increase in non-cash share-based compensation to \$71,010 (2013 - \$2,956), and the decrease in shareholder communication expenses to \$19,789 (2013 - \$36,661).

Interest income was \$6,682 for the six months ended December 31, 2014, compared to \$10,512 in 2013.

The Company's net loss and comprehensive loss for the six months ended December 31, 2014 was \$284,345 compared with \$239,135 in 2013.

Selected Quarterly Information (all quarters reported under IFRS)

2014	Dec 31, 2014	Sep 30, 2014	Jun 30, 2014	Mar 31, 2014
	\$	\$	\$	\$
Net (loss) and comprehensive (loss)	(156,862)	(127,483)	(264,460)	(123,569)
Net loss per share – basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	26,630,043	26,760,641	26,842,090	26,908,116

2013	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013
	\$	\$	\$	\$
Net income (loss) and comprehensive income (loss)	(125,299)	(113,836)	116,441	(194,590)
Net loss per share – basic and diluted	(0.00)	(0.00)	0.00	(0.00)
Total assets	27,015,274	27,151,151	27,202,897	27,354,047

Capital Resources and Liquidity

At December 31, 2014, the Company had working capital of \$614,002 compared to \$880,786 as at June 30, 2014. As the Company has no operating revenue, it continues to be funded with equity based private placements. During the six months ended December 31, 2014, the Company did not raise any capital. By December 31, 2014, the Company had fulfilled all its obligations to spend flow-through funds on CEE. The Company's fixed monthly costs are approximately \$35,000 per month and it has enough financial resources to continue operations for the next twelve months. Additional funding will be required to maintain ongoing operations and to fully pursue the exploration and development of its properties. The Company's ability to meet its obligations and continue as a going concern continues to be dependent on the ability to identify and complete future financings. While the Company has been successful in raising financings to date, there can be no assurance that it will be able to do so in the future.

Common Shares

The Company is authorized to issue an unlimited number of no par value common shares. The following table provides the details of changes in the number of issued common shares

	Number	Amount
	#	\$
Balance, June 30, 2013	156,762,001	30,796,443
Flow through units issued	1,600,000	80,000
Share issue costs	-	(4,450)
Balance, June 30, 2014 and December 31, 2014	158,362,001	30,871,993

Common share purchase options

The Company has a stock option plan for the benefit of directors, officers, key employees, and consultants. The total number of shares which may be reserved and set aside for issuance to eligible persons may not exceed 10% of the issued and outstanding common shares. As at December 31, 2014, 10,700,000 common shares were reserved for the exercise of stock options granted under the Company's stock option plan (the "Plan").

The following table provides the details of changes in the number of issued common share purchase options during the period:

	Options #	Weighted-average exercise price \$
Outstanding at June 30, 2013	7,125,000	0.18
Granted	5,800,000	0.10
Expired	(1,075,000)	0.25
Outstanding at June 30, 2014	11,850,000	0.14
Expired	(1,150,000)	0.15
Outstanding at December 31, 2014	10,700,000	0.13
Exercisable at December 31, 2014	7,800,000	0.15

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
1,750,000	1,750,000	3.3 months	\$0.14	April 9, 2015
2,900,000	2,900,000	29.4 months	\$0.20	June 12, 2017
250,000	250,000	39.3 months	\$0.10	April 9, 2018
5,800,000	2,900,000	52.2 months	\$0.10	May 5, 2019
10,700,000	7,800,000			

Outstanding common share purchase warrants

The following table provides the details of changes in the number of outstanding common share purchase warrants:

	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
Balance June 30, 2014	1,600,000	6 months	\$0.05	December 31, 2014
Warrants expired	(1,600,000)	-	\$0.05	-
Balance December 31, 2014	Nil			

As at December 31, 2014 and as at February 17, 2015, the Company had 158,362,001 common shares outstanding, 10,700,000 stock options, and 1,000,000 common shares reserved for property transactions. The fully diluted number of common shares that could be outstanding was 170,062,001.

