MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE

YEAR ENDED DECEMBER 31, 2014

April 21, 2015

Description of Management Discussion and Analysis

The purpose of this Management Discussion and Analysis ("MD&A") is to explain management's point of view regarding the past performance and future outlook of InZinc Mining Ltd. (the "Company"). This report also provides information to improve the reader's understanding of the financial statements and related notes as well as important trends and risks affecting the Company's financial performance, and should therefore be read in conjunction with the audited consolidated financial statements ("Financial Statements") of the Company for the year ended December 31, 2014. The following discussion is dated and current as of April **21,** 2015. This MD&A contains forward-looking information and statements which are based on the conclusions of management. The forward-looking information and statements are only made as of the date of this MD&A.

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of a 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 was made, with respect to the period covered by these filings, and these financial statements together with the other financial information included in these filings. The Board of Directors' approves the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

Additional information on the Company is available on SEDAR and at the Company's website, **www.inzincmining.com**.

Forward-Looking Statements

Certain disclosures contained in this MD&A may constitute forward-looking information. This is information regarding possible events, conditions or results of operations of the Company that is based upon assumptions about future economic conditions and courses of action which is inherently uncertain. All information other than statements of historical fact may be forward-looking information.

Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to the interpretation of drill results and the estimation of mineral resources, the geology, grade and continuity of mineral deposits and the possibility that future exploration and development results will not be consistent with the Company's expectations. Some other risks and factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A are described under the heading "Risks and Uncertainties".

Readers are cautioned that any such listings of risks are not, and in fact cannot be, complete. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. The Company believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A.

The forward-looking information contained in this MD&A is provided as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Description of Business

InZinc Mining Ltd. (the "Company") is incorporated under the Canada Business Corporations Act and is listed on the TSX Venture Exchange ("TSX-V"). It was renamed from Lithic Resources Ltd. on February 18,

2014. The principal business of the Company is the acquisition and exploration of mineral properties ("exploration and evaluation assets"), either solely or through joint ventures and options.

Discussion of Operations

The Company currently holds one active property, the West Desert Property in western Utah, formerly known as the Crypto Zinc Property. Other than working on its active property, the Company is engaged in a continuing review of properties and projects for possible acquisition.

Since the Company's property is at the exploration stage, it does not have operations or operating results in the conventional use of the terms. The Company's financial success will ultimately be dependent upon finding economically recoverable mineral reserves, confirmation of its interest in those reserves and its ability to obtain the necessary financing to profitably produce those reserves.

Overall performance

On August 29, 2014, the Company completed a non-brokered private placement of 3,333,400 units at a price of 18 cents per unit for proceeds of $600,012. Each unit consists of one common share and one-half of one common share purchase warrant. Each full warrant will entitle its holder to subscribe for one share at 30 cents per share for a period of 24 months from closing of the financing. Insiders of the Company subscribed for 2,616,400 units in the placement. No commission was payable.

On September 30, 2014, the Company closed a non-brokered private placement of 5,694,000 units at a price of 18 cents per unit for gross proceeds of $1,024,920. Each unit consists of one common share and one-half of one common share purchase warrant. Each full warrant is exercisable to acquire one additional common share of the company at a price of 30 cents per share for a period of 24 months from closing of the financing. Commissions totalling $63,561 in cash and 353,119 warrants on the same terms as those included in the units were paid to certain arm's length parties.

Summary of Exploration Activities

The following is a breakdown of the components of the Company's exploration and evaluation assets, on the West Desert Project, for the year ended December 31, 2014 and 2013:

	2014	2013
Acquisition costs		
Balance, beginning of year	$ 394,127	$ 381,905
Additions during year	-	12,222
Balance, end of year	394,127	394,127
Deferred exploration costs		
Balance, beginning of year	4,982,803	4,786,177
Additions during the year:		
Analysis	1,311	21,411
Engineering	105,214	91,186
Field costs	5,922	5,971
Geological wages, fees and costs	3,595	14,285
Metallurgical	10,423	28,607
Property holding costs, taxes and fees	50,244	35,166
	176,709	196,626
Balance, end of year	5,159,512	4,982,803
Total	$5,553,639	$ $5,376,930

Exploration and evaluation asset acquisition costs in 2014 decreased by $12,222 to $nil from the previous year. Exploration expenditures in 2014 decreased to $176,709 from $196,626 in the previous year, mainly due to decreases in geological, analysis and metallurgical costs as these components of the ongoing preliminary economic assessment were completed. Engineering costs were somewhat higher with increased focus on mine and cash flow modelling as well as report writing toward the end of the study.

