ENDURANCE GOLD CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS
For the year ended December 31, 2014

This Management's Discussion and Analysis ("MD&A") has been prepared as of April 7, 2015 (the "Report Date"), and contains information up to and including the Report Date. This MD&A reviews the operating results and financial position of Endurance Gold Corporation and its U.S. subsidiary ("Endurance", or the "Company") for fiscal year 2014 as compared with fiscal year 2013. It should be read in conjunction with the audited consolidated financial statements ("Consolidated FS") of Endurance for the year ended December 31, 2014, together with the related notes thereto. The accompanying audited Consolidated FS are prepared in accordance with International Financial Reporting Standards ("IFRS"). All monetary amounts are in Canadian dollars. Additional information relating to the Company is available for viewing on the Company's website at www.endurancegold.com or on SEDAR at www.sedar.com.

Overview

Endurance (formerly 6172342 Canada Ltd.) was incorporated under the provisions of the *Canada Business Corporations Act* on December 16, 2003 and continued into British Columbia on August 16, 2004. Endurance is a company focused on the exploration and development of mineral properties in North America. The Company's current commodity focus is primarily on gold with one project with both heavy rare earth and niobium potential. The Company's common shares have been listed and traded on the TSX Venture Exchange (the "Exchange") under the symbol "EDG" since August 4, 2005.

The Company's properties are in the exploration stage and the Company has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets and related deferred exploration expenditures are dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of the exploration and evaluation assets and upon future profitable production or proceeds from the disposition thereof.

The Company formed a 100% owned U.S. subsidiary, Endurance Resources Inc. ("ERI"), on October 28, 2008 to acquire and evaluate several exploration project opportunities in the United States.

Exploration Activities

The Company incurred $1,146,977 in acquisition and exploration expenditures. Of this amount, $448,223 was in respect of legal fees and related expenses incurred during the arbitration proceedings to maintain its joint venture interest. This amount is included in acquisition costs for the Pardo property. In addition, $16,995 in cash payments were made and 275,000 shares were issued at a value of $12,375 for acquisition costs under the terms of the Elephant Mountain Gold and Rattlesnake-Natrona Gold Property Option Agreements. The exploration expenditures were primarily incurred in related to the Company's Pardo Joint Venture ("JV") in Ontario.

Dollar amounts stated in this document are expressed in Canadian currency unless otherwise indicated.

Pardo Property JV, Ontario, Canada (35.5 percent JV interest)

Endurance holds a 35.5% JV interest in the 33 square kilometres Pardo JV Property, located 65 kilometres northeast of Sudbury, in east-central Ontario. The other 64.5% JV interest is held by a wholly-owned subsidiary of Ginguro Exploration Inc. ("Ginguro"). Ginguro is the operator (the "Operator") of the Pardo JV. The Pardo JV Property is subject to a 3% net smelter returns royalty ("NSR"), of which one-half can be purchased for $1,500,000 at any time.

The road accessible property covers a sequence of Precambrian aged rocks of the Matinenda and Mississagi Formations, basal units of the Huronian Supergroup sedimentary assemblage that forms the 15,000 square kilometre Cobalt Embayment.

Gold mineralization defined to date on the Pardo Property is spatially associated with pyritic and quartz pebble bearing portions of these conglomerates, at a major regional unconformity. Geological studies have demonstrated that the geologic processes on the Pardo Property were similar to those that created the world's largest gold deposits in the Witwatersrand Basin of South Africa. Pardo constitutes the discovery of the first confirmed paleo-placer gold prospect in Ontario. The most significant gold intersections from the drilling to-date are related to visible gold, detrital pyrite hosted within the Huronian quartz pebble conglomerates, near a regionally significant unconformity.

Prior to 2009, Endurance completed approximately $1,000,000 in exploration on the claim block, including trenching and two drilling campaigns totaling 1,626 metres ("m") in 97 holes. Intercepts up to 2.01 grams per tonne gold ("gpt Au") over 8.4 m were returned from Endurance's drilling program.

In 2009, the Company entered into an option agreement with Ginguro's wholly-owned subsidiary. Under the terms of the option agreement, Ginguro earned a 55% interest in the property by completing $1,000,000 in exploration expenditures (including 154 drill holes) and making cash payments totaling $200,000 to Endurance over a three year period. As a result, the 45% (Endurance) and 55% (Ginguro) Pardo JV was formed in March 2012.

In April 2012, the Pardo JV Management Committee approved the Operator's proposed work plan and budget (the "2012 Program") consisting of down-hole logging of bore holes using a wire-line optical televiewer, re-logging of existing drill core, expert geological analysis, followed by a core drilling campaign, with a budget of approximately $1 million.

As part of the 2012 Program, 64 drill holes for a total of 1,366 m of drilling were completed on the Pardo JV Property. Thirty five (35) vertical drill holes were completed on the Trench 2 target on the Pardo JV Property and were designed to further explore a shallow flat-lying gold zone discovered by Endurance.

The 2012 Program drilling expanded the "footprint" of the approximately flat-lying gold zone at the Trench 2 target area to 400 by 400 m in size. Highlights of the drilling include 13.6 gpt Au over 0.83 m and 13.2 gpt Au over 0.75 m.

Within this 400 x 400 m area, the deepest intersection in the 2012 drilling program was 16.47 m below surface. The shallow zone of gold mineralization at the Trench 1-2 area is still open to expansion. In addition a basin study was completed with the objective of defining target area priorities through interpretation of sedimentological features.