Related Party Transactions

During the three months ended December 31, 2014, the Company incurred related party expenses of \$53,200 (2013 – \$57,038) and \$103,150 for the six months ended December 31, 2014 (2013 – 111,600). These expenses related to salary and consulting fees paid to the Company's key senior officers, Tom Drivas, President and Chief Executive Officer, Frank van de Water, Chief Operating Officer, Thomas Skimming, V.P. Exploration and Michael D'Amico Chief Financial Officer. As at December 31, 2014 \$50,000 (2013 - \$4,958) is owing to these related parties.

Share based compensation to key management and directors for the three months ended December 31, 2014 was \$29,077 (2013 - \$1,478) and for the six months ended December 31, 2014 was \$58,155 (2013 - \$2,956).

Key management personnel were not paid post-retirement benefits, termination benefits, or other long-term benefits during the six month period ended December 31, 2014 and 2013.

During the three months ended December 31, 2014, the Company incurred expenses of \$792 (2013 - \$6,919) and \$1,107 for the six months ended December 31, 2014 (2013 - 7,705) for legal fees to a law firm related to a Director of the Company, William R. Johnstone. At December 31, 2014, \$1,107 (2013 - \$4,092) was owing.

During the three months ended December 31, 2014, the Company incurred expenses of \$8,000 (2013 - \$6,500) and \$12,000 for the six months ended December 31, 2014 (2013 - \$13,000) related to directors' fees to independent directors. At December 31, 2014, \$12,000 (2013 - \$ nil) was owing.

These amounts were expensed in the period incurred as administrative and general expenses. Expenses and amounts paid and owing are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Contingencies and commitments

As at December 31, 2014:

- a) the Company has a lease commitment to December 31, 2015 for its principle office location which totals \$36,000, and;
- b) the Company has \$40,894 on deposit as property reclamation bonds with various governmental agencies. These amounts are included with prepaid expenses.

Carrying value of mining and exploration properties

The Company regularly reviews the carrying value of its properties for impairment to determine whether the carrying amount of these assets will be recoverable from future cash flows or from their disposition. Assumptions underlying the cash flow estimates include the forecasted prices for gold, copper, silver and molybdenum, production levels, and operating, capital, exploration and reclamation costs, which are subject to risks and uncertainties. Management has determined that as at December 31, 2014 there is no impairment of carrying value on its British Columbia, Ontario and Quebec properties.

Off-Balance Sheet Arrangements

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

Financial Instruments and Other Instruments

The Company is required to disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet dates, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The Company's financial instruments recognized in the balance sheet consist of cash, and cash equivalents, HST/GST receivable and current liabilities. The fair value of these financial instruments approximate their carrying value due to the short maturity or current market rate associated with these instruments.

Risk Factors

There are a number of risks that could affect Romios' business prospects. They include the speculative nature and the ability to finance the exploration and development of the Company's mineral properties, operating hazards, environmental and other government regulations, competition in the marketplace, markets for the Company's securities and the demand for gold and base metals. In the future, the Company's viability will depend on the successful definition of recoverable and economic resources and the establishment of positive comprehensive feasibility studies leading to production decisions. After completion of positive feasibility studies, the Company's success is dependent on maintaining the title and beneficial interest in the properties, obtaining

the necessary governmental approvals and the successful financing, construction and operation of a facility to profitably extract the contained metals.

Exploration Risk

Mineral exploration and development involve a high degree of risk. A very low percentage of exploration projects ultimately evolve into producing mines. There is no assurance that the Company's future exploration and development activities will result in the definition of a commercial ore body. The viability of an ore body depends on a number of factors which include, but are not limited to, location, size, grade, geometry of ore body, availability of experienced labourers, proximity to existing infrastructure, metal prices and government regulations, including environmental restrictions.