West Desert Project

In May of 2005, the Company signed an agreement to purchase a 100% interest in the West Desert zinc-copper- project (then known as the Crypto Zinc property)) from EuroZinc Mining Corporation in exchange for 1.5 million shares and $25,000 in cash. The 4,258 acre property is located in Utah about 160 kilometres southwest of Salt Lake City, is crossed by a power-line, is easily accessable by road and has railheads within 90 kilometres. It includes the historic Fish Springs Mining District which from the late 19th century through the mid-1970's recorded production of 2.7 million oz of silver.

Property Geology and History of Work Prior to Acquisition by the Company

The West Desert deposit is a skarn/carbonate replacement zinc-copper-silver-gold-indium deposit similar in many respects to other deposits in the world class Bingham, Park City, Tintic and other mining districts elsewhere in Utah. Modern exploration commenced in 1953 when Kennecott identified a very large magnetic anomaly at West Desert in a regional search for porphyry copper deposits. Beginning in 1961, Utah International drilled the property for its iron (magnetite) deposits, subsequently discovering significant zinc mineralization on which they focussed their attention until exiting in 1985. In the early 1990's, Cyprus Minerals optioned the property and drilled a number of additional holes, mainly to test the known zones at depth. In all, 68 holes totalling about 27,000 metres were drilled on the property prior to InZinc's involvement.

Zinc mineralization discovered to date at West Desert is concentrated in two adjacent deposits known as the Main and Deep Zones that are situated in a sequence of Cambrian to Ordovician carbonate rocks where those strata have been cut by a quartz monzonite intrusive of Late Eocene age. Zinc in both zones occurs as coarse-grained sphalerite in magnetite-rich, magnesian skarns preferentially developed in shaly members within the carbonate sequence. Small amounts of chalcopyrite are commonly found with sphalerite and some zones of relative copper enrichment are present. The Main zone is generally oxidized to a depth of about 250 metres, sphalerite having been converted mainly to smithsonite and hemimorphite.

Numerous significant intervals of molybdenite mineralization have been intersected in drilling, both as disseminations in skarn and as porphyry-style quartz-molybdenite-pyrite veinlets and fracture-coatings in the underlying intrusive rocks. The general distribution of mineralization on the West Desert property shows zoning similar to that in typical porphyry systems, with an inner zone of molybdenum-rich mineralization grading outwards through copper and zinc, then lead, silver and manganese with increasing distance from the intrusive. It is very likely that known mineralization is related to an underlying porphyry molybdenum system.

Various workings in the historic Fish Springs District are developed on high grade silver-lead replacement deposits controlled by structures east of the known zinc deposit. Total production in the district, in which the single largest mine by far was the Utah Mine, is recorded at about 20,300 tons grading 128 ounces silver per ton (4,389 gpt) and 44% lead. High grade intercepts of silver-rich replacement style mineralization have been encountered in drilling outside of the historical mine area.

2006-2010 Exploration by InZinc

The Company completed an Induced Polarization survey and a detailed helicopter-borne aeromagnetic survey in 2006. In 2007, a program of core drilling was initiated which was completed in July 2008, a total of 10,639 metres having been drilled in 15 holes. An independent resource estimate was completed by Mine Development Associates ("MDA") of Reno, Nevada and published on March 29, 2010. Metallurgical testwork on both sulphide and oxide mineralization was also completed in 2010. On August 5, 2010, the Company

announced a Preliminary Economic Assessment ("PEA") of the West Desert project and a final report was filed on September 17, 2010.