In 2013, the discovery of the 007 Zone and the Eastern Reef Zone was reported on the Pardo JV claims. A highlight at the 007 Zone includes the discovery of consecutive cut channel samples of 0.5 m each, on a flat-lying pyritic conglomerate outcrop, which assayed 40.1 gpt Au over 22.5 m. Ginguro estimates a true width of 2 m for this pyritic conglomerate. A highlight at the Eastern Reef Zone includes the discovery of consecutive cut channel samples of 0.5 m each, on a flat-lying pyritic conglomerate outcrop which assayed 4.4 gpt Au over 42.5 m. The Operator of the JV estimates a true width of 3 to 6 m for this pyritic conglomerate.

On October 24, 2013 Ginguro announced it had commenced arbitration proceedings against Endurance to enforce its allegation that it has earned a 70.95% JV ownership as a result of having sole-funded the 2012 Program. On December 3, 2013 the Company filed its defence and counterclaim. The Company alleged that the Operator initiated a 2013 program without submitting that program to the Management Committee for its consideration and approval, did not provide the Company the opportunity to participate in the 2013 program, and denied the Company the opportunity to exercise the option (as set out in the JV agreement) to retroactively fund its proportionate share of the 2012 Program and thus restore its 45% JV interest.

On June 30, 2014, the parties announced that they had reached an agreement to settle their arbitration dispute. Under the terms of the settlement agreement, Endurance contributed $100,000 (paid) and Ginguro contributed a deemed $765,000 towards the 2012 Program with Endurance holding a 35.5% JV interest, and Ginguro holding the remaining 64.5% JV interest. The settlement agreement stipulated the parties' respective interests in the JV and the associated exploration expenditures for the April 2012 to April 2014 Pardo JV time period.

On May 5, 2014, the Company announced that the Pardo JV Management Committee approved a 2014 program with a budget of approximately $1,300,000. The program consisted of prospecting, outcrop stripping, channel sampling, geophysical assessment by ground penetrating radar, and a radon gas survey.

The radon survey produced some anomalies that were evaluated without success and the radar survey was cancelled after an unsuccessful orientation. As part of the 2014 program a planned study of the primary distribution of gold was completed, which included drilling of new boreholes as well as special large diameter holes. Twenty one (21) additional diamond drill holes were completed in 2014.

During the 2014 program two new zones of higher grade gold mineralization were discovered at the 007 Zone extension and the Godzilla zone, with highlights of 14.3 gpt Au over 3 m, and 10.4 gpt Au over 29 m, respectively. The Godzilla Zone is located about 450 m south of the 007 Zone. Channel sampling was also completed on the previously explored Line 34 Prospect.

On January 15, 2015, the Company announced that the Pardo JV Management Committee approved a 2015 winter program. The program consists of diamond drilling, a desktop mining study, additional metallurgical test work and a detailed geological analysis of gold hosting sedimentary units intersected in drill core. The drilling activity was not initiated until March 2015.

Whole-ore metallurgical test work completed in March 2015 has returned 81.9% and 74.6% cyanide leach recovery over 14 days using bottle roll tests from -10 mesh samples. Leach recoveries are lower for the coarser crushed material. These results support the 2010 test work which indicated very good gravity plus cyanide recoveries with finer grind sizes.

Elephant Mountain Gold Property, Alaska, USA (Option to earn 100% interest)

The Elephant Mountain Property is located in the Rampart and the Manley Hot Springs placer gold mining district near Eureka, Alaska. The property can be accessed by road and ATV trails from Eureka, a placer mining centre, located about 76 miles (123 kilometres) west of Fairbanks.

Under the terms of the agreement announced in January 2012, as amended in December 2013, Endurance can earn a 100% interest in the Elephant Mountain Property by completing a total of US$200,000 in exploration expenditures, US$200,000 (US$45,000 paid) in cash payments and delivering 400,000 Endurance common shares (100,000 delivered) by December 31, 2017. The option is subject to a 2% NSR, and Endurance can purchase half the NSR at any time for US$750,000.

Between 1989 and 1992, the Elephant Mountain Property was explored for gold by Placer Dome, Inc. ("PDI"). PDI identified a gold-arsenic soil geochemical anomaly over the intrusive that extends for at least 6,000 feet and up to 1,500 feet wide, with peak values in soil samples up to 1,540 parts per billion ("ppb") Au. During that time, PDI completed extensive trenching and ten (10) drill holes. The best of the PDI drill holes returned an average grade of 0.015 ounce per ton Au (0.514 gpt Au) over a width of 326 feet (99.4 m). In the drill holes, gold mineralization is associated with arsenopyrite and native gold related to quartz veinlet stock-work, in silicified and sericite altered intrusive. The intrusive host is a Cretaceous-aged diorite to granite pluton that intrudes quartzite, siltstone and shale. Subsequent to the PDI exploration program, North Star Exploration Inc. completed additional soil sampling and drilled two holes in the intrusive and also encountered anomalous gold in silicified granite.

The Elephant Mountain area is, in part, drained by Eureka and Pioneer Creeks. Alluvial gold was first discovered in Eureka Creek in 1898 and both Eureka and Pioneer Creeks and their small tributaries are two of the most significant alluvial gold bearing creeks in the Eureka-Hot Springs gold district.

The Elephant Mountain prospect is interpreted to be a reduced intrusion-related gold system (RIRG) similar to the Fort Knox Mine, Ryan Lode, and True North deposits located in the nearby Fairbanks Gold Mining District in Alaska, as well as the Brewery Creek and Dublin Gulch deposits in the Yukon. All of these RIRG deposits are related to late Cretaceous-aged intrusive events within the Tintina Gold Province of Alaska and the Yukon, and are associated with historic placer gold mining.

The placer gold deposits, gold-in-soil anomalies, and wide drill intersections in intrusive indicate that the Elephant Mountain Property warrants a systematic exploration program of rock and soil sampling followed by drilling to confirm historic results and identify new exploration targets.