Financial Capability and Additional Financing

The Company had working capital of approximately \$562,000 at February 17, 2015, 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. Although the Company has been successful in the past, in financing its activities through the sale of equity securities, there can be no assurance that it will be able to obtain sufficient financing in the future to continue as a going concern.

Fluctuating Prices

The price of gold and other metals has fluctuated widely in recent years and is affected by factors beyond the control of the Company. International economic and political trends, currency exchange fluctuations, economic inflation and expectations for the level of economic inflation in the consuming economies, interest rates, global and local economic health and trends are some of the factors that could impact on the viability of the Company's exploration projects that are impossible to predict with certainty.

Environment

Both the exploration and production phases of the Company's operations will be subject to environmental protection regulations in the jurisdictions in which it operates. Globally, environmental legislation is evolving towards stricter standards and enforcement, more stringent environmental impact assessments of new mining projects and increasing liability exposure for companies and their directors and officers. There is no assurance that future environmental regulations will not adversely affect the Company's operations.

Cash Flow

The Company's properties are all in an early stage of exploration and as a result, the Company has no source of operating cash flow. Failure to obtain additional financing could result in a delay or indefinite postponement of further exploration with the possible loss of such properties. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. The Company will require new capital to continue to operate its business and to continue exploration on its various properties, and there is no assurance that capital will be available when needed, if at all.

Title Matters

The mining claims in which the Company has an interest have not been surveyed and, accordingly, the precise location of the boundaries of the claims and ownership of mineral rights on specific tracts of land comprising the claims may be in doubt. Such claims have not been converted to lease and tenure, and as a result, are subject to annual compliance with assessment work requirements. Other parties may dispute the Company's title to its mining properties. While the Company has diligently investigated title to all mineral claims and, to the best of its knowledge, title to all properties is in good standing; this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfers or land claims, including First Nations' land claims and title may be affected by undetected defects. There is no guarantee that title to the Company's

properties or its rights to earn an interest in its properties will not be challenged or impugned. Also, claims have been made and new claims are being made by aboriginal peoples that call into question the rights granted by the governments in respect of resource properties. To date, the Company is not aware of any such claims against its properties.

Exploration Permitting

Under the recently modified Mining Act (Ontario), the Company is required to obtain permits to conduct exploration and evaluation activities on its Ontario properties. In management's view, there is uncertainty concerning the ability of the Ministry of Northern Development and Mines and First Nation's ability to complete consultation to comply with the legislation on a timely basis, and there is a risk of permitting delays. The impact of any delays on the Company's operations is unknown.

Special Note Regarding Forward-Looking Statements

Certain statements in this MD&A may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and its subsidiary, or the industry in which they operate, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this report, the words "estimate", "believe", "anticipate", "intend", "expect", "plan", "may", "should", "will", the negative thereof or other variations thereon or comparable terminology are intended to identify forward-looking statements. Such forward-looking statements reflect the current expectations of the management of the Company with respect to future events based on currently available information and are subject to risks and uncertainties that could cause actual results, performance or achievements to differ materially from those expressed or implied by those forward-looking statements, such as reduced funding, currency and interest rate fluctuations, increased competition and general economic and market factors and including the risk factors summarized above under the heading "Risk Factors". New risk factors may arise from time to time and it is not possible for management of the Company to predict all of those risk factors or the extent to which any factor or combination of factors may cause actual results, performance or achievements of the Company to be materially different from those expressed or implied in such forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements contained in this MD&A speak only as of the date hereof. The Company does not undertake or assume any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law.

Additional Information

- (1) Additional information may be found on SEDAR at www.sedar.com.
- (2) Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the Company's information circular for the Company's most recent annual meeting of security holders that involved the election of directors.
- (3) Thomas Skimming, P. Eng., Vice-President, Exploration and a Director of the Company, a qualified person under NI 43-101, has reviewed and approved the technical information included in this Management Discussion and Analysis.