2014 Preliminary Economic Assessment

On April 1, 2014, the Company announced the results of a new PEA of the Company's 100% owned West Desert project in Utah (the "Project") and the full technical report was published on May 7, 2014. The 2014 PEA is considered by the Company to be a major re-appraisal of the West Desert project and supersedes all earlier reports.

Highlights

- after-tax NPV(8%) is US$258.1 million, IRR is 23% and payback is estimated at 3.7 years assuming a zinc price of US$1/lb and a 14.8 year mine life at 2.37 million tonnes per year
- conventional underground mining and processing with good recoveries
- average annual zinc production of 107.9 million lbs
- average annual iron concentrate (magnetite) production of 1.0 million tonnes
- average annual copper production of 9.9 million lbs
- average direct cash costs (C1) of US$(0.04) per pound of zinc and average fully allocated costs (C3) of US$0.50 per pound of zinc
- initial project capital costs of US$247.4 million, including contingencies
- good potential for resource expansion

The PEA was prepared by Mine Development Associates ("MDA") with contributions from International Metallurgical and Environmental Inc.("IME") in accordance with the definitions in Canadian National Instrument 43-101. All dollar amounts are US currency. The PEA is considered preliminary in nature. It includes Inferred mineral resources that are considered too speculative to have the economic considerations applied that would enable classification as mineral reserves. There is no certainty that the conclusions within the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Economics

The table below summarizes base case economic metrics for the Project as well as its sensitivity to the price of zinc:

	After-Tax			Pre-Tax			
Zinc Price ($/lb)	**NPV (5%)**	**NPV (8%)**	**IRR (%)**	**NPV (5%)**	**NPV (8%)**	**IRR (%)**	**Payback (Yrs)**
0.80	$238M	$146M	17%	$321M	$208M	19%	4.9
1.00	**$377M**	**$258M**	**23%**	**$507M**	**$357M**	**27%**	**3.7**
1.20	$507M	$363M	29%	$693M	$506M	34%	3.0

Note: US$; base case at Zn=$1 in bold

Project economics were estimated on the basis of the average of long term metal price forecasts periodically published by a number of large banking and financial institutions and included zinc at $1/lb, copper at $3/lb, iron ore at $105/t (62% Fe, CFR-Tianjin), gold at $1,300/oz and silver at $21/oz. The project's iron concentrate (magnetite) is expected to attract a $10/t premium to the Tianjin benchmark iron ore price and be priced at $115/t. No long term projections were available for the indium price and a price of $600/kg, well below the current spot price of about $750/kg, was chosen.

Mineral Resources

The resource base at the Project was re-estimated to include iron. MDA constructed a highly detailed, three dimensional block model on the basis of both InZinc's and historical drilling. Zinc, iron, copper and indium grades were assigned to each block using inverse distance interpolation. The percentage of iron occurring as magnetite throughout the resource was modelled on the basis of Davis Tube assays from drilling carried out both historically and by InZinc in 2007-2008. Gross metal values (GMV) used for cutoff reporting were based on a zinc price of US$1/lb, a copper price of US$3/lb, an iron ore price of $105/tonne and an indium price of US$600/kg to determine the relative value of each metal. The magnetite price of $115/t ultimately used in the GMV calculation includes the expected $10/t premium to the benchmark iron ore price.

A GMV cutoff value of $50/tonne was used to define resources that would be potentially mineable in an underground operation. A GMV cutoff value of $15/tonne was used to define oxide resources that would be potentially mineable in an open pit operation. All mineralization was diluted to minimum dimensions of 2m by 2m by 3m.