A reconnaissance prospecting and soil sampling program was completed in 2013 and 2014. The two programs have collected 83 rock grab samples with the best gold values associated with altered intrusive and quartz vein stock-work material including 4,440 ppb Au, as well as 1,920 ppb Au, and 1,880 ppb Au. The highest gold value is related to the South Zone where PDI collected a grab sample that assayed 12 ounces per ton Au (411.4 gpt Au) in 1991. The 2013 and 2014 programs have collected 25 hand-auger and 36 power-auger soil samples primarily focused on defining the South Anomaly. These soil samples returned values up to 320 ppb gold and have demonstrated a continuous and open soil anomaly with values exceeding 50 ppb gold. The follow-up 2015 program is currently in the planning stages.

Rattlesnake-Natrona Gold Project, Wyoming, USA (100% interest and option to earn 100%)

The Company, through ERI, owns 100% interests or options to earn 100% interests in contiguous federal lode mining claims and Wyoming State leases for a total of about 7,000 acres in the Rattlesnake Hills area of Wyoming. About 4,500 of these acres were acquired through an option agreement announced in 2013. The terms of the agreement with a private vendor ("Vendor") provide the Company with the option to earn a 100% interest in the Vendor's property, by completing a total of US$300,000 in exploration expenditures in the district (US$211,553 completed), making US$100,000 in cash payments (US$30,000 paid), and delivering 1.2 million Endurance common shares (400,000 common shares delivered) prior to December 31, 2016. Once the Company has earned its interest, the Vendor has the right to a 1% NSR on both the Vendor's and the Company's federal lode mining claims. Half of the NSR can be purchased by the Company for US$500,000 at any time.

The ERI properties immediately adjoin the Rattlesnake Hills property owned by Evolving Gold Corporation ("**RSX property**"). Significant gold mineralization has been discovered at the North Stock Target and Antelope Target on the RSX property. Endurance's properties are within one kilometre of the North Stock Target area on the RSX property. In the northern part of the district, one of the Endurance properties immediately adjoins and is about 200 m east of the RSX property Bald Mountain drill target on which chip samples of 7.45 gpt Au, 5.17 gpt Au, and 3.97 gpt Au have been reported. On the southeastern part of the district, one of Endurance's properties is less than 400 m east of the RSX property Growler Prospect which has returned chip samples up to 3.1 gpt Au.

The geologic setting of the Endurance properties and the RSX Property are similar to large scale alkalic intrusive hosted gold deposits within the Rocky Mountain alkalic gold province that includes Cripple Creek in Colorado. The Cripple Creek District has produced 21 million ounces of gold to date.

The combined Endurance properties were targeted to cover areas underlain by Tertiary phonolite (alkalic) intrusions, emplaced into Precambrian aged metavolcanics. This geological environment is identical to that hosting Evolving Gold's North Stock and Antelope Basin discoveries, where gold mineralization occurs in brecciated zones within and adjacent to the alkalic intrusions, and extends into the surrounding schists of the Precambrian country rock.

Mapping has confirmed the presence of at least eighteen (18) Tertiary alkalic intrusions on the Company's properties. Zones of intense brecciation and shearing associated with favourable potassium alteration, anomalous gold-in-soil samples (up to 213 ppb), and elevated gold in grab samples (1.125, 0.739 and 0.66 gpt Au) have been identified and warrant further work. In addition, the QL Copper Prospect was discovered in 2013 and returned copper values from a single grab sample which assayed 2.65% total copper associated with malachite, chrysocolla and copper wad. A second grab sample, located 93 m away, returned 2,750 parts per million ("ppm") copper associated with an iron-oxide gossan.

A 2013 program of primarily soil sampling identified new areas that are anomalous in gold, arsenic, potassium and bismuth, a geochemical signature consistent with alkali gold targets in the district. In this northern target area, the best gold-bearing soil sample in 2013 analysed 120 ppb Au, 11.8 ppm bismuth, 48 ppm arsenic, and 106 ppm copper.

The encouraging geological setting of the Company's properties and the favourable exploration results generated on the immediately adjoining RSX property justify further exploration activities on the Company's properties including additional soil sampling, rock sampling, geophysics, hand-held XRF surveys and drilling.

In August 2014, NV Gold, a former optionee of the RSX Property, completed a drilling program to test a priority target 200 m from the Company's property and another previously undrilled target in the district. This program was successful in discovering a new gold prospect at its Blackjack target.

Bandito Property, Yukon, Canada (100% interest)

The Bandito Property is 257 claims covering approximately 5,400 hectares.

In January 2013, the Company entered into a Purchase Agreement that resulted in the acquisition of a 100% interest in the Bandito Property. The Company acquired this interest by paying a $50,000 cash payment and five million common shares of the Company. The vendor retains a 1% NSR, one-half of which may be purchased by the Company for $1,000,000. A further cash bonus payment of $500,000 will be payable in two tranches, with the initial $150,000 payable upon completion and filing of a bankable feasibility study, and the balance of $350,000 to be paid after project financing has been obtained to place the Bandito Property into commercial production.

The Bandito Property is underlain by Proterozoic-aged argillite, quartzite and andesite-jasper breccia which have been intruded by Proterozoic-aged (650 Ma) reddish coloured nepheline syenite (**Red Syenite**) with pegmatitic, fine grained and coarse grained phases. An approximate nine-square kilometre area of the Red Syenite and host rocks has been altered through potassium and sodium metasomatism and the introduction of iron oxides, primarily hematite.

Alteration occurs both within the Red Syenite, which is fluorite enriched, iron oxide and sericite altered, and in the adjoining Proterozoic-aged sediments in which the host rocks have been intruded by fine grain porphyritic Red Syenite dykes with associated extensive hornfels and variably altered to potassium feldspar, albite, carbonates, arfvedsonite, riebeckite, aegirine, specular hematite, hematite, chlorite, magnetite, sphene, zircon, monazite, xenotime, pyrochlore, fluorite, ferrocolumbite, and apatite **(Fenite)**.

Rare Earth Rock Sampling Highlights – Rare Earth mineralization has been discovered both within the Red Syenite and the adjoining Fenites. The most significant prospects in Red Syenite were identified during follow-up to extensive rare earth element (**REE**) and niobium soil anomalies. Highlights of prospects within the Red Syenite include:

- highly altered Red Syenite - 3.491% TREO+Y with 76.7% HREO ratio, 0.887% Nb_2O_5, 43.2% ZrO_2.
- highly altered Red Syenite – 1.978% TREO+Y with 74.9% HREO ratio, 0.958% Nb_2O_5, 43.6% ZrO_2.
- Bedrock - hematite altered Red Syenite – 0.698% TREO+Y with 46% HREO ratio.

TREO+Y means total REE oxides plus yttrium oxide.
HERO ratio refers to the percentage of the heavy rare earth oxides (from europium to lutetium plus yttrium) as a percentage of total rare earth oxides.

The most significant rare earth element prospects discovered to date in the Fenites include:

South Fenite trenches		
northern	2.30% TREO+Y	Over 6 m
	Including 3.32% TREO+Y	Over 4 m
southern	1.38% TREO+Y	Over 8 m
	Including 2.08% TREO+Y	Over 5 m

The South Fenite trench (northern) averages 10.8% HREO ratio and 10.8% neodymium oxide (Nd_2O_3) ratio.

Niobium – Tantalum Rock Sampling Highlights - In addition to these encouraging REE discoveries reconnaissance scale prospecting and sampling has identified other significant niobium-tantalum prospects, including:

- A grab sample with 1.3% Nb_2O_5, and 0.094% Ta_2O_5 associated with pyrochlore and specular hematite alteration in Red Syenite.
- Rock samples in Red Syenite up to 0.958% Nb_2O_5 (grab), 0.323% Nb_2O_5 (grab), 0.316% Nb_2O_5 (grab), 0.312% Nb_2O_5 (grab), and 0.243% Nb_2O_5 (grab) plus 0.22% Nb_2O_5 over 3.0 m.
- In the North Fenite, South Fenite and Copper Pass Fenite (2.9 kilometres strike) about thirty (30) samples returned values greater than 1,000 ppm niobium (>0.143% Nb_2O_5) including values up to 0.429% Nb_2O_5 over 1.0 m and 0.21% Nb_2O_5 over 6 m.

The elevated rare earth and niobium values in rock samples fall within at least a two (2) square kilometre area underlain by the metasomatized Red Syenite. The area is largely tree covered with poor outcrop exposures and underlain by the extensive REE, Nb, Tantalum and Zirconium soil anomalies which anomalies remain open to expansion. In addition encouraging values up to 11.35% nickel and 1.22% copper have been identified on the property but seemingly unrelated to the rare-earth niobium mineralization.

Based on a comprehensive review completed in 2013, a program of additional soil sampling, trenching and drilling is justified to advance this rare earth-niobium-zircon target to the discovery stage. A petrographic and mineralogical study was completed during the year but a 2014 field program was not completed.

In October 2013, the Government of the Yukon issued the Mining Land Use Approval (MLUA) document for a Class 3 Land Use Permit that will allow for a multi-year trenching and drilling program.

The Company is currently considering its strategic options to fund a significant exploration program on this project.

McCord Gold Property, Alaska, USA (100% interest)

The 100% owned McCord Property was staked by the Company and currently consists of 41 Alaska State mineral claims located in the Fairbanks Mining District, near Livengood.

The McCord Property is located in the eastern extension of the Livengood Gold District and immediately adjoins International Tower Hill's ("**ITH**") Livengood Property on the eastern side. ITH has reported in-situ measured and indicated resource (at 0.30 gpt cut-off) of 15.7 million ounces of gold (see the ITH website for complete disclosure).

The combined 2011 and 2012 programs consisted of grid-based and power auger assisted soil sampling (467 soil samples to date), geological mapping, prospecting, and rock sampling (73 rock samples to date). The combined soil sampling programs have identified at least five gold-in-soil anomalies. The two largest multi-element soil anomalies, exceeding 10 ppb Au, are approximately 1500 by 400 m, and 1100 by 500 m in size. The maximum soil value exceeds 100 ppb Au, which is the upper detection limit for the analytical method used. The Livengood District has not been glaciated and therefore any soil anomalies are interpreted to represent a local source area.

The geology in the McCord Creek area is interpreted to consist of Proterozoic to Paleozoic sedimentary and volcanic rocks near an ophiolitic thrust assemblage of mafic volcanics that has been cross-cut by Cretaceous-aged intrusives. This geological setting is similar to ITH's adjoining property.

In January 2014, the Company issued a default notice to the optionee under an option agreement with a third party, the option was terminated and the Company re-acquired a 100% interest in the property. No exploration program was completed in 2014.

Other Properties

Fuego Property, Yukon, Canada (100% interest)
Endurance owns a 100% interest in 16 Yukon quartz claims located in the Watson Lake District, Yukon Territory immediately west of the Bandito Property. The claims were staked to cover a previously mapped intrusive syenite and/or trachyte breccia. The breccia on Fuego is similar to breccia mapped on the Bandito Property. Historic sampling suggests that the Fuego Property also hosts potential for shale-hosted zinc and lead mineralization.