Project wide underground resources are summarized in the table below:

Cut-off ($GMV/t)	Category	Million Tonnes	ZnEq (%)	Zn (%)	Zn (Mlbs)	Cu (%)	Cu (Mlbs)	In (g/t)	In (t)	Magnetite (%)	Magnetite (Mt)
50	**Indicated**	**13.0**	**6.22**	**2.16**	**691.3**	**0.23**	**65.1**	**33**	**433**	**48**	**6.2**
100	*Indicated*	*8.0*	*7.96*	*3.18*	*561.1*	*0.29*	*50.9*	*42*	*340*	*53*	*4.2*
150	*Indicated*	*3.9*	*10.50*	*5.28*	*456.1*	*0.34*	*29.2*	*54*	*211*	*53*	*2.1*
50	**Inferred**	**46.0**	**5.57**	**1.76**	**1,781.0**	**0.22**	**224.6**	**24**	**1,102**	**48**	**22.0**
100	*Inferred*	*23.8*	*7.59*	*3.02*	*1,583.9*	*0.32*	*167.2*	*32*	*762*	*53*	*12.5*
150	*Inferred*	*9.8*	*10.70*	*5.88*	*1,266.5*	*0.43*	*92.4*	*38*	*375*	*48*	*4.7*

Note: base cases at GMV cutoff = $50 in bold; US$; ZnEq based on 100% recovery and Zn=$1/lb, Cu=$3/lb, Magnetite=$115/t, and In=$600/kg

Project wide near surface oxide resources are summarized in the table below:

Cut-off ($ GMV/t)	Category	Million Tonnes	ZnEq (%)	Zn (%)	Zn (Mlbs)	Cu (%)	Cu (Mlbs)	In (g/t)	In (T)	Magnetite (%)	Magnetite (Mt)
15	Indicated	*1.4*	*4.76*	*3.44*	*106.2*	*0.20*	*6.2*	*8*	*11*	*9*	*0.1*
15	Inferred	*6.2*	*4.40*	*2.95*	*404.8*	*0.14*	*19.8*	*9*	*58*	*15*	*0.9*

Note: base case stated; US$; ZnEq based on100% recovery and Zn=$1/lb, Cu=$3/lb, Magnetite=$115/t, and In=$600/kg

Mineralization is open for expansion in three directions and there is very good potential for the discovery of additional mineralized zones away from existing resources.

Mining and Processing

The PEA contemplates a 5,000 tonne per day underground mining operation ramping up to 6,500 tonnes per day in year three using longitudinal and transverse long-hole open stoping mining methods based on the underground resource only. Near surface oxide resources were not assessed and remain as a future opportunity.

Access to the deposit would be via two ramps, one of which would also host a conveyor system for ore haulage. A total of 34.0 million tonnes would be mined over 14.8 years at an average run of mine mill feed grade of 2.72% Zn, 0.27% Cu, 44.0% magnetite and 30 gpt In. Indicated and Inferred resources below the mining cut-off grade but located inside designed stopes were used to dilute the material processed at grade.

Internal dilution of non-resource material was added at zero grade. Average total dilution in the potentially mineable material is approximately 20%.

Run of mine material would undergo crushing and grinding to 65 microns followed by separation of a magnetite concentrate using traditional low intensity magnetic drum separators. Metallurgical studies have shown better than 95% recovery of magnetite into a concentrate grading 63% iron with no deleterious elements. The iron up-grading process is effective at removing copper and zinc and insignificant levels of these metals remain in the iron concentrate. The non-magnetic tails from the separation process, which contain essentially all of the copper and zinc minerals, would feed a standard flotation process plant with design capacity of 6,500 tonnes per day to accommodate variations in the proportion of magnetite in run of mine material. Feed grade to the flotation plant is expected to be in the range of 3-6% Zn.

Expected metallurgical recovery for zinc is 92% into a clean concentrate grading 55% zinc and containing high levels of indium with no deleterious elements. Approximately 74% of the copper is expected to be recovered into a clean concentrate grading 29% copper with payable levels of silver and gold and no deleterious elements.

Projected production of payable metals is summarized in the table below:

	Annual Average	Life of Mine
Zinc (Mlbs)	107.9	1,594.3
Copper (Mlbs)	9.9	146.7
Indium (t)	38.3	566.1
Magnetite (Mt)	1.0	14.5
Gold (Koz)	7.6	113.0
Silver (Koz)	76.9	1,137.0

Capital and Operating Costs

The projected capital and operating costs for West Desert over a 14.8 year mine life are summarized in the tables below.