Flint Lake (Dogpaw) JV Gold Project, Ontario, Canada (22% JV interest)
The Flint Lake (Dogpaw) JV Property is located approximately 58 kilometres southeast of Kenora in northwestern Ontario. The property is now comprised of 24 mining claims all situated within the Kenora Mining Division.

In 2007 Endurance entered into an option agreement with Metals Creek Resources Corp. ("**MEK**"), whereby MEK could acquire a 75% interest in 14 claims comprising 60 units in the Dogpaw Lake and Flint Lake areas of northwestern Ontario. Since that date, MEK has earned its 75% interest through issuing 450,000 shares to EDG and completing $450,000 in exploration expenditures, and a JV was formed in 2010. MEK is appointed as the Operator.

In July 2012, the Flint Lake (Dogpaw) JV considered a two-phased exploration program including further trenching and possible follow-up drilling. The first phase of the budget (trenching) was approved and completed during the year. The Company elected to not participate in funding the trenching program and as a result its JV interest was reduced to 22%.

The 2012 program was successful in upgrading the Stephens Lake occurrence. The best trenching results from the Stephens Lake occurrence returned a surface channel cut of 1.43 gpt Au over 21 m hosted in altered granodiorite. The Stephens Lake occurrence is located about 11 kilometres east of Highway 71. Trenching also discovered 7.80 gpt Au over 3.1 m on the strike extension of the Flint Central Zone.

A JV program of claim geo-referencing and prospecting was completed in 2014 for which the Company elected to participate in funding. The Operator has not yet proposed a 2015 program.

In the Dogpaw Lake area, Endurance also retains a 2.5% NSR on four claims controlled by Chalice Gold Mines Limited.

Nechako Gold Property, British Columbia, Canada (76% JV interest)
The Nechako Gold Property, British Columbia is owned 76% by Endurance and 24% by Amarc Resources Ltd. No further exploration is recommended on the Nechako Gold Project.

Selected Annual Information

Selected annual information from the audited financial statements for the years ended December 31, 2014, 2013 and 2012 is summarized in the table below.

	2014 $	2013 $	2012 $
Total revenues	Nil	Nil	Nil
Comprehensive loss for the year	(591,817)	(275,805)	(344,040)
Basic and diluted loss per share	(0.01)	(0.00)	(0.01)
Total assets	4,425,273	3,449,376	3,045,592
Total long-term liability	Nil	Nil	Nil
Cash dividends declared per share	Nil	Nil	Nil

Results of Operations

The Consolidated FS of the Company to which this MD&A relates were prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

Year Ended December 31, 2014 compared with the Year Ended December 31, 2013

The Company's net loss for the year ended December 31, 2014 was $591,817 or $0.01 per common share, as compared to a net loss of $275,805 or $0.00 per common share in 2013. The loss in 2014 is inclusive of interest income of $1,782 (2013 - $4,632); an unrealized loss on marketable securities of $1,600 (2013 - $9,600); and a write-off of $26,542 (2013 - $21,201) in exploration and evaluation assets.

General and administrative expenses before other items for the current year, totaled $565,457 (2013 - $249,636), $315,821 higher than the comparable expenses incurred in fiscal 2013. The increase was mainly due to a non-cash transaction wherein share-based compensation expense is realized under the Black-Scholes option-pricing method, when the Company issues stock options to directors and employees of the Company. The expenses in fiscal 2014 without the share-based compensation would have been $243,887, and the General and administrative expenses would have decreased by $5,749 as compared to fiscal 2013. The variance was mainly attributable to:

- Share-based compensation expense (a non-cash charge) of $321,570 (2013 - $nil), incurred as a result of the vesting of 4,050,000 (2013 – nil) stock options granted during fiscal 2014.
- Business development and property investigation expenses totaled $13,004 (2013 - $63,397), a decrease of $50,393, as a result of the Company curtailing its reconnaissance activities during the current year. During fiscal 2014, $10,800 (2013 - $32,400) in management fees were included in business development and property investigation expenses.
- Corporate communications expense totaled $51,880 (2013 - $26,683), an increase of $25,197. The increase was primarily due to increased activities and thus higher Management fees allocated in the current year. During fiscal 2014, $28,800 (2013 – $7,650) in management fees were included in corporate communications expense.
- Management fees totaled $60,450 (2013 - $60,000), an increase of $450. During fiscal 2014, an additional $158,400 (2013 - $139,500) in management fees were capitalized to exploration and evaluation assets and included in property investigation and corporate communication expenses.

- Office and administrative totaled $76,516 (2013 - $66,751) which amounts included insurance expense of $13,019 (2013 - $14,582); office rent and service expenses of $45,089 (2013 - $43,080); and an unrealized foreign exchange loss of $10,688 (2013 –$2,205).
- Professional fees totaled $28,765 (2013 - $20,257), an increase of $8,508. The increase was mainly due to legal and advisory services provided in connection with the Company's regulatory reporting and adjustments of prior year's accrued audit fees.

Fourth Quarter Comparison

For the three months ended December 31, 2014, the Company incurred a net loss of $90,888, or $0.00 per common share, compared to a net loss of $72,954 or $0.00 per common share for the same quarter in fiscal 2013.

The net loss in the fourth quarter in 2014 is inclusive of an interest income of $156 (2013 – $1,212); an unrealized loss on marketable securities of $1,600 (2013 - $1,600); and a write-off of $26,542 (2013 - $nil) in exploration and evaluation assets.

General and administrative expenses before other items for the current quarter totaled $62,902 (2013 - $72,566), $9,664 lower than the comparable quarter in prior year. The variance was mainly attributable to:

- Business development and property investigation expenses totaled $1,351 (2013 - $16,318), a decrease of $14,967, as a result of the Company curtailing its reconnaissance activities during the current quarter. During the current quarter, $1,350 (2013 - $6,300) in management fees were included in business development and property investigation expenses.
- Corporate communications expense totaled $8,419 (2013 - $4,362), an increase of $4,057. The increase was primarily due to timing of invoices and higher Management fees in the current quarter. During the current quarter, $3,150 (2013 – $1,800) in management fees were included in corporate communications expense.
- Management fees totaled $15,000 (2013 - $15,000). During the current quarter an additional $29,700 (2013 - $48,600) in management fees were capitalized to exploration and evaluation assets and included in property investigation and corporate communication expenses.
- Office and administrative expenses totaled $19,099 (2013 - $19,937), a decrease of $838. The office and administrative expenses included an unrealized foreign exchange loss of $2,225 (2013 –$3,305); office rent and services expenses of $11,225 (2013 - $11,156).
- Professional fees totaled $17,583 (2013 - $15,704), an increase of $1,879. The increase was mainly due to advisory services provided in connection with the Company's regulatory reporting and the accrued amount for audit fees during the current quarter.

Summary of Quarterly Results

Results for the eight most recent quarters ending with the last quarter for the three months ending on December 31, 2014 are summarized in the table below.

	IFRS							
Quarter Ended:	**Dec. 31**	**Sept. 30**	**June 30**	**Mar. 31**	**Dec. 31**	**Sept 30**	**June 30**	**Mar. 31**
Year:	**2014**	**2014**	**2014**	**2014**	**2013**	**2013**	**2013**	**2013**
Net sales or total revenue ($000s)	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil
Income (loss) from continuing operations:								
(i) in total (000s)	$ (91)	$ (385)	$ (55)	$ (61)	$ (73)	$ (93)	$ (48)	$ (63)
(ii) per share(1)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Net income or loss:								
(i) in total (000s)	$ (91)	$ (385)	$ (55)	$ (61)	$ (73)	$ (93)	$ (48)	$ (63)
(ii) per share(1)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)

(1) Basic and diluted losses per share are the same, as the effect of potential issuances of shares under stock option agreements would be anti-dilutive.

- The net loss reported in the fourth quarter of 2014 includes a write-off of exploration and evaluation assets of $26,542 and an unrealized foreign exchange loss of $2,225.
- The net loss reported in the third quarter of 2014 includes share-based compensation of $321,570 incurred as a result of the vesting of 4,050,000 stock options and an unrealized foreign exchange loss of $8,109.
- The net loss reported in the second quarter of 2014 includes an unrealized loss on marketable securities of $3,200.
- The net loss reported in the first quarter of 2014 includes an unrealized gain on marketable securities of $3,200.
- The net loss reported in the fourth quarter of 2013 includes an unrealized loss on marketable securities of $1,600 and foreign exchange loss of $3,305.
- The net loss reported in the third quarter of 2013 includes a write-off of exploration and evaluation assets of $21,201.
- The net loss reported in the second quarter of 2013 includes an unrealized loss on marketable securities of $1,600.
- The net loss reported in the first quarter of 2013 includes an unrealized loss on marketable securities of $6,400.

The Company's operations and business are not driven by seasonal trends, but rather the achievement of project milestones such as various geological, technical, environmental and socio-economic objectives as well as receipt of financings to fund these projects.

The operating results of junior exploration companies typically demonstrate wide variations from period to period. These variances arise from fluctuations in such costs as share-based compensation, exploration costs expensed or written down, professional fees, listing and transfer agent fees, corporation communications and office expenses. Management of the Company believe that meaningful information about our operations cannot be derived from an analysis of quarterly fluctuations unless the reader examines in more detail the information presented in the quarterly and annual financial statements. See "Results of Operations".

Liquidity and Capital Resources

The exploration and evaluation assets of the Company are in the exploration stage and, as a result, the Company has no operations that generate cash flow. The Company finances its activities primarily by the sale of its equity securities or from the sale of an interest in its properties in whole or in part.

The Company does not use debt financing to fund its property acquisitions and exploration activities and has no current plans to use debt financing.

The Company has no stand-by credit facilities, or any off-balance sheet arrangements and it does not use hedges or other financial derivatives.

Cash and Financial Conditions

The Company’s cash position was $57,830 at December 31, 2014 (2013 - $233,176), a decrease of $175,346. The Company had working capital of $63,416 at December 31, 2014, as compared to $201,936 at December 31, 2013.

The Company’s current working capital position does not provide it with sufficient liquidity to meet its current and future exploration activities. The development of the Company’s properties will therefore depend upon the Company’s ability to obtain financing through the equity markets. There can be no assurance that the Company will succeed in obtaining additional financing. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations and eventually to forfeit or sell its interest in its properties.

Investing Activities

During the year ended December 31, 2014, the Company’s cash flow used for investing activities in exploration and evaluation assets was $1,158,077 (2013 - $530,742), all of which represented acquisition and exploration costs that were capitalized; and $nil (2013 - $23,981) in exploration and evaluation assets recovery received.

Financing Activities

During fiscal year 2014, the Company closed two non-brokered private placements.

The Company closed a non-brokered private placement of 10,833,400 units (“Unit”), at a price of $0.06 per Unit, for gross proceeds of $650,004 in October 2014. Each Unit is comprised of one common share and one non-transferable common share purchase warrant (“Warrant”). Each such Warrant is exercisable into one common share for a period of three years from the date of closing (“Closing”). The Warrant exercise price is $0.10 per share for the initial eighteen month period, increasing to $0.12 per share for the second eighteen month period. The Warrants are subject to an accelerated expiry date which comes into effect when the trading price of the common shares of the Company closes at or above $0.18 per share for twenty consecutive trading days in the period commencing four months after the Closing. In the event that the Company gives an expiry acceleration notice (the “Notice”) to holder of the Warrants, the expiry date of the Warrants will be 30 days from the date of the Notice. Most of the Offering was subscribed by directors and a company controlled by a director of the Company.