West Desert Capital Costs (US$ millions)

Underground Development	105.4
Project Development	7.0
Facilities	5.2
Mining Equipment	50.9
Process Plant	123.1
Tailings	33.2
Contingency, Indirects, and EPCM	64.1
Life of Mine Capital Cost	388.9
Sustaining Capital	141.5
Initial Capital Cost	247.4

West Desert Operating Costs (US$ per tonne)

Mining Cost	23.00
Expensed Development	3.00
Processing Cost	12.23
Tailings Cost	0.25
G&A Costs	2.60
Total Operating Cost	41.08

C1, C2 and C3 cash costs (as defined by Brook Hunt) per pound of payable zinc are listed in the table below. C1 costs include sustaining capital.

West Desert Average Cash Costs (US$) per Lb Payable Zinc

C1 - Direct Cash Cost	(0.04)
C2 - Production Cost	0.45
C3 - Fully Allocated Cost	0.50

Opportunities for Enhanced Economics

- good potential to increase the resource to the east, west and south
- potential for the discovery of localized higher-grade areas within the resource
- very good potential for the discovery of additional mineralized zones within the Project area
- potential for additional recoverable zinc and copper at depth, within the magnetite resource but beyond the current limits of zinc-copper data
- transportation costs for iron concentrate (magnetite) could be significantly reduced through contract negotiations with the railroads and/or sourcing a consumer(s) in North America.
- potential to process oxide zinc mineralization
- potential cost reductions associated with optimization of the tailings facility

Outlook

The PEA recommends further work leading to a Pre-Feasibility Study, including drilling, engineering and marketing studies, hydrological and geotechnical analysis, as well as various baseline environmental and archeological studies. The Company intends to carry out this work as soon as possible. All permits and bonds required for continued drilling and other exploration at West Desert are in place along with all facilities and infrastructure that supported the Company's 2007-2008 drill program, allowing for a quick start to field operations when market conditions permit. The water rights to the property have been secured and two water wells with excellent flow were drilled and/or refurbished in 2011.

Selected Annual Information

The following financial data, which has been prepared in accordance with IFRS, is derived from the Company's financial statements for the year ended December 31, 2014, 2013 and 2012:

		2014 $	2013 $	2012 $
Loss	Total	(525,732)	(391,591)	(504,601)
	Per Share[1]	(0.01)	(0.01)	(0.01)
Total Assets		6,826,542	5,844,699	5,986,516
Working Capital		1,127,432	277,572	689,572
Total liabilities		52,038	111,612	52,562

(1) Basic and diluted

The Company's project is at the exploration stage and have not generated any revenues. At December 31, 2014, the Company had not yet achieved profitable operations and has a deficit of $7,604,364 (2013 - $8,179,442). These losses resulted in a net loss per share for the year ended December 31, 2014 of $0.01 (2013 - $0.01).

The loss and comprehensive loss for the Company has varied from year to year, depending mainly on the amount of communication and investor relations activities, exploration work carried out and whether or not stock options were issued. The loss for 2014 due to items other than share-based compensation was approximately 28% higher than in 2013.

Selected Quarterly Information

The table below summarizes selected financial information for the last eight quarters. The net loss for the Company in each of the three month periods is quite similar other than differences caused primarily due to communication and investor relations activities and the recording of stock based compensation. None of the periods included significant exploration activity.

Quarter Ended	Revenue ($)	Loss ($)	Net loss per share ($)[1]
Dec. 31, 2014	Nil	(156,566)	0.00
Sept. 30, 2014	Nil	(127,150)	0.00
June 30, 2014	Nil	(140,479)	0.00
March 31, 2014	Nil	(101,537)	0.00
Dec. 31, 2013	Nil	(80,114)	0.00
Sept. 30, 2013	Nil	(82,158)	0.00
June 30, 2013	Nil	(110,060)	0.00
March 31, 2013	Nil	(119,259)	0.00
Dec. 31, 2012	Nil	(228,914)	0.00

(1) Basic and diluted

Fourth Quarter

The net loss for the quarter ended December 31, 2014 was $156,566 or $0.00 per share compared with a loss of $80,114 or $0.00 per share during the same quarter of the prior year. A source of variability specific to the fourth quarter is that non-material year end accounting adjustments are generally all reflected in the fourth quarter rather than adjusting earlier quarters.

Results of Operations

The following discussion should be read in conjunction with the accompanying Financial Statements and related notes. The operating and administrative expenses for the year ended December 31, 2014 totalled

$527,618 (2013: $397,045), including share-based compensation recorded during the year, of $43,865 (2013: $13,780) calculated using the Black-Scholes option pricing model. Comparatively, the major changes in expenses for the year ended December 31, 2014 were communications and investor relations costs of $162,610 (2013 - $81,176), foreign exchange gain of $13,671 (2013 - $2,209) management fees of $140,000 (2013 - $168,000), and professional fees of $80,594 (2013 - $61,694).

The table below details the changes in major expenditures for the year ended December 31, 2014 as compared to the corresponding year ended December 31, 2013.

Expenses	Increase / Decrease in Expenses	Explanation for Change
Communications and investor relations	Increase of $81,434	Increase is due to more significant investor relations and promotion activities such as attendance at conferences
Foreign exchange gain	Increase of $11,462	Increase is due to appreciation of US$ versus CDN$.
Management fees	Decrease of $28,000	Decrease due to cut in monthly pay to management
Professional fees	Increase of $18,900	Increase due to costs associated with greater financing activities
Share-based compensation	Increase of $30,085	Increase due to recognition of amounts for past grants

The table below details the changes in major expenditures for the year ended December 31, 2013 as compared to the corresponding year ended December 31, 2012.

Expenses	Increase / Decrease in Expenses	Explanation for Change
Communications and investor relations	Increase of $41,407	Increase is due to increased monthly retainer for third party investor relations consultant
Office and miscellaneous	Increase of $11,832	Increase is due to the adoption of Director's and Officer's insurance
Professional fees	Decrease of $20,895	Decrease due to lower legal fees associated with financings completed during the year
Share-based compensation	Decrease of $122,892	Decrease due to fewer stock options granted during the year resulting in significantly lower fair-value

RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties during the year ended December 31, 2014:

Summary of key management personnel compensation:

	For the year ended December 31,	
	2014	2013
Short-term benefits paid or accrued:		
Professional fees (Steve Vanry)	$ 30,000	$ 36,000
Management fees (Chris Staargaard)	140,000	168,000
Share-based compensation	43,865	-
	$ 213,865	$ 204,000

Included in rent is $23,136 (2013 - $21,600) paid or accrued to a company related by Chris Staargaard, a common director.

Included in accounts payable and accrued liabilities are amounts owing to related parties, Chris Staargaard and Steve Vanry, of $17,083 (2013 - $64,230).

Liquidity, Financial Position and Capital Resources

As at December 31, 2014, the Company's liquidity and capital resources are as follows:

	December 31, 2014	December 31, 2013
	$	$
Cash	1,153,325	350,771
Receivables	10,475	22,248
Prepaid expenses	14,067	14,118
Total current assets	1,179,470	389,184
Payables and accrued liabilities	52,038	111,612
Working capital	1,127,432	277,572

The Company had a net working capital position of $1,127,432 at December 31, 2014 compared with $277,572 at the same point in 2013. As at the end of 2014, the Company had sufficient liquidity to meet its obligations for the next year.

The Company had cash on hand of $1,153,325 on December 31, 2014 (2013 - $350,771). The primary sources of cash in the year ended December 31, 2014 were the issuance of shares for gross proceeds of $1,624,932 (2013 - $180,000). The primary uses of cash during the year were the funding of operations - $508,002 (2013 - $342,471); exploration and evaluation asset expenditures - $201,773 (2013 - $189,358); and share issue costs - $101,204 (2013 - $1,979).