The Company closed a non-brokered private placement raising gross proceeds of $300,000 by issuing 4,285,714 Units at a price of $0.07 per Unit completed in two tranches in February and March 2014 respectively. Each Unit consists of one common share and one non-transferable common share purchase warrant ("Warrant"). Each Warrant is exercisable into one common share at an exercise price of $0.10 for a period of 5 years from the closing. The Warrants are subject to an accelerated expiry date which comes into effect when the trading price of the common shares of the Company closes at or above $0.30 per share for twenty consecutive trading days in the period commencing four months after the Closing. In the event that the Company gives an expiry acceleration notice (the "Notice") to the Warrant holders, the expiry date of the Warrants will be 30 days from the date of the Notice. A total of 1,522,714 Units were subscribed by directors and a private company controlled by a director of the Company.

During fiscal year 2014, 3,150,000 warrants at an exercise price of $0.10 were exercised, which generated cash proceeds of $315,000.

During fiscal year 2013, the Company closed a non-brokered private placement raising gross proceeds of $500,000 by issuing 5,000,000 units (each, a "Unit") at a price of $0.10 per Unit. Each Unit consists of one common share and one non-transferable common share purchase warrant ("Warrant"). Each Warrant is exercisable into one common share at a price of $0.10 per share for a period of five years from the date of closing ("Closing"). The Warrants are subject to an accelerated expiry date which comes into effect when the trading price of the common shares of the Company closes at or above $0.30 per share for twenty consecutive trading days in the period commencing four months after the Closing. In the event that the Company gives an expiry acceleration notice ("Notice") to holders of the warrants, the expiry date of the Warrants will be 30 days from the date of the Notice. The Units were fully subscribed by directors and a private company controlled by a director of the Company.

Outstanding share data as at the Report Date:

On the Report Date, the Company had 87,491,700 common shares outstanding or 115,310,814 shares on a fully diluted basis as follows:

	No. of Shares	Exercise Price	Expiry Date
Stock Options	5,850,000	$0.10 - $0.21	April 9, 2015 to Aug. 28, 2019
Warrants	21,969,114	$0.10 - $0.12	May 24, 2017 to March 12, 2019

Transactions with related parties

Key Management Personnel

Key management personnel includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

The Company entered into the following transactions with related parties and key management personnel during fiscal year 2014:

Paid or accrued the following to Cooper Jack Investments Limited, a private company controlled by Robert T. Boyd, the President, Chief Executive Officer and director of the Company:

	2014	2013
Management fees	$ 450	$ Nil
Geological & consulting fees	158,400	139,500
Share-based compensation*	79,400	Nil

Paid or accrued the following to T.P. Cheng & Company Ltd., a private company controlled by Teresa Cheng, the Chief Financial Officer of the Company:

	2014	2013
Management fees	$ 60,000	$ 60,000
Share-based compensation*	31,760	Nil

Paid or accrued the following to Adera Company Management Inc., a private company controlled by J. Christopher Mitchell, a non-executive director of the Company:

	2014	2013
Consulting fees	$ 8,875	$ 5,407
Share-based compensation*	27,790	Nil

Paid or accrued the following to Robert Pease, a non-executive director of the Company:

	2014	2013
Share-based compensation*	$ 23,820	$ Nil

Paid or accrued the following to H. Ross Arnold, a non-executive director of the Company:

	2014	2013
Share-based compensation*	$ 79,400	$ Nil

Paid or accrued the following to Richard Gilliam, a non-executive director of the Company:

	2014	2013
Share-based compensation*	$ 79,400	$ Nil

**Share-based compensation consists of the fair value of options that were granted to related parties during fiscal 2014. The fair value has been calculated using the Black-Scholes Option Pricing Model as set out in Note 11(d) to the audited Consolidated FS for the year ended December 31, 2014 and does not represent actual amounts received by the related parties.*

Included in accounts payable and accrued liabilities at December 31, 2014 is $32,216 (2013 - $15,829) due to related parties. Amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment.

The amounts charged to the Company for the transactions provided have been determined by negotiations amongst the parties. These transactions were in the normal course of operations and management believes that they were incurred on the same basis as similar transactions with non-related parties.

FINANCIAL ACCOUNTING POLICY CHANGES ISSUED BUT NOT YET IN EFFECT

The following new standards and interpretations are not yet effective and have not been applied in preparing the Consolidated FS for the year ended December 31, 2014. The Company is currently evaluating the potential impacts of these new standards.

- IFRS 9 *Financial Instruments*, replaced IAS 39 - *Financial Instruments: Recognition and Measurement* and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

FINANCIAL INSTRUMENTS AND RISK

Fair value

IFRS 7 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2014, the Company's financial instruments are comprised of cash and cash equivalents, marketable securities, receivables, excluding GST receivable, and accounts payable and accrued liabilities. The carrying value of receivables, and accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of these financial instruments.

Financial instruments measured at fair value on the statements of financial position are summarized in levels of fair value hierarchy as follows:

December 31, 2014

Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 57,830	$ -	$ -	$ 57,830
Marketable securities	8,000	-	-	8,000
Total	$ 65,830	$ -	$ -	$ 65,830

December 31, 2013

Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 233,176	$ -	$ -	$ 233,176
Marketable securities	9,600	-	-	9,600
Total	$ 242,776	$ -	$ -	$ 242,776

Risk Management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of potential loss to the Company if a customer or counterparty to a financial instrument fails to meets its contractual obligations. The Company's credit risk is limited to the carrying amount on the statement of financial position and arises from the Company's cash and cash equivalents, marketable securities, and receivables.