The Company's general and administrative costs, exclusive of any management compensation or direct business costs such as acquisitions, field work or travel, are in the range of $200,000 annually. These maintenance costs are typical for a public company of this nature and consist of stock exchange fees, legal fees, accounting and audit fees, transfer agent fees and general office expenses such as rent, basic administrative assistance and phone.

The Company has no known mineral reserves and is not in commercial production on any of its properties and accordingly, the Company does not generate cash from operations. The Company finances exploration activities by raising capital from equity markets from time to time.

Risks and Uncertainties

The business and operations of the Company are subject to numerous risks, many of which are beyond the Company's control. The Company considers the risks set out below to be some of the most significant to potential investors in the Company, but not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

History of losses

The Company has incurred net losses since inception and as of December 30, 2014, had an accumulated deficit of $7,604,364.

No history of dividends

Since incorporation, the Company has not paid any cash or other dividends on its common stock and does not expect to pay such dividends in the foreseeable future, as all available funds will be invested primarily to

finance its mineral exploration programs. The Company will need to achieve profitability prior to any dividends being declared.

Dilution

The Company does not generate any revenues and does not have sufficient financial resources to undertake by itself all of its planned expenditures. The Company has limited financial resources and has financed its operations primarily through the sale of securities such as common shares. The Company will need to continue its reliance on the sale of such securities for future financing, resulting in dilution to the Company's existing shareholders. The amount of additional funds required will depend largely on the success of the Company's exploration programs.

Further expenditures will depend on the Company's ability to obtain additional financing which may not be available under favourable terms, if at all.

Capital and liquidity risk

The amount of financial resources available to invest for the enhancement of shareholder value is dependant upon the size of the treasury, profitable operations, and willingness to utilize debt and issue equity. Due to the size of the Company, financial resources are limited and if the Company exceeds growth expectations or finds investment opportunities it may require debt or equity financing. There is no assurance that the Company will be able to obtain additional financial resources that may be required to successfully finance transactions or compete in its markets on favourable commercial terms.

Dependence on key personnel

Loss of certain members of the executive team or key operational leaders of the company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and the competition for a professional is intense. The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

Mineral exploration

Mineral exploration is subject to a high degree of risk, which even a combination of experience, knowledge and careful evaluation may fail to overcome. These risks may be even greater in the Company's case given its formative stage of development. Furthermore, exploration activities are expensive and seldom result in the discovery of a commercially viable resource. There is no assurance that the Company's exploration will result in the discovery of an economically viable mineral deposit.

Preliminary Economic Assessments

Preliminary Economic Assessments are considered to be preliminary in nature. They include Inferred mineral resources that are considered too speculative to have the economic considerations applied that would enable their classification as mineral reserves. There is no certainty that the conclusions within a Preliminary Economic Assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Management of industry risk

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company's mineral exploration activities expose it to potential environmental liability risk. It is management's policy to review environmental compliance and exposure on an ongoing basis. The Company follows industry standards and specific project environmental requirements. The Company is currently in the exploration stage on its property interests and has not determined whether significant site recovery costs will

be required. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

Commodity and equity prices

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of base and precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

Critical Accounting Estimates

The preparation of Financial Statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Based on historical experience and current conditions, management makes assumptions that are believed to be reasonable under the circumstances. These estimates and assumptions form the basis for judgments about the carrying value of assets and liabilities and reported amounts for expenses. Different assumptions would result in different estimates, and actual results may differ from results based on these estimates. These estimates and assumptions are also affected by management's application of accounting policies. Critical accounting estimates are those that affect the audited financial statements materially and involve a significant level of judgment by management.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of exploration and evaluation assets and valuation of share-based compensation.

Critical judgments exercised apply in accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Determination of functional currency

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

Valuation of share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest

rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

New and amended IFRS pronouncements effective January 1, 2014

The Company has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2014. These changes were made in accordance with the applicable transitional provisions.

IAS 32 Financial Instruments: Presentation ("Amended IAS 32") was amended by the IASB in December 2011. The amendment clarifies that an entity has a legally enforceable right to offset financial assets and financial liabilities if that right is not contingent on a future event and it is enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties. The adoption of Amended IAS 32 did not have a significant impact on the Company's consolidated financial statements.

IAS 36 Impairment of Assets ("Amended IAS 36") was amended by the IASB in May 2013. The amendments require the disclosure of the recoverable amount of impaired assets when an impairment loss has been recognized or reversed during the period and additional disclosures about the measurement of the recoverable amount of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. The adoption of Amended IAS 36 did not have a significant impact on the Company's consolidated financial statements.

IFRIC 21 Levies ("IFRIC 21"), an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"), on the accounting for levies imposed by governments was issued by the IASB in May 2013. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("obligating event"). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective prospectively for annual periods commencing on or after January 1, 2014. The adoption of IFRIC 21 did not result in an adjustment to the Company's consolidated financial statements.

Accounting pronouncements not yet effective

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers ("IFRS 15"), which supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers, and SIC 31 Revenue - Barter Transactions involving Advertising Services. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

The IASB intends to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 Financial Instruments ("IFRS 9") which is intended to reduce the complexity in the classification and measurement of financial instruments. The IASB has determined that the revised effective date for IFRS 9 will be January 1, 2018. The Company is currently evaluating the impact the final standard is expected to

have on its consolidated financial statements.

Financial Instruments and Management of Financial Risk

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 Inputs that are not based on observable market data.

The Company's financial instruments consist of cash, receivables, reclamation bonds, and accounts payable and accrued liabilities. The fair value of these financial instruments, other than cash, approximates their carrying values. Cash and marketable securities are measured at fair value using level 1 inputs.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and price risk.

Credit risk

The Company is exposed to industry credit risks arising from its cash holdings and receivables. The Company manages credit risk by placing cash with major Canadian financial institutions. The Company's receivables consist primarily of GST recoverable due from the Federal Government of Canada. Management believes that credit risk related to these amounts is nominal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company reviews additional sources of capital and financing to continue its operations and discharge its commitments as they become due.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As of December 31, 2014, the Company held an interest bearing demand deposit with a face value $959,511. A change in interest rates of 1% will change income by $9,595 per annum.

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in United States Dollars. However, management believes the risk is not currently significant.

Price risk

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

Other risks

The Company will need additional funding to complete its short and long term objectives. The ability of the Company to raise such financing in the future will depend on the prevailing market conditions, as well as the business performance of the Company. Current global financial conditions have been subject to increased volatility which has negatively impacted access to public financing. There can be no assurances that the Company will be successful in its efforts to raise additional financing on terms satisfactory to the Company. The market price of the Company's shares at any given point in time may not accurately reflect value. If adequate funds are not available or not available on acceptable terms, the Company may not be able to take advantage of opportunities, to develop new projects or to otherwise respond to competitive pressures.

The Company is dependent upon the services of key executives, including the Chief Executive Officer. Certain directors and officers of the Company also serve as directors and/or officers of other companies involved in mineral exploration and development and, consequently, there exists the possibility for such directors and officers to be in a position of conflict.

Authorized and issued share capital as at April 21, 2015:

Issued and outstanding: 72,205,419 common shares

Options outstanding are as follows:

Number of Options	Exercise Price	Expiry Date
2,650,000	0.10	November 2, 2017

Warrants outstanding are as follows:

Number of Warrants	Exercise Price	Expiry Date
1,666,700	0.30	August 29, 2016
2,847,000	0.30	September 30, 2016
353,119	0.30	September 30, 2016
4,866,819	$ 0.30[1]	

[1] *weighted average*

Approval

The board of Directors of the Company has approved the disclosure contained in this Management Discussion and Analysis. A copy will be provided to anyone who requests it.

On Behalf of the Board of Directors,
"*C.F. Staargaard*"
C.F. Staargaard
President, CEO and Director
April 21, 2015