The Company's cash and cash equivalents are held through a Canadian chartered bank, which is a high-credit quality financial institution.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2014, the Company had a cash balance of $57,830, and it does not have sufficient funds to settle its current liabilities of $58,814. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Market risk

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

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term certificates of deposits issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its bank.

(b) Foreign currency rate risk

While the Company is domiciled in Canada and its capital is raised in Canadian dollars, a portion of its business is conducted in the United States of America. As such, it is subject to risk due to fluctuations in the exchange rate between the Canadian and US dollars.

Management believes the foreign exchange risk derived from currency conversions is insignificant and therefore does not hedge its foreign exchange risk.

Based on its knowledge of and experience in the financial markets, management does not believe that the Company's current financial instruments will be materially affected by credit risk, liquidity risk or market risk.

CAPITAL MANAGEMENT

The Company manages its cash and cash equivalents, and common shares as capital. The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the on-going business objectives including, but not limited to, pursuing the exploration of its exploration and evaluation assets, funding of future growth opportunities, and pursuit of new acquisitions; and

- to maximize shareholder return through enhancing share value.

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 manages its capital structure by issuing new shares, adjusting capital spending or disposing of assets. In addition, management of the Company's capital structure is facilitated through its financial and operational forecasting processes. The forecast of the Company's future cash flows is based on estimates of capital and operating expenditures, and other investing and financing activities. The forecast is regularly updated based on changes that the Company views as material to the accuracy of the forecast.

The Company's capital management objectives, policies and processes have not been changed over the period presented. The Company is not subject to any externally imposed capital requirements.

Risk Factors Relating to the Company's Business

As a company active in the mineral resource exploration and development industry, the Company is exposed to a number of risks.

Exploration Stage Operations

The Company's operations are subject to all of the risks normally incident to the exploration for and the development and operation of exploration and evaluation assets. The Company has implemented comprehensive safety and environmental measures designed to comply with government regulations and ensure safe, reliable and efficient operations in all phases of its operations. The Company maintains liability insurance, where reasonably available, in such amounts it considers prudent. The Company may become subject to liability for hazards against which it cannot insure or which it may elect not to insure against because of high premium costs or other reasons.

All of the Company's properties are still in the exploration stage. Mineral exploration and exploitation involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to avoid. Few properties that are explored are ultimately developed into producing mines.

Mineral exploration in various jurisdictions may involve consultation with First Nations groups. The Company endeavours to consult with such groups on a good faith basis, however, there are no guarantees the consultation process will result in decisions acceptable to all parties. The risk of unforeseen aboriginal title claims and disputes could affect the Company's existing operations as well as development projects and future acquisitions.

Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, extreme weather events, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the material processed and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining.

There is no assurance that commercial quantities of ore will be discovered. Even if commercial quantities of ore are discovered, there is no assurance that the properties will be brought into commercial production or that the funds required to exploit mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The commercial viability of a mineral deposit once discovered is also dependent on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices. Most of the above factors are beyond the control of the Company.

There can be no assurance that the Company's mineral exploration activities will be successful. In the event that such commercial viability is never attained, the Company may seek to transfer its property interests or otherwise realize value or may even be required to abandon its business and fail as a "going concern".

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with other companies with greater technical and financing resources than itself with respect to acquire properties of merit, the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.

Commitments

The Company's commitment on its expired office lease agreement which commenced on March 1, 2011 and ended on February 28, 2015 is as follows:

2015	$ 6,924
	$ 6,924

The Company entered into a new office sub-lease agreement commencing March 1, 2015 which will end on May 31, 2016. Future minimum lease payments are as follows:

2015	$ 12,664
2016	6,330
	$ 18,994

Outlook

The Company will need to raise additional funds to advance its property portfolio and to fund 2015 exploration field programs for the Rattlesnake-Natrona Property in Wyoming, the Elephant Mountain Property in Alaska, and the Pardo and Flint Lake Joint Ventures in Ontario. Furthermore acquisition evaluations will need to be funded. The Company will also need to raise additional funds to meet its future estimated overhead expenditures. The Company is working to secure those funds from conventional equity financing sources, from private investors, through farm-outs of existing properties in the Company's portfolio and from strategic partnerships. Failure to raise such funds on a timely basis could cause the Company to suspend its operations and eventually to forfeit or sell its interest in its properties.

Forward-Looking Statements

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the Securities Acts in British Columbia and Ontario. This includes statements concerning the Company's plans at its exploration and evaluation assets, which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such 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 information, including, without limitation, the ability of the Company to continue to be able to access the capital markets for the funding necessary to acquire and maintain exploration properties and to carry out its desired exploration programs; inability to fund the Company's share of costs incurred under JV agreements to which it is a party, and reduction or elimination of its JV interest as a result; competition within the minerals industry to acquire properties of merit, and competition from other companies possessing greater technical and financial resources; difficulties in executing exploration programs on the Company's proposed schedules and within its cost estimates, whether due to weather conditions in the areas where it operates, increasingly stringent environmental regulations and other permitting restrictions, or other factors related to exploring of its properties, such as the availability of essential supplies and services; factors beyond the capacity of the Company to anticipate and control, such as government regulations relating to health, safety and the environment, and the scale and scope of royalties and taxes on production; the availability of experienced contractors and professional staff to perform work in a competitive environment and the resulting adverse impact on costs and performance and other risks and uncertainties, including those described in each management's discussion and analysis of financial condition and results of operations. In addition, forward-looking information is based on various assumptions including, without limitation, assumptions associated with exploration results and costs and the availability of materials and skilled labